Doing Business in Russia 2012

Comparing Regulation for Domestic Firms in 30 Cities and with 183 Economies
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A copublication of the World Bank and the International Finance Corporation
Doing Business in Russia 2012 is the second subnational report in the Doing Business series in Russia. In 2009, quantitative indicators on business regulations were published for 10 cities: Irkutsk, Kazan, Moscow, Perm, Petrozavodsk, Rostov-on-Don, Saint Petersburg, Tomsk, Tver, and Voronezh. This year, Doing Business in Russia in 2012 documents improvements in the 10 cities previously measured and expands the analysis to 20 new cities across the nation: Kaliningrad, Kaluga, Kemerovo, Khabarovsk, Kirov, Murmansk, Novosibirsk, Omsk, Saransk, Stavropol, Surgut, Ulyanovsk, Vladivostok, Volograd, Vyborg, Yakutsk, Yaroslavl, and Yekaterinburg. Data for Moscow is taken from the annual Doing Business report. The selection criteria include the level of urbanization, population, economic activity, political and geographical diversity, and other factors. The cities were selected by the Ministry of Economic Development of the Russian Federation.

Comparisons with other economies are based on Doing Business 2012—Doing Business in a more transparent world—the ninth in a series of annual reports published by The World Bank and International Finance Corporation. The indicators in Doing Business in Russia 2012 are also comparable with more than 352 cities from 54 economies benchmarked in other subnational Doing Business studies. All data and reports are available at http://subnational.doingbusiness.org and www.doingbusiness.org.

Doing Business investigates the regulations that enhance business activity and those that constrain it. Regulations affecting 4 stages of the life of a business are measured at the subnational level in Russia: starting a business, dealing with construction permits, getting electricity, and registering property. These indicators were selected because they cover areas of local jurisdiction or practice. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why. The data in Doing Business in Russia 2012 are current as of November 2011.
Executive summary

The Russian Federation is a vast country of great capacity. Over the past decade its GDP has grown by an annual average of 4.9%, doubling real disposable income and enabling the emergence of a middle class. This growth has been fueled primarily by revenues from commodity producers. Russia’s emerging economy depends on oil and gas commodities, which in 2011 accounted for about half of federal revenue and nearly two-thirds of exports.

Despite the abundance of natural resources, Russia has not grown at the same pace as other large emerging economies. Over the past 20 years, China’s GDP has increased 10% a year on average and India’s by 6%. The global financial crisis of 2008/09 drew attention to the fragility of growth based on natural resources. Weak competition, poor investment and lack of innovation constrain growth.

According to the World Bank’s Enterprise Surveys, in 2009 Russian managers spent 20% of their time dealing with government regulations—more than twice as much as their peers in the 10 EU emerging countries. According to the World Economic Forum 2011–12 rankings, Russia is in the bottom decile on the burden of government regulation, with its weak institutional framework cited as a key obstacle to growth. Even when laws and regulations do not obstruct firms’ entry and exit, application and enforcement of rules often remain inconsistent.

Russia has significant differences between regions. More than 80% of the population lives in the Western part of the country, and nearly 73% live in cities. Economic activity is also highly concentrated. In 2010 Moscow had the country’s highest gross regional product—more than five times that of Saint Petersburg, which was second. Muscovites had an income per capita of about 730,000 rubles ($25,000), many times that in other regions and two and a half times national income per capita ($9,900).

Much of the difference in regional economic performance is caused by natural resources. For example, in Omsk Oblast just over two-thirds of goods and services are produced by the oil and coal industries. But Novosibirsk, for instance, has a legacy of scientific research. Kaluga Oblast has attracted significant foreign direct investment in recent years, particularly from foreign car manufacturers.

Promoting small and medium-size firms as an engine of growth, employment and revenue diversification has become a focus of government policy. In 2010 the government invested 600 million euros ($777 million) in start-up grants, micro loans, support for youth entrepreneurship, and business training, and 140,000 jobs were created. Still, small and medium-size firms account for 20% of employment in Russia, less than in Brazil (25%), Turkey (35%) or USA (42%).

The government aims to remove structural barriers to growth to further boost small and medium-size enterprises. The strategy for economic development through 2020 emphasizes increasing competition, creating an economic environment that encourages long-term investment and promoting investment. In 2011 the government committed to making Russia one of the most inviting places to do business, and a national initiative has been created to spearhead improvements in the investment climate for all businesses—domestic and foreign.

The investment climate agenda includes comprehensive policy reforms ranging from easing doing business to simplifying regulation, privatization, improving competition and supporting innovation.

WHAT DOES DOING BUSINESS IN RUSSIA 2012 MEASURE?

Doing Business tracks business regulations that affect small and medium-size domestic limited liability companies. Moscow represents Russia in the annual Doing Business publication, which compares 183 economies worldwide. But entrepreneurs in Russia face different local practices depending on where they establish their businesses. Doing Business in Russia 2009 was the first sub-national project to go beyond Moscow and capture regional regulatory differences in 10 cities on 4 Doing Business topics: starting a business, dealing with construction permits, registering property, and trading across borders.

This report updates the information from 2008 and tracks the progress in implementation of business reforms on 3 topics—starting a business, dealing with construction permits, and registering property. It also measures a new indicator—getting electricity—and expands the analysis to cover 20 additional cities. The summary results are presented in table 1.1.
### TABLE 1.1 Doing Business in Russia 2012—where is it easier?

<table>
<thead>
<tr>
<th>City</th>
<th>Region</th>
<th>Aggregate rank</th>
<th>Ease of starting a business</th>
<th>Ease of dealing with construction permits</th>
<th>Ease of getting electricity</th>
<th>Ease of registering property</th>
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<td>Tomsk Oblast</td>
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<td>17</td>
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<td>Moscow</td>
<td>Moscow</td>
<td>30</td>
<td>25</td>
<td>30</td>
<td>30</td>
<td>26</td>
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</tbody>
</table>

Note: The aggregate rank is based on the starting a business, dealing with construction permits, getting electricity and registering property indicators. See Data notes for details.
Source: Doing Business database.

Some observations should be made. First, this year’s aggregate ranking should not be compared to the one in Doing Business in Russia 2009 for various reasons. The new aggregate ranking includes getting electricity, while the old ranking included trading across borders. Some changes can also be attributed to recent updates to the dealing with construction permits indicator methodology. In addition, 20 new cities were added.

Second, consistent performers stay at the top—Kazan, for example, was already doing well on the areas of starting a business and registering property in 2009 and continues to be among the top performers on these indicators, despite the addition of 20 new cities. Irkutsk remained ranked in the top third of cities measured for starting a business and dealing with construction permits, thanks to continuous reforms.

Third, no city does equally well in all areas. For example, Rostov-on-Don ranks well on getting electricity and registering property, but lags behind on starting a business. Kaliningrad ranks third on the ease of dealing with construction permits, but in the bottom third on getting electricity and registering property. Saint Petersburg climbed to the top of the classification on starting a business due to reforms, but lags in other areas. These results can guide policy makers on areas where improvements are possible without major legislative changes. Cities can share experiences and learn from each other.

Finally, the demand for business services is usually lower in smaller cities than in large business centers. That can lead to bottlenecks and higher costs for services in large cities, but these also benefit from economies of scale and might have more resources to invest in administrative modernization.

### RUSSIA FROM A GLOBAL PERSPECTIVE

From a global perspective Russia, represented by Moscow, ranks 120 of 183 economies on the ease of doing business across 10 indicators according to Doing Business in 2012: Doing Business in a More Transparent World. While Russia does well on some indicators, especially enforcing contracts and registering property, it lags on others, including those measured by this report.

Over the past 7 years, 163 economies have made regulation more business-friendly. Russia is among the 30 economies that improved the most. Since 2005 it has made 15 improvements across 9 indicators (table 1.2).
TABLE 1.2 Russia reformed in 9 of 10 areas covered by Doing Business over the last 7 years

<table>
<thead>
<tr>
<th>Indicator</th>
<th>DB 2006 Total</th>
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<tbody>
<tr>
<td></td>
<td>DB 2006</td>
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<tr>
<td></td>
<td>DB 2007</td>
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<td></td>
<td>DB 2008</td>
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<td></td>
<td>DB 2009</td>
</tr>
<tr>
<td></td>
<td>DB 2010</td>
</tr>
<tr>
<td></td>
<td>DB 2011</td>
</tr>
<tr>
<td><strong>Starting a business</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Dealing with construction permits</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Getting electricity</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Registering property</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Getting credit</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Protecting investors</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Paying taxes</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Trading across borders</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Enforcing contracts</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Resolving insolvency</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
</tr>
</tbody>
</table>

Note: Getting electricity reforms are recorded for the first time in Doing Business 2012.
Source: Doing Business database.

Policy makers increasingly recognize the importance of measuring improvements in their countries over time and assessing how much they have narrowed the gap with the regulatory systems of top-performing economies, such as Singapore or New Zealand. Comparing Russia’s performance between 2005 and 2011 on each indicator shows how far it has moved toward the most efficient global practices and regulations on each area covered by Doing Business. The pace of change varies widely across the areas measured (figure 1.1).

Since 2005, much progress has been made in some of the areas where Russia was lagging—including dealing with construction permits. Since Doing Business 2012 was published, further improvements were documented. In the fall of 2011, Moscow issued regulations to streamline approvals for construction permits with the goal of eliminating about half of preconstruction requirements. Four approvals—the certificate of compliance with the communication lines and power grids from Mosgorgeotrest (Sketch No 2), its approval from the Moscow Architecture Committee, the approval from the Moscow City Transport Agency and the construction passport from Mosgorgeotrest—were removed, and delays were reduced by 31 days.17

BUSINESS REFORMS SINCE 2008 IN 10 CITIES

Doing Business in Russia 2009 identified good practices, pointed out bottlenecks and recommended improvements in 10 cities.18 This report tracks progress in each. The findings are encouraging: 27 improvements made it easier to do business since 2008, making it simpler, cheaper or faster to complete the 3 transactions measured. For starting a business, 7 of the 10 cities measured twice showed progress in gradually implementing federal law at the local level. For dealing with construction permits and registering property, each of the 10 cities had improvements (table 1.3).

TABLE 1.3 All 10 cities benchmarked in 2008 introduced improvements in at least 2 out of 3 areas

<table>
<thead>
<tr>
<th>City</th>
<th>Starting a business</th>
<th>Dealing with construction permits</th>
<th>Registering property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irkutsk</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kazan</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Moscow</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Perm</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Petrozavodsk</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Rostov-on-Don</td>
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<td>✓</td>
</tr>
<tr>
<td>St. Petersburg</td>
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<td>✓</td>
</tr>
<tr>
<td>Tomsk</td>
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<tr>
<td>Tver</td>
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<td>✓</td>
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</tr>
<tr>
<td>Voronezh</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓ Doing Business reform making it easier to do business.
Source: Doing Business database.

Thanks to better one-stop shops for company and tax registration and improved coordination between one-stop shops, the statistics office and social funds, 2 to 4 business start-up procedures were eliminated in 7 cities.19 Moreover, a federal regulation passed in January 2011 stipulates that medical insurance registration can be done through the pension fund.20 As a result, in Irkutsk, Rostov-on-Don, Tomsk and Voronezh a separate visit to the medical
Today it is 25. The average time dropped permits across the 10 cities measured was 2008. The 2004 Federal Urban Development Code led to improvements across Russian cities. Four years ago, the average number of procedures needed to deal with construction permits across the 10 cities measured was 35. Today it is 25. The average time dropped by almost 40%, from 520 days in 2008 to 269 in 2011. In Moscow it took almost 2 years to complete the paperwork to obtain a construction permit in 2008—today it takes 392 days (figure 1.2).

Property registration has been streamlined across Russia since 2008. A 2008 law created the Federal Service of Registration, Cadastre and Cartography Rosreestr, unifying management of ownership registration and land cadastre. Since 2009 cadastral information on buildings is being transferred to the property registry Rosreestr. The database combining the cadastre and the register of property rights can facilitate planning and local development. It makes procedures simpler for entrepreneurs wanting to register property because all information can be found in one place.

FIGURE 1.2 Moscow made dealing with construction permits more efficient since 2008—but still faces challenges

Comparing regulations in 30 cities

Starting a business

Starting a business takes on average 9 procedures, 23 days and costs 2.3% of income per capita in the 30 cities studied. It is easiest to start a business in Saint Petersburg and more cumbersome in Surgut. After registering at one-stop shops, entrepreneurs can either pick up in person the necessary certificates from the medical, social security and pension funds, as well as the statistics office, or wait for them by mail.

Depending on the option most commonly chosen, the number of interactions ranges from 7 in Kirov, Murmansk, Perm, Petrozavodsk, Saint Petersburg, Stavropol, Yakutsk and Yaroslavl to 12 in Vladikavkaz. The time needed varies from 16 days in Kaliningrad to 33 in Yekaterinburg. The average start-up cost of 2.3% of income per capita places Russia among the 30 cheapest economies to start a business. The cost varies from 1.7% of income per capita in Kazan to 3% in Khabarovsk and Surgut. Because the registration fee is regulated by federal law, local variations are due to different fees charged by banks, notaries and seal makers.

Dealing with construction permits

To comply with requirements for building a warehouse and connecting it to utilities, 16 steps are needed in Murmansk and 20 in Novosibirsk—but 47 in Moscow. The variations, due to regulatory differences, are most marked during the preconstruction phase, with 6 steps in Murmansk, Surgut, and Yekaterinburg, but 21 requirements in Moscow and 18 in Voronezh. As a result of the different complexities of the construction permitting systems across cities, there is also considerable variation in the time it takes, from about 5 months in Surgut to a year or more in Moscow, Tver and Voronezh. The variation in costs across cities is due to the varying costs of connecting to utilities and conducting topographic and geodesic surveys.

Getting electricity

To get electricity, Russian entrepreneurs must complete 6 to 10 steps that take from 4 months in Saransk and Vladikavkaz to 1 year in Yekaterinburg. Design approval is a particularly complicated stage. It might involve several trips to public agencies and last from 30 days in Surgut to 120 days in Murmansk and Petrozavodsk. In Kemerovo, Perm, Rostov-on-Don, Samara, Stavropol and Yakutsk, utilities complete the connection design, its approvals and external connection works in-house.

In other cities customers hire electrical design firms and contractors. Connecting a building to electricity costs an average of 661.5% of income per capita, more than in Brazil (130%), Turkey (624%) or China (641%), but less than in Nigeria (1,056%) or Vietnam (1,343%). Connection costs consist of fees charged by distribution utilities and fees charged by private firms for connection design and works. In Omsk the cost is 112% of income per capita, while in Samara and Moscow it is far more expensive at 1,153% and 1,852% of income per capita ($114,259 and $183,575), respectively.

Registering property

Registering property is easy and cheap in Russia. Russian entrepreneurs carry out on average 4 procedures over 35 days, paying 0.23% of property value to transfer property titles, similar to the OECD average of 5 procedures and 31 days. Of the 30 cities studied, 18 require only 3 procedures to verify proper ownership, check buyer and seller information and register transfers at the property
registry. Other cities have 1 or 2 additional steps. For example, in Kirov, Murmansk, Saint Petersburg, Tomsk and Yekaterinburg entrepreneurs usually notarize official documents, though it is not required by law. In Khabarovsk registering property takes only 13 days—while in Saint Petersburg it takes 44 days.

Registration fees are among the lowest in the world. They vary from 0.2% of property value in 26 of the 30 cities to 0.53% in Kaliningrad and 0.4% in Yakutsk—well below the OECD average of 4.4% of property value.

LEARNING FROM EACH OTHER

Reform-minded local governments can use Doing Business indicators to motivate and sustain reform efforts. There is no need to reinvent the wheel: it is sufficient to start by introducing improvements successfully implemented in other cities (table 1.4).22 Moscow and most other cities are among the top 10 economies worldwide when it comes to the low cost of registering property. Starting a business is also inexpensive: Kazan’s cost of 1.73% of income per capita is similar to Norway’s. Reducing property registration requirements to 3 procedures lasting 13 days, like in Khabarovsk, would mean that the hypothetical city ranks 12 on the number of requirements and 28 on the delay. If a city were to adopt Omsk’s low cost to get electricity, entrepreneurs would pay 112% of income per capita for an electricity connection, cheaper than in three-quarters of economies measured by Doing Business.

If it took 150 days like in Surgut to obtain a construction permit, the hypothetical city’s time would rank 78 globally. With Kazan’s cost of 40% of income per capita to obtain a construction permit, it would have a cost similar to Brazil or Switzerland. However, for simplifying the construction permitting process or the requirements and delays to get an electricity connection, adoption of good local practices would still leave the country lagging behind other countries. Looking beyond its borders to regional and global good practices could help identify better and more efficient practices which would allow the authorities to formulate policies aimed at making additional improvements in cities across Russia.

Benchmarking exercises like Doing Business inspire governments to improve business regulation. They uncover bottlenecks and identify where policymakers can look for good practices. Comparisons between cities in the same country can be drivers of reform because it is harder for local governments to justify why doing business in their cities is more burdensome than in neighboring cities. Sharing a national legal framework facilitates implementation of good local practices. National governments can also use Doing Business data to monitor how efficiently local branches of agencies implement national regulation.

Consistent reformers have a long-term agenda and continuously push forward. They stay focused by setting specific goals and regularly monitor progress. The top-ranked economy on the ease of doing business, Singapore, introduces business reforms every year. Other policymakers—such as the Dutch Advisory Board on Administrative Burden and the UK Better Regulation Executive—routinely assess existing regulation and manage the flow of new regulation. In the UK a program between 2005 and 2010 reduced the burden of regulatory compliance by a quarter, saving firms £3.5 billion ($5.53 billion).23 New initiatives are under way.

Cumulative business reforms across a range of topics produce the best results. Cooperation across different government agencies, at both local and national levels, is necessary for wide-ranging reforms. Political will and vision coming from a reform champion—whether the president, minister, or mayor—is central to success. Moreover, consistent reformers are inclusive—involving all relevant stakeholders, including the

<table>
<thead>
<tr>
<th>TABLE 1.4 Good practices in Russian cities compared internationally</th>
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</thead>
<tbody>
<tr>
<td><strong>Indicator</strong></td>
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</tr>
<tr>
<td>Starting a business</td>
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<td>Dealing with construction permits</td>
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<tr>
<td>Getting electricity</td>
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<tr>
<td>Registering property</td>
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* Data published in Doing Business in 2012, as measured for Moscow by June 2011.

Source: Doing Business database.
private sector, and institutionalizing the reform effort.

Payoffs from business reforms can be large. Saving time and money are often the immediate benefits for firms. In Mexico, local one-stop shops cut the time to start a business from 58 to 13 days. A recent study reports the payoffs: the number of new firm registrations rose by 5%, employment increased by 2.2%, and prices fell by nearly 1% because of the competition from new entrants. 24 In India, the progressive elimination of the license raj—a system of central controls on entry and production—led to a 6% increase in new firm registrations and highly productive firms entering the market experienced larger increases in real output than less productive ones. 25

To the extent that an easing of needlessly bureaucratic regulations and red tape contributes to improve the cost structure of firms, they also enhance their competitiveness and their ability to compete abroad. Improvements in the regulatory framework faced by the private sector—as captured by the Doing Business indicators—can be a powerful tool to facilitate the integration of the country into the global economy. The countries that, over the past several decades, have managed to increase their footprint in the global marketplace are also countries that have made sustained efforts to create a more conducive environment for private sector development and better and more efficient rules have been an integral part of these efforts.

NOTES
5. The EU 10 countries include the 8 Central European countries that joined the European Union in 2004: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia; and Bulgaria and Romania, that joined the EU in 2007, “EU 10 Regular Economic Report,” World Bank, 2011.
10. Russia defines a micro company as having 1 to 15 employees and a turnover of RUB 60 mln, a small company as having 16 to 100 employees and an annual turnover of RUB 400 mln. A medium-size company is defined as having 101 to 250 employees and an annual turnover of RUB 1 bln. Source: European Commission. Enterprise and Industry. Small and medium-size enterprises (SMEs). SME Definition; Federal law #209-FZ “On small and medium business development in Russian Federation.” http://www.doingbusiness.ru/definition-of-sme/support-contacts/sme-support/definition-of-sme-eu-vs-russia/item.
11. APEC: Asia Pacific Economic Cooperation, “The SME Sector Progress in Russia is a Pavestone in the Road to APEC Summit—2012,” http://www.google.com/url?q=http://smb.gov.ru/content/download/attached/1441/download.php&sa=U&ei=gZeQT4OR8eH26AHXwqWLBA&ved=0CBEQfJAA6sig2=16gVubivMnFQ-ozDEXmQ &usg=AFQjCNGzEeu2ASKUV7hEvcaq71CB1bpWPw.
15. In addition to limited liability companies, there are several other forms of incorporation in Russia. Sole proprietors are also an important part of the business landscape. Of the 3.1 million active SMEs in Russia 1.9 million are individual entrepreneurs (http://www.gks.ru/free_doc/new_site/business/prom/small_business/pred_ito.htm).
16. Because getting electricity was including in the aggregate ease of doing business ranking, the procedures, time and cost related to the electricity connection were removed from the dealing with construction permits indicator. See Data notes for details.
17. Moscow City Government Resolution No. 263 from June 14, 2011.
18. Irkutsk, Kazan, Moscow, Perm, Petrozavodsk, Rostov-on-Don, Saint Petersburg, Tomsk, Tver, Voronezh.
19. Irkutsk, Perm, Petrozavodsk, Rostov-on-Don, Saint Petersburg, Tomsk, Voronezh.
22. This calculation is based on Doing Business 2012: Doing business in a more transparent world data under the assumption that data for all other economies remain unchanged.
23. Nineteen U.K. government departments participated in the program, which started with an extensive quantification exercise in the summer of 2005. In May 2010 the target was met: a total cost reduction for businesses of £3.5 billion. Based on this experience, a new target was set: to cut the ongoing costs of regulation by another £6.5 billion by 2015. Available at http://www.bis.gov.uk.
A vibrant private sector—with firms making investments, creating jobs and raising productivity—promotes growth and expands opportunities for poor people. To foster a vibrant private sector, governments around the world have implemented wide-ranging reforms, including price liberalization and macroeconomic stabilization programs. But governments committed to the economic health of their country and opportunities for their citizens focus on more than macroeconomic conditions. They also pay attention to laws, regulations and institutional arrangements that shape daily economic activity.

Until 10 years ago there were no globally available indicator sets for monitoring such microeconomic factors and analyzing their relevance. The first efforts, in the 1980s, drew on perceptions data from expert or business surveys that often capture onetime experiences of businesses. Such surveys can be useful gauges of economic and policy conditions. But few perception surveys provided indicators with annually updated global coverage.

The Doing Business project takes a different approach from perception surveys. It looks at domestic, mainly small and medium-size companies, and measures the regulations applied to them in life cycles. Based on standardized case studies, it presents quantitative indicators on regulation that can be compared across 183 economies and over time. This approach complements perception surveys in exploring the major constraints for businesses, as experienced by businesses and in the regulations applied to them.

Regulations are under the control of policymakers—and policymakers intending to change the experiences of businesses often start by changing regulations that affect them. Doing Business goes beyond identifying problems and points to regulations that may need reform. And its quantitative measures enable research on how regulations affect firm behavior and economic outcomes.

The first Doing Business report, published in 2003, covered 5 indicators and 133 economies. This year’s report covers 11 indicators and 183 economies. Ten topics are included in the aggregate rankings on the ease of doing business. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business.

WHAT DOES DOING BUSINESS IN RUSSIA 2012 COVER?
Doing Business in Russia 2012 provides quantitative measures of national and local regulations for 4 Doing Business indicators: starting a business, dealing with construction permits, getting electricity and registering property as they apply to domestic small and medium-size enterprises.

A fundamental premise of Doing Business is that economic activity requires good rules. These include rules that establish and clarify property rights and reduce the costs of resolving disputes, rules that increase the predictability of economic interactions and rules that provide contractual partners with core protections against abuse. The goal: regulations designed efficient and simple in their implementation to all who need to use them. Accordingly, some Doing Business indicators give a higher score for more regulation, such as stricter disclosure requirements in related-party transactions. Some give a higher score for a simplified way of implementing existing regulation, such as completing business start-up formalities in a one-stop shop.

Doing Business in Russia 2012 encompasses time and motion indicators that measure the efficiency and complexity of achieving a regulatory goal, such as granting the legal identity of a business. Cost estimates are recorded from official fee schedules where applicable. A regulatory process such as starting a business or registering property is broken down into clearly defined steps and procedures. Doing Business builds on Hernando de Soto’s pioneering work in applying the time and motion approach first used by Frederick Taylor to revolutionize the production of the Model T Ford. De Soto used the approach in the 1980s to show the obstacles to setting up a garment factory on the outskirts of Lima, Peru.

WHAT DOING BUSINESS IN RUSSIA 2012 DOES NOT COVER
Just as important as knowing what Doing Business in Russia 2012 does is to know what it does not.

Limited in scope
Doing Business in Russia 2012 focuses on 4 topics with the goal of measuring the regulation and red tape that affect small and medium-size firms. Accordingly, the report does not:

• Measure all 11 indicators covered in the global Doing Business report. The report covers 4 areas of regulation that are the provenance of local governments and where local differences exist: starting a business, dealing with construction permits, getting electricity and registering property.
• Measure all aspects of the business environment that matter to firms or investors—or all factors that affect
competitiveness. It does not, for example, measure security, macroeconomic stability, corruption, labor skills, institutional strength or all aspects of infrastructure quality. Nor does it focus on regulations specific to foreign investment.

- Cover all regulations, or regulatory goals, in any city. As economies and technology advance, more areas of economic activity are being regulated. For example, the European Union’s body of laws has expanded to 14,500 rule sets. *Doing Business in Russia 2012* measures just 4 phases of a company’s life cycle. The indicator sets also do not cover all aspects of regulation in the particular area. For example, the indicator on starting a business does not cover all aspects of commercial legislation.

**Based on standardized case scenarios**

The indicators in *Doing Business in Russia 2012* are based on standardized case scenarios with specific assumptions, such as that the business is located in one of the 30 Russian cities measured by the report. Economic indicators commonly make limiting assumptions of this kind. Inflation statistics, for example, are often based on prices of consumer goods in a few urban areas. Such assumptions allow global coverage and enhance comparability, but they come at the expense of generality.

In areas where regulation is complex and highly differentiated, the standardized case used to construct each indicator in the report needs to be carefully defined. Where relevant, the standardized case assumes a limited liability company. This choice is partly empirical: limited liability companies are the most prevalent business form in most economies. The choice also reflects a focus of *Doing Business*: expanding opportunities for entrepreneurship. Investors are encouraged to venture into business when potential losses are limited to their capital participation.

**Focused on the formal sector**

In constructing the indicators, *Doing Business in Russia 2012* assumes that entrepreneurs are knowledgeable about all regulations and comply with them. In practice, entrepreneurs may spend considerable time finding out where to go and what documents to submit. Or they may avoid legally required procedures—for example, by not registering for social security.

Where regulation is onerous, informality is higher. Informality comes at a cost: firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and their workers remain outside the protections of labor law. All this may be even more so for female-owned businesses. Informal firms are also less likely to pay taxes. *Doing Business* measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of reform. Gaining a fuller understanding of the broader business environment, and a broader perspective on policy challenges, requires combining insights from *Doing Business* with data from other sources, such as the World Bank Enterprise Surveys.

**WHY THIS FOCUS**

*Doing Business* functions as a kind of cholesterol test for the regulatory environment for domestic businesses. A cholesterol test does not tell us everything about the state of our health. But it does measure something important for our health. And it puts us on watch to change behaviors in ways that will improve not only our cholesterol rating but also our overall health.

One way to test whether *Doing Business* serves as a proxy for the broader business environment and for competitiveness is to look at correlations between *Doing Business* rankings and other major economic benchmarks. Closest to *Doing Business* in what it measures are the indicators on product market regulation compiled by the Organization for Economic Co-operation and Development (OECD). These indicators are designed to help assess the extent to which the regulatory environment promotes or inhibits competition. They include measures of the extent of price controls, the licensing and permit system, the simplicity of rules and procedures, administrative burdens and legal and regulatory barriers, the prevalence of discriminatory procedures, and the degree of government control over business enterprises. The rankings on these indicators—for the 39 economies covered, several of them large emerging markets—are highly correlated with those on the ease of doing business, with a correlation of 0.72.

Similarly, there is a high correlation (0.82) between rankings on the ease of doing business and those on the World Economic Forum’s Global Competitiveness Index, a much broader measure capturing such factors as macroeconomic stability, aspects of human capital, the soundness of public institutions and the sophistication of the business community. Economies that do well on *Doing Business* indicators tend to do well on the OECD market regulation indicators and the Global Competitiveness Index and vice versa.

A bigger question is whether the issues on which *Doing Business* focuses matter for advancing development and reducing poverty. The World Bank study *Voices of the Poor* asked 60,000 poor people around the world how they thought they might escape poverty. The answers were unequivocal: women and men alike pin their hopes on income from their businesses or wages. Enabling growth—and ensuring that poor people can participate in its benefits—requires an environment where new entrants with drive and good ideas, regardless of their gender or ethnic origin, can get started in business and good firms can invest and grow, generating jobs.

Small and medium-size enterprises are key drivers of competition, growth and job creation, particularly in developing economies. But in these economies up to 80% of economic activity takes place in the informal sector. Excessive bureaucracy and regulation may prevent firms from entering the formal sector. Even firms in the formal sector might not have equal access to transparent rules and regulations, affecting their ability to compete, innovate and grow.

Where regulation is burdensome and competition limited, firms’ success tends to depend more on whom their owners know than on what they can do. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for aspiring entrepreneurs, regardless of their connections, to operate under the rule of law and
to benefit from the opportunities and protections that it provides.

In this sense Doing Business values good rules as a key to social inclusion. It also provides a basis for studying effects of regulations and their application. For example, Doing Business 2004 found that faster contract enforcement was associated with perceptions of greater judicial fairness—suggesting that justice delayed is justice denied.8

DOING BUSINESS IN RUSSIA 2012 AS A BENCHMARKING EXERCISE

Doing Business in Russia 2012, in capturing key dimensions of regulatory regimes, can be useful for benchmarking. Any benchmarking—for individuals, firms or economies—is necessarily partial: it is valid and useful if it helps sharpen judgment, less so if it substitutes for judgment.

Reviewing the Doing Business rankings in isolation may show unexpected results. Some cities might rank unexpectedly high on some indicators. And some cities that have had rapid growth or attracted a lot of investment might rank lower than others that appear less dynamic.

But for reform-minded local governments, how much the regulatory environment for local entrepreneurs improves matters more than their relative ranking. As cities develop, they strengthen and add to regulations to protect investor and property rights. They also find more efficient ways to implement existing regulations and cut outdated ones. One finding of Doing Business is that dynamic and growing economies continually reform and update their regulations and their way of implementing them—while many poor economies still work with regulatory systems dating to the late 1800s.

WHAT RESEARCH SHOWS ON THE EFFECTS OF BUSINESS REGULATION

Nine years of Doing Business data, together with other datasets, have enabled a growing body of research on how specific areas of business regulation—and reforms—relate to social and economic outcomes. Some 873 articles have been published in peer-reviewed academic journals, and about 2,332 working papers are available through Google Scholar.9

Much attention has been given to exploring links to microeconomic outcomes, such as firm creation and employment. Recent research focuses on how business regulations affect the behavior of firms by creating incentives (or disincentives) to register and operate formally, create jobs, innovate and raise productivity.10 Many studies have also looked at the role played by courts, credit bureaus and insolvency and collateral laws in providing incentives for creditors and investors to increase access to credit. The literature has produced a range of findings.

Lower costs for business registration encourage entrepreneurship and enhance firm productivity. Economies with efficient business registration have a higher entry rate by new firms as well as greater business density.11 Economies where registering a new business takes less time see more businesses register in industries with the greatest potential for growth, such as those with higher global demand or new technology.12 Reforms making it easier to start a business tend to have a significantly positive effect on investment in product market industries such as transport, communications and utilities, which are often sheltered from competition.13 There is also evidence that more efficient business entry regulations improve firm productivity and macroeconomic performance.14

Simpler business registration translates into greater employment opportunities in the formal sector. Reducing start-up costs for new firms resulted in higher take-up rates for education, higher rates of job creation for highly skilled labor and higher average productivity because new firms are often set up by highly skilled workers.15 Lowering entry costs can boost legal certainty: businesses entering the formal sector gain access to the legal system, to the benefit of themselves and their customers and suppliers.16

Assessing the impact of policy reforms poses challenges. While correlations across economies can appear strong, it is difficult to isolate the effect of regulations given all the other factors that vary at the economy level. Such correlations usually do not show whether a specific outcome is caused by a specific regulation or whether it coincides with factors such as a more positive economic situation. So how is it possible to know whether things would have been different without a specific reform? Some studies have been able to test this by investigating variations in an economy over time. Other studies have investigated policy changes that affected only certain firms or groups. Several economy-specific impact studies have concluded that simpler entry regulations encourage the establishment of more firms:

• In Mexico one study found that a program that simplified municipal licensing led to a 5% increase in the number of registered businesses and a 2.2% increase in wage employment, while competition from new entrants lowered prices by 0.6% and the income of incumbent businesses by 3.2%.17 Other research found that the same licensing reform led to a 4% increase in start-ups and that the program was more effective in municipalities with less corruption and lower costs for other registration procedures.18
• In India the progressive elimination of the “license raj” led to a 6% increase in new firm registrations, and highly productive firms entering the market saw larger increases in real output than did less productive firms.19 Simpler entry regulation and labor market flexibility were found to be complementary. States with more flexible employment regulations saw a 25% larger decrease in informal firms and 17.8% larger gains in real output than did states with less flexible labor regulations.20 The licensing reform also led to a productivity improvement of 22% for firms affected by it.21
• In Colombia new firm registrations increased by 5.2% after the creation of a one-stop shop for businesses.22
• In Portugal the introduction of a one-stop shop for businesses led to a 17% increase in firm registrations and 7 new jobs for every 100,000 inhabitants compared with economies that did not implement the reform.23

A sound regulatory environment leads to stronger trade performance. Efforts to streamline the institutional environment for trade (such as by making customs more efficient) have benefits for trade.24 One study found that an inefficient trade environment was among the main factors in poor trade performance in Sub-Saharan economies.25 Another study identified government’s ability to formulate and implement sound policies and regulations that promote private sector development, customs efficiency, infrastructure quality and access to finance as important factors in improving trade.26

The same study found that economies with more constrained access to foreign markets benefit more from improvements in the investment climate than those with easier access.

Research also shows that an economy’s ability to enforce contracts is an important determinant of its comparative advantage in the global economy. Among comparable economies, those with good contract enforcement tend to produce and export more customized products than those with poor contract enforcement.27 Another study shows that in many developing economies, production of high-quality output is a pre-condition for firms to become exporters: institutional reforms that lower the cost of high-quality production increase the positive effect that facilitating trade can have on income.28 Removing barriers to trade should be accompanied by other reforms—such as making labor markets more flexible—to raise productivity and growth.29

Regulations and institutions that form part of financial market infrastructure—including courts, credit information systems, and collateral, creditor and insolvency laws—help ease access to credit. The World Bank’s Enterprise Surveys show that access to credit is a major constraint to businesses.30 Good credit information systems and strong collateral laws can help alleviate financing constraints. In 12 transition economies found that strengthening collateral laws increased the supply of bank loans by 13.7%.31 Creditor rights and the existence of credit registries, public or private, are both associated with a higher ratio of private credit to GDP.32 And sharing more information through credit bureaus is associated with higher bank profitability and lower bank risk.33

Economy-specific research assessed the effect of efficient debt recovery and exit processes in determining conditions of credit and in ensuring that less productive firms are restructured or exit the market:

• The establishment of specialized debt recovery tribunals in India sped up the resolution of debt recovery claims and allowed lenders to seize more collateral on defaulting loans. It also increased the probability of repayment by 28% and lowered interest rates on loans by 1–2 percentage points.34
• Following a broad bankruptcy reform in Brazil in 2005 that, among other things, improved the protection of creditors, the cost of debt fell by 22% and the level of credit rose by 39%.35
• Improving insolvency regimes that streamlined mechanisms for reorganization reduced the number of liquidations by 8.4% in Belgium and by 13.6% in Colombia because more viable firms opted for reorganization.36 In Colombia the new law better distinguished viable and nonviable firms, making survival more likely for financially distressed but viable firms.

HOW GOVERNMENTS USE DOING BUSINESS

Quantitative data and benchmarking can be useful in stimulating debate about policy, by exposing potential challenges and identifying where policy makers might look for lessons and good practices. For governments, a common first reaction is to doubt the quality and relevance of Doing Business data. Yet the debate typically proceeds to a deeper discussion exploring the relevance of the data to the economy and areas where reform might make sense.

Most reformers start out by seeking examples, and Doing Business helps in this effort (boxes 2.1 and 2.2). For example, Saudi Arabia used the company law of France as a model of for revising its own. Many economies in Africa look to Mauritius—the region’s strongest performer on Doing Business indicators—as a source of good practices for reform of business regulation. In the words of Luis Guillermo Plata, the former minister of commerce, industry and tourism of Colombia:

It’s not like baking a cake where you follow the recipe. No. We are all different. But we can take certain things, certain key lessons, and apply those lessons and see how they work in our environment.

BOX 2.1 How economies have used Doing Business in regulatory reform

To ensure coordination of efforts across agencies, economies such as Colombia, Rwanda and Sierra Leone have formed regulatory reform committees reporting directly to the president that use Doing Business indicators as one input to inform their programs for improving business environments. More than 20 other economies have formed such committees at the interministerial level, including India, Malaysia, Taiwan (China) and Vietnam in East and South Asia; the Arab Republic of Egypt, Morocco, Saudi Arabia, the Syrian Arab Republic, the United Arab Emirates and the Republic of Yemen in the Middle East and North Africa; Georgia, Kazakhstan, the Kyrgyz Republic, Moldova and Tajikistan in Eastern Europe and Central Asia; Kenya, Liberia, Malawi and Zambia in Sub-Saharan Africa; and Guatemala, Mexico and Peru in Latin America. Governments have reported more than 300 regulatory reforms that have been informed by Doing Business since 2003.

Over the past 9 years there has been much activity by governments in reforming regulation. Most reforms related to Doing Business topics were nested in broader programs aimed at enhancing economic competitiveness. In structuring their reform programs for the business environment, governments use
METHODOLOGY AND DATA

Doing Business in Russia 2012 covers 30 cities. The data are based on national and local laws and regulations as well as administrative requirements. (For a detailed explanation of the Doing Business in Russia 2012 methodology, see data notes).

Information sources for the data

Most of the indicators are based on laws and regulations. In addition, most of the cost indicators are backed by official fee schedules. Doing Business in Russia in 2012 respondents both fill out written surveys and provide references to the relevant laws, regulations and fee schedules, aiding data checking and quality assurance.

For some indicators part of the cost component (where fee schedules are lacking) and the time component are based on actual practices rather than laws on the books. This approach introduces a degree of subjectivity. Thus the Doing Business approach has been to work with legal practitioners or professionals who regularly conduct the transactions involved. Following the standard methodological approach for time and motion studies, Doing Business breaks down each process or transaction, such as starting and legally operating a business, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction.

The Doing Business approach to data collection contrasts with that of enterprise or firm surveys, which often capture one-time perceptions and experiences of businesses. A corporate lawyer registering 100-150 businesses a year will be more familiar with the process than an entrepreneur, who will register a business once or maybe twice. A bankruptcy judge deciding dozens of cases a year will have more insight into bankruptcy than a company that undergoes the process.

Development of the methodology

The methodology for calculating each indicator is transparent, objective and easily replicable. Leading academics collaborate in the development of the indicators, ensuring academic rigor. Eight of the background papers underlying the indicators have been published in leading economic journals.

Doing Business uses a simple averaging approach for weighting sub-indicators and calculating rankings. Other approaches were explored, including using principal components and unobserved components. The principal components and unobserved components approaches yielded results nearly identical to those of simple averaging. The tests show that each set of indicators provide sufficiently broad coverage across topics. So the simple averaging approach is used.

Improvements to the methodology

The methodology has undergone continual improvement over the years. Changes have been made mainly in response to suggestions from client economies. In accordance with the Doing Business methodology, these changes have been incorporated into Doing Business in Russia 2012.

For starting a business, for example, the minimum capital requirement can be an obstacle for potential entrepreneurs. Initially, Doing Business measured the required minimum capital regardless of whether it had to be paid up front. In many economies only part of the minimum capital has to be paid up front. To reflect the actual potential barrier to entry, the paid-in minimum capital has been used since 2004.

This year’s report removes procedures related to getting an electricity connection from dealing with construction permits indicators. This has been done to avoid double counting because the Doing Business report includes an 11th indicator this year—getting electricity.37 Doing Business in Russia 2012 has reflected the removal of procedures related to getting an electricity connection from dealing with construction permits to allow for international comparability.

All changes in methodology are explained in the data notes section of this report as well as on the Doing Business website. In addition, data time series for each indicator and city are available on the website. The website also makes available all original datasets used for background papers.

Information on data corrections is provided in the data notes and on the website. A transparent complaint procedure allows
anyone to challenge the data. If errors are confirmed after a data verification process, they are quickly corrected.

NOTES
1. This has included a review by the World Bank Independent Evaluation Group (2008) as well as ongoing input from the International Tax Dialogue.
9. According to searches on Google Scholar (http://scholar.google.com) and the Social Science Citation Index.
11. Klapper, Lewin, and Quesada Delgado. 2009. Entry rate refers to newly registered firms as a percentage of total registered firms. Business density is defined as the total number of businesses as a percentage of the working-age population (ages 18-65).


33. Ibid.


37. Data from previous years on dealing with construction permits have been adjusted to reflect this change. They are available on the Doing Business website under “historical data” (http://www.doingbusiness.org).
Starting a business

Boosting the growth of small and medium-size enterprises has become a policy priority for Russia. The government has proposed measures to encourage 60-70% of the population to become involved in entrepreneurial activity by 2020.1 The Ministry of Economic Development recently projected that the share of small and medium-size enterprises in GDP would reach 50% in 5–7 years.2 Support programs for small and medium-size firms have become a pillar in promoting industry diversification and innovation.

WHY DOES STARTING A BUSINESS MATTER?

Formal incorporation has many benefits. Legal entities outlive their founders. Resources can be pooled as several shareholders join together. Limited liability companies cap the financial liability of company owners to their investments, so personal assets are not put at risk. And companies have access to services and institutions—from courts to banks—as well as to new customers and markets. A recent study using data collected from company registries in 100 countries over 8 years found that simple business start-up is critical for fostering formal entrepreneurship. Countries with smart business registration have a higher entry rate as well as greater business density.3

Evidence from time series and country studies shows that reforms to ease business entry increase the number of new firms and sustain gains in economic performance, including in employment and productivity.4 In Russia, World Bank Enterprise Surveys from 27 of the cities studied by this report show a correlation between the cost of starting a business and sales and productivity growth. The difference between a city with an average cost of 2.4% of income per capita to start a business and one with 2.0% is associated with an increase in productivity of about 8% for small and medium-size firms. This change in cost is not correlated with any changes in productivity among large firms (figure 3.1).5 Lower costs to start a business can facilitate firm entry and raise competition which is conducive to greater productivity. Stronger competition might have a stronger impact on small and medium size firms, since most firms start small, especially in the short run.

WHAT DOES STARTING A BUSINESS MEASURE?

Doing Business measures the procedures, time and cost for small and medium-size limited liability companies to start and operate formally (figure 3.2). These requirements include obtaining needed licenses and permits and completing required notifications, verifications and inscriptions for the company and employees. The report also records the paid-in minimum capital that companies must deposit before registration. To make the data comparable across 183 economies, Doing Business uses a standardized business that is 100% domestically owned, has a start-up capital equivalent to 10 times income per capita, engages in

![FIGURE 3.1](https://via.placeholder.com/150)

**FIGURE 3.1** Lower start-up costs are correlated with an 8% increase in productivity for small and medium-size businesses across Russian cities

<table>
<thead>
<tr>
<th>Cost (% of income per capita)</th>
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<tbody>
<tr>
<td>Paid-in minimum capital</td>
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<tr>
<td>Number of procedures</td>
</tr>
<tr>
<td>Formal operation</td>
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<tr>
<td>Time (days)</td>
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Note: Productivity data obtained from the partial sample of firms of the World Bank Enterprise Surveys from 2011–12 (75% of the overall sample). The cost to start a business is obtained from Doing Business in Russia 2012; the analysis covers 27 of the 30 cities measured (all but Surgut, Petrozavodsk and Vladivostok). The significant correlation is found after controlling for other potential explanations of the correlation such as firms’ sector of activity, age, initial conditions, and the rate of growth of each city. See Data notes for details.

Source: Doing Business database.

![FIGURE 3.2](https://via.placeholder.com/150)

**FIGURE 3.2** The starting a business indicator measures the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running

<table>
<thead>
<tr>
<th>Cost (% of income per capita)</th>
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<tbody>
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<td>Paid-in minimum capital</td>
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Source: Doing Business database.
general industrial or commercial activities and has between 10 and 50 employees.

HOW DOES RUSSIA COMPARE GLOBALLY?

Governments are aware of the importance of reforms to business entry: the Doing Business database shows that simplifying business registration has been among the most common reforms introduced by governments since the report was introduced in 2004. But practices vary greatly. In New Zealand, the top global performer, an entrepreneur can register a business online in 15 minutes for $118.

Countries elsewhere have been learning from the best performers. In Eastern Europe, Belarus and the former Yugoslav Republic of Macedonia have been top reformers for several years, with company registration taking 3 days in FYR Macedonia and 5 days in Belarus, putting them among the top 10 economies on the ease of starting a business. At the other end of the spectrum, in India—ranked 166—it takes 12 procedures, 29 days, and 47% of income per capita to register a company. The gap between the top performers and economies still working on refining their business start-up procedures is shrinking thanks to 48 economies reforming on average each year, as recorded by Doing Business since 2006.

Moscow represents Russia in the annual Doing Business publication. The start-up process takes 9 procedures over 30 days and costs 2% of income per capita—among the cheapest in the world (figure 3.3). It ranks ahead of India, Indonesia, China, Brazil and Nigeria, but behind Vietnam, Turkey, and many high income OECD economies.

HOW DOES STARTING A BUSINESS WORK IN RUSSIA?

The 2001 law “On Registration of Legal Entities and Sole Proprietors” governs business start-up. Together with Canada, Russia is one of few countries around the globe with a single national database of registered companies valid throughout the whole country. In addition, Russian companies do not need to reserve a commercial name because their unique registration number is sufficient.

Under this unified framework, company and tax registration were combined and the Federal Tax Service became the main counterpart in charge of business start-up. The law stipulates the establishment of one-stop shops to centralize the following procedures: entering the new business into the Unified State Register of Legal Entities (EGRYUL), registering it with the tax authorities to obtain a taxpayer identification number and...
tax registration code, registering employees with the pension fund, the social security fund and the medical insurance fund, and getting a statistics code from the Federal State Statistics Service. The law sets time limits for completing each set of registrations: 5 working days for the one-stop shop to enter the company in EGRYUL and assign the tax codes and 5 more to forward the information to the social funds and statistics service, which then have 5 working days to enter the new company into their registries and 5 more to confirm the registration back to the one-stop shop.6

HOW DOES STARTING A BUSINESS VARY ACROSS RUSSIAN CITIES?

Across Russia, registering a company takes on average 9 procedures, 23 days and costs 2.3% of income per capita. There are some differences in how federal law is implemented in the 30 cities studied. The number of procedures ranges from 7 in Murmansk, Kirov, Perm, Petrozavodsk, Saint Petersburg, Stavropol, Yakutsk and Yaroslavl to 12 in Vladikavkaz. The time needed varies from 16 days in Kaliningrad to 33 days in Yekaterinburg. And the cost ranges from 6,000 to 9,000 rubles ($200-300). It is easiest to start a business in Saint Petersburg and more cumbersome in Surgut (table 3.1).

Variations in the number of procedures and time derive from the degree of involvement of one-stop shops in post-registration procedures to register employees with medical insurance, social security and pension funds and getting statistics codes from the Federal State Statistics Service. Saint Petersburg’s one-stop shop centralizes these steps—after registering the company with EGRYUL and the tax administration, it sends the relevant information to the social funds and statistics service and receives the registration confirmations from them. After just 9 days entrepreneurs can pick up the full package at the same window where they submitted their applications. In Yekaterinburg the same process takes 30 days. There the one-stop shop enters the company in the business and tax registers and forwards the information to the 3 social funds and statistics office. Then the one-stop shop disengages. After each agency registers the company, it mails the registration confirmation to the new company’s legal address.

Because the postal service can be slow, entrepreneurs in some cities prefer to move post-registration papers themselves, bypassing the mailing of the documents via postal system. In 11 cities entrepreneurs personally pick up the statistics code needed to open a bank account from the statistics office. In Irkutsk entrepreneurs pick up tax and company registrations from the one-stop shop, then visit the statistics office, the pension fund and the social security fund separately. Rather than dealing with one official at one window, entrepreneurs interact with 4 institutions, but may gain time. In Kaluga, Saransk and Vladikavkaz, where a 2011 federal law merging registration for pension fund and medical insurance is not enforced, entrepreneurs also visit the medical insurance fund (figure 3.4).

The average cost of starting a business in Russia of 2.3% of income per capita is half the average cost of 4.7% in OECD high-income economies. The cost in the cities studied in Russia varies from 1.7% of income per capita in Kazan to 3% in Surgut. In the pre- and post-registration phases, entrepreneurs interact with private agents including banks, seal-makers and notaries. These interactions explain the cost differences.

Entrepreneurs visit banks at least twice, first to open a temporary account to deposit the paid-in minimum capital, then to make the account permanent. The cost of opening a permanent company bank account varies from a low nominal charge in Moscow to 4,000 rubles ($130) in Khabarovsk. The difference stems from how much a bank charges for copying and verifying registration confirmations and certifying the signature on the bank card.

WHAT REFORMS WERE IMPLEMENTED?

In 2011 Russia made it possible to register a business online in 4 pilot locations—Moscow, the Orenburg district, Saint Petersburg and the Tula district (www.nalog.ru). But physical one-stop shops are much more widely used throughout the country. Since Doing Business in Russia 2009 was published, the one-stop shops in Irkutsk, Perm, Petrozavodsk, Rostov-on-Don, Saint Petersburg, Tomsk and Voronezh centralized more functions, resulting in fewer interactions for entrepreneurs. Because of better coordination between the tax service, statistics office and social funds, up to 4 procedures were eliminated in Voronezh and 3 in Tomsk.

But fewer interactions do not automatically lead to less waiting time if notifications are sent by mail. An exception is Saint Petersburg, where the one-stop shop

| TABLE 3.1 Ease of starting a business ranking for the 30 cities measured in Russia |
|---------------------------------|-----------------|----------|----------|
| City                           | Rank       | Procedures (number) | Time (days) | Cost (% of income per capita) |
| St. Petersburg*               | 1          | 7                    | 17         | 2.1                     |
| Volgograd                      | 2          | 8                    | 22         | 2.0                     |
| Ulyanovsk                      | 3          | 8                    | 21         | 2.1                     |
| Kazan*                         | 4          | 9                    | 21         | 1.7                     |
| Stavropol                      | 4          | 7                    | 23         | 2.2                     |
| Petrozavodsk*                 | 6          | 7                    | 23         | 2.2                     |
| Yaroslavl                      | 7          | 7                    | 27         | 2.0                     |
| Irkutsk*                       | 8          | 10                   | 19         | 2.1                     |
| Yakutsk                        | 8          | 7                    | 25         | 2.2                     |
| Vyborg                         | 10         | 8                    | 25         | 2.0                     |
| Kaliningrad                    | 11         | 8                    | 16         | 2.4                     |
| Murmansk                       | 12         | 7                    | 25         | 2.2                     |
| Kirov                          | 13         | 7                    | 29         | 2.1                     |
| Perm*                         | 13         | 7                    | 25         | 2.2                     |
| Tomsk*                         | 15         | 8                    | 23         | 2.2                     |
| Voronezh*                      | 15         | 8                    | 18         | 2.5                     |
| Kaluga                         | 17         | 11                   | 22         | 2.1                     |
| Vladivostok                    | 18         | 8                    | 23         | 2.3                     |
| Omsk                           | 19         | 8                    | 25         | 2.2                     |
| Saransk                        | 20         | 11                   | 20         | 2.3                     |
| Tver*                          | 21         | 8                    | 25         | 2.4                     |
| Samara                         | 22         | 10                   | 19         | 2.5                     |
| Novosibirsk                    | 23         | 11                   | 22         | 2.3                     |
| Khabarovsk                     | 24         | 8                    | 23         | 3.0                     |
| Moscow*                        | 25         | 9                    | 30         | 2.1                     |
| Rostov-on-Don*                 | 26         | 11                   | 21         | 2.5                     |
| Vladikavaz                     | 27         | 12                   | 22         | 2.3                     |
| Kemerovo                       | 28         | 11                   | 22         | 2.5                     |
| Yekaterinburg                  | 29         | 8                    | 33         | 2.4                     |
| Surgut                         | 30         | 11                   | 22         | 3.0                     |

* City measured in Doing Business in Russia 2009
Note: Rankings are based on the average city percentile rankings on the procedures, time and cost to start a business. Cities with the same average percentile rankings have the same rank. See Data notes for details.
Source: Doing Business database.
consolidates all notifications, saving entrepreneurs 6 days. And in 2 of the 10 cities measured twice over time, Petrozavodsk and Rostov-on-Don, a 2006 decree stating that banks should not request notarized copies for opening company bank accounts led to the elimination of the need to notarize registration notifications.

Though still low from an international perspective, the cost of starting a business across Russian cities has increased since 2008. This is mainly due to a doubling of the state registration fee, from 2,000 rubles ($66) in 2008 to 4,000 rubles ($133) in 2011.

WHAT TO REFORM?

*Replace paper registration certificates with electronic notifications*

Entrepreneurs in many cities visit up to 5 institutions—the one-stop shop at the tax administration, statistics office, social security fund, pension fund and medical insurance fund—to get their registration notifications; or receive them by mail. Company and tax registration certificates could become available electronically from the Federal Tax Services website. Other registration numbers could be available from the company registry extract or online. Regulation should be issued to legitimize online information to ensure that paper copies are no longer needed.

*Extend online company registration to more cities and promote its use*

In 2011 Russia introduced online company registration in Moscow, the Orenburg district, Saint Petersburg and the Tula district. But the processing system could be simplified. The customer interface could be more user friendly by eliminating, for example, the need to first download the software or by making available sample charters that could be selected by a click of the mouse. In addition, entrepreneurs still have to notarize their signatures on the application forms, even if they can use electronic signatures on other documents. This practice undermines the concept of both online registration and electronic signatures.

Making registration electronic is the ultimate way to streamline business start-up. Seven of the economies with the fastest business start-up offer online electronic registration—Australia, Canada, Denmark, Estonia, New Zealand, Portugal and Singapore. More than 20 economies have introduced electronic registration in the past 6 years. Allowing entrepreneurs to complete registration online without visiting a government office or notary should be the goal. The Russian government should implement an online one-stop shop as a single virtual interface for entrepreneurs.

*No longer require notarized signatures on registration applications*

The Company Registration Law requires that founders’ signatures on registration application forms be notarized. The purpose is to confirm the identity of applicants and verify their signatures. When founders submit
registration packages, their identities can easily be checked by one-stop shops. If submitted by third parties, a power of attorney could serve as confirmation, so notarization would not be required.

The verification performed by notaries is also performed by the tax administration, duplicating efforts and processes. Half of the economies measured by Doing Business do not require the involvement of notaries to incorporate a limited liability company. Other countries, such as Belarus, Hungary, Portugal and Romania have made notary involvement optional.

With online registration and digital signature, the need to verify personal identification would become obsolete. Singapore’s registrar rightfully assumes that most businesses would not aim to go through fraudulent registration and put their control into the hands of strangers. In the few cases where people are listed as company founders without their consent, the registry office uses post-registration verification and informs them that a company has been created with them listed as a founder. Registry officials focus their time and attention on the minority of fraudulent cases instead of verifying every single application.

**Make the company seal optional**

An official seal is intended to confirm the legality of a company’s contracts. But seals can be forged easily, and most economies have done away with them. Seals are being replaced by electronic signatures. About 60% of economies do not use them. Since 2007, 14 economies, including Bulgaria and Pakistan, have eliminated or made optional the requirement for companies to have seals. Russia’s Law on Limited Liability Companies and other legislation, in particular on banking and taxation, require company seals.

Russia has a law on electronic signatures (Federal Law on Electronic Digital Signature, 2002), but its implementation is lagging. Promoting the use of electronic signatures and eliminating the need for seals would save entrepreneurs time, costs, allow for online company start-up, tax filing, and other services based on information technology, and protect business information better by making it harder to falsify documents.

**Do not require entrepreneurs to notify government agencies about opening bank accounts**

Article 23 of the Tax Code requires that the entrepreneur or company notify the tax authorities within 7 days of opening or closing a bank account. Article 86 also obliges banks to inform the tax authorities about the opening or closing of bank accounts in 5 days. This duplication is cumbersome for entrepreneurs, especially if the postal system is unreliable and they have to deliver the notification in person. Banks can easily inform the tax authorities electronically, so entrepreneurs should be exempt from this responsibility.

**Eliminate the minimum capital requirement**

Entrepreneurs starting a business must have 10,000 rubles ($333), or almost 2% of income per capita, to be deposited into a bank account in the first year of a company’s operation. Half of that has to be deposited before the application for business registration. The rationale is that this requirement protects creditors. But the deposited capital is rather nominal and does not provide protection for creditors.

It can also be withdrawn after registration—hardly of any value in insolvency. And it is not clear that minimum capital requirements have much value in other ways. Fixed amounts of capital do not take into account differences in commercial risks. Recovery rates in bankruptcy are no higher in economies with minimum capital requirements than in those without. Thus the minimum capital requirement is not an appropriate way of safeguarding the interests of creditors.

**NOTES**

5. See www.enterprisesurveys.org
Dealing with construction permits

Since 2002 Russia’s construction industry has been the most profitable after oil and gas.1 At the height of its activity in 2008, the construction sector employed 8% of Russia’s workers and generated 6.3% of GDP.2 The construction industry was hit hard by the global economic downturn of 2008/09. According to some estimates, 80% of construction projects were suspended and almost no new residential or commercial property projects started. As the effects of the crisis dissipated, this share fell to 50%.3

External factors can have a large impact, but so can regulation. Though external shocks are difficult for policymakers to respond to, providing the right regulatory environment is in their hands. In regulating the construction industry, it is important to strike the right balance between safety and efficiency. Smart regulations can ensure public safety and revenue for government while making life easier for entrepreneurs.

WHY DOES DEALING WITH CONSTRUCTION PERMITS MATTER?

Complex, confusing regulation hurts business and can encourage corruption. Instead of promoting public safety, overly rigid regulation can push construction into the informal economy. By some estimates, 60–80% of building projects in developing economies are undertaken without proper permits and approvals. In the Philippines 57% of new construction is considered illegal.4 Fewer procedures do not mean less safety—Denmark, New Zealand and Sweden each have 6–8 procedures, and buildings in all three countries are considered safe.

WHAT DOES DEALING WITH CONSTRUCTION PERMITS MEASURE?

Doing Business measures the time, cost and procedures required for a small and medium-size enterprise to obtain all approvals needed to build a simple commercial warehouse and connect it to water, sewage and a fixed telephone line (figure 4.1). Doing Business includes all inspections needed before, during and after construction of the warehouse. It is assumed that the warehouse is located in the periurban area of the city, is not in a special economic or industrial zone and will be used for general storage.

Such indicators can be telling. A recent report by KPMG indicated that construction costs and permitting processes were among the top 20 factors determining the location of start-ups in the United States.5

HOW DOES DEALING WITH CONSTRUCTION PERMITS WORK IN RUSSIA?

Dealing with construction permits follows the same stages across Russian cities (figure 4.2). Construction permits are regulated by the Urban Development Code, which prescribes most procedures, sets time limits for their completion and regulates costs.6 For instance, the code regulates the time and
**FIGURE 4.2 Construction permitting follows roughly the same stages across Russia**

Source: Doing Business database.

The number of procedures varies widely, from 16 in Murmansk to 47 in Moscow. Of these, 11 of the average 25 procedures are required before construction, 4 during construction and 10 postconstruction. In comparison, OECD high-income countries manage the entire process with 14 procedures. There are 3 explanations for additional requirements in some cities. First, in some cases city regulations are not up-to-date with federal laws. This explains antiquated requirements in some cities that predated the introduction of the federal Urban Development Code in 2004. Another reason is the lack of modern zoning rules in some cities. In such cases developers have to do additional analysis to determine what can be built where. Finally, there are different local practices—even though not required by federal legislation, builders choose to go through certain procedures to “guarantee” trouble-free construction and postconstruction. Builders report that despite knowing that their projects are not subject to certain procedures, city authorities continue issuing them, and builders choose to obtain them as a precaution, preferring “being safe than sorry.” Until October 2011, such was the case in Moscow, when the authorities issued a document verifying that communication lines and power grids are in accordance with the technical conditions from the utility company.

**TABLE 4.1 Ease of dealing with construction permits ranking for the 30 cities measured in Russia**

<table>
<thead>
<tr>
<th>City</th>
<th>Rank</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgut</td>
<td>1</td>
<td>17</td>
<td>150</td>
<td>106.2</td>
</tr>
<tr>
<td>Stavropol</td>
<td>2</td>
<td>23</td>
<td>216</td>
<td>47.1</td>
</tr>
<tr>
<td>Kaliningrad</td>
<td>3</td>
<td>17</td>
<td>239</td>
<td>86.3</td>
</tr>
<tr>
<td>Ulyanovsk</td>
<td>4</td>
<td>30</td>
<td>191</td>
<td>45.6</td>
</tr>
<tr>
<td>Kirov</td>
<td>5</td>
<td>29</td>
<td>206</td>
<td>47.3</td>
</tr>
<tr>
<td>Irkutsk*</td>
<td>6</td>
<td>17</td>
<td>215</td>
<td>141.0</td>
</tr>
<tr>
<td>Tomsk*</td>
<td>6</td>
<td>18</td>
<td>279</td>
<td>66.5</td>
</tr>
<tr>
<td>Saransk</td>
<td>8</td>
<td>30</td>
<td>191</td>
<td>67.3</td>
</tr>
<tr>
<td>Kaluga</td>
<td>9</td>
<td>24</td>
<td>264</td>
<td>48.0</td>
</tr>
<tr>
<td>St. Petersburg*</td>
<td>9</td>
<td>18</td>
<td>361</td>
<td>51.3</td>
</tr>
<tr>
<td>Vladikavaz</td>
<td>11</td>
<td>29</td>
<td>201</td>
<td>91.1</td>
</tr>
<tr>
<td>Perm*</td>
<td>12</td>
<td>21</td>
<td>229</td>
<td>107.7</td>
</tr>
<tr>
<td>Yekaterinburg</td>
<td>13</td>
<td>21</td>
<td>217</td>
<td>136.1</td>
</tr>
<tr>
<td>Kazan*</td>
<td>14</td>
<td>32</td>
<td>223</td>
<td>40.0</td>
</tr>
<tr>
<td>Rostov-on-Don*</td>
<td>15</td>
<td>18</td>
<td>294</td>
<td>95.0</td>
</tr>
<tr>
<td>Petrozavodsk*</td>
<td>16</td>
<td>18</td>
<td>285</td>
<td>117.2</td>
</tr>
<tr>
<td>Yaroslavl</td>
<td>17</td>
<td>22</td>
<td>247</td>
<td>130.6</td>
</tr>
<tr>
<td>Novosibirsk</td>
<td>18</td>
<td>20</td>
<td>248</td>
<td>146.7</td>
</tr>
<tr>
<td>Murmansk</td>
<td>19</td>
<td>16</td>
<td>357</td>
<td>137.4</td>
</tr>
<tr>
<td>Omsk</td>
<td>20</td>
<td>29</td>
<td>312</td>
<td>62.4</td>
</tr>
<tr>
<td>Kemerovo</td>
<td>21</td>
<td>24</td>
<td>322</td>
<td>74.8</td>
</tr>
<tr>
<td>Vladivostok</td>
<td>22</td>
<td>26</td>
<td>218</td>
<td>169.4</td>
</tr>
<tr>
<td>Vyborg</td>
<td>23</td>
<td>20</td>
<td>279</td>
<td>297.9</td>
</tr>
<tr>
<td>Samara</td>
<td>24</td>
<td>30</td>
<td>200</td>
<td>417.9</td>
</tr>
<tr>
<td>Tver*</td>
<td>25</td>
<td>30</td>
<td>448</td>
<td>75.2</td>
</tr>
<tr>
<td>Yakutsk</td>
<td>26</td>
<td>26</td>
<td>280</td>
<td>178.0</td>
</tr>
<tr>
<td>Volgograd</td>
<td>27</td>
<td>23</td>
<td>371</td>
<td>186.0</td>
</tr>
<tr>
<td>Voronezh*</td>
<td>28</td>
<td>31</td>
<td>364</td>
<td>111.4</td>
</tr>
<tr>
<td>Khabarovsk</td>
<td>29</td>
<td>32</td>
<td>269</td>
<td>188.9</td>
</tr>
<tr>
<td>Moscow*</td>
<td>30</td>
<td>47</td>
<td>392</td>
<td>171.5</td>
</tr>
</tbody>
</table>

* City measured in Doing Business in Russia 2009

Note: Rankings are based on the average percentile rankings on the procedures, time, and cost to deal with construction permits. Cities with the same average percentile rankings have the same rank. See Data notes for details.

Source: Doing Business database.

What can or cannot be built on the land plot, obtain a land development plan (GPZU)* and technical conditions for utility connections. During preconstruction all cities follow similar steps, yet in some the process is simpler. Murmansk, Perm, Petrozavodsk, Rostov-on-Don, Surgut and Yekaterinburg require only 6 procedures. Moscow is the city with most preconstruction approvals—23—including from the Ministry of Civil Defense, Ministry of Emergencies and Natural Disaster Management, State Inspection of Road Safety, Fire Department, Department.
of Nature Management and Environment Protection, and Prefect’s Office. The city administrations of Khabarovsk and Moscow require clearances from the fire department and traffic police, while Tver and Voronezh require clearances from the Department of Culture confirming the absence of historic monuments on the land plot. Surgut requires a confirmation that the construction project has been added to the city archive. Kazan, Moscow and Tver have mandatory clearances from the Department of Comprehensive City Improvement to ensure that projects are in line with pollution and environmental safety norms and standards.

The Urban Development Code takes a risk-based approach during construction. Permit applications for smaller, less risky projects are treated differently than larger, more complex buildings. Project documentation for buildings below 2 stories and a surface of 1,500 square meters or less do not require government review.\(^\text{10}\) The hypothetical warehouse studied by *Doing Business* falls under this category, yet the rule is not applied evenly across the 30 cities measured—only 9 follow this rule (figure 4.3). In the others, builders still undergo several steps during construction, including notifying the city’s building authority of the beginning of construction, various inspections, and notification after completion of construction. In Perm and Yekaterinburg this stage involves 8 procedures. In Samara, Saransk, Ulyanovsk and Vladikavkaz, 9. In Moscow, 18.

Once construction is complete, building companies typically obtain clearances from utilities certifying a project’s compliance with technical conditions, sign connection agreements with utilities, obtain an occupancy permit and register the building.\(^\text{11}\) Procedures at this stage vary from 4 in Yekaterinburg to 15 in Tver. In Yekaterinburg the technical inventory of the newly-built warehouse, the occupancy permit, the technical passport and the building registration are all that is needed for the builder to use the warehouse. The construction authorities in Kaluga, Samara, Vyborg and 11 others require approvals from utilities (typically 2 or 3), certifying that the project complies with the technical conditions issued before construction, in order to issue the occupancy permit. In some cities such as Moscow, Kazan, Khabarovsk or Tver, the state acceptance commission convenes to check compliance with various municipal requirements, including from the prefecture, sanitary services and environmental agency.

It takes on average 269 days to obtain a construction permit, ranging from 150 days in Surgut to 448 in Tver. Russia’s average is slightly above that of Eastern Europe and Central Asia (238 days). Among the 30 cities measured, the time varies from about 5 months in Stavropol and Yekaterinburg—as fast as in Luxembourg or Switzerland—to more than one year in Moscow, Tver and Voronezh.

Times for the 3 most critical documents for construction—the land development plan, building permit and occupancy permit—are regulated by the Urban Development Code at 30, 10 and 10 days, respectively. Though cities can issue these documents faster, they usually stay close to these deadlines. But in Moscow authorities take 120 days to issue land development plans. This delay is partly due to the absence of a master city plan, up-to-date zoning rules and very high urban density. Thus city officials do not have clear rules on where commercial or residential buildings can be erected, and need extra time to review each application and take decisions case by case.

The federal law sets a cap of 30 days to register the ownership rights of the new buildings. Cities rarely violate these limits. Irkutsk, Petrozavodsk, Surgut and Tomsk register the ownership rights of new buildings even faster—within 17 days. Because most of the federally imposed time limits are complied with, time variations between cities can mostly be attributed to the time required to obtain other approvals required by local authorities. In Moscow, Tver and Voronezh the

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**FIGURE 4.3 Construction requirements vary across cities**

Number of procedures

<table>
<thead>
<tr>
<th>City</th>
<th>Before construction</th>
<th>During construction</th>
<th>After construction and connection to utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murmansk</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgut</td>
<td>17</td>
<td></td>
<td></td>
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<tr>
<td>Kalinigrad</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irkutsk</td>
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<td>Petrozavodsk</td>
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<td>Rostov-on-Don</td>
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<td>Tomsk</td>
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<tr>
<td>St. Petersburg</td>
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<tr>
<td>Novosibirsk</td>
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<tr>
<td>Vyborg</td>
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<tr>
<td>Perm</td>
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<td>Yekaterinburg</td>
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<td>Yaroslavl</td>
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<td>Volgograd</td>
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<td>Kaluga</td>
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<td>Kemerovo</td>
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<td>Vladikavkaz</td>
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<td>Kiev</td>
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<td>Omsk</td>
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<td>Saransk</td>
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<tr>
<td>Tver</td>
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<tr>
<td>Voronezh</td>
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<tr>
<td>Kazan</td>
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<td></td>
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<td>Khabarovsk</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Moscow</td>
<td></td>
<td></td>
<td>47</td>
</tr>
</tbody>
</table>

Source: *Doing Business* database.
time required can be close to 400 days. In Surgut, where only standard technical utility conditions, the land development plan, and topographic and geodesic surveys need approval, obtaining a construction permit takes just 150 days.

The cost of construction approvals and certificates is prescribed by the Urban Development Code. For instance, obtaining a development plan of a land plot, building permit and occupancy permits free of charge in every city. It costs 15,000 rubles ($500) to register a new warehouse with the state registration authority across the country. The variations in cost across cities are due to utility connections, topographic and geodesic surveys and technical inventory. Connections to water and sewerage are most expensive, showing a wide variation across cities. Rostov-on-Don has the lowest fees, charging 32,125 rubles ($1,036) to connect a warehouse to water and sewerage, while in Irkutsk it costs almost 7 times as much—244,300 rubles ($7,881).

Topographic and geodesic surveys are conducted by private companies. Prices average 30,000 rubles ($1,000) for a topographic survey and 100,000 rubles ($3,226) for a geodesic survey per land plot. Private agencies set prices based on the land plot, location, soil type and number of holes dug during the survey, as well as on market demand, which varies city by city. Prices for geodesic surveys range from 7,000 rubles ($226) in Kazan to 313,000 rubles ($10,097) in Volgograd. Technical inventory is cheapest in Kemerovo at 15,000 rubles ($500), while in Volgograd it is 6 times more expensive ($91,000 rubles or $2,935).

**WHAT REFORMS WERE IMPLEMENTED?**

*Doing Business in Russia* 2009 identified good practices, pointed out bottlenecks and provided recommendations. Significant changes have since occurred in the country’s construction regulation (table 4.2). In the 10 cities measured then, the average number of procedures was 35. Today this average is 25. The average time also dropped, from 520 days in 2008 to 309 in 2011. In Moscow it took almost 2 years to complete the paperwork to obtain a construction permit in 2008. Today it takes 392 days. These improvements are the result of several legislative and administrative reforms at the regional and federal level.

The gradual implementation of the Urban Development Code across the country is the most important single cause of the improvements. The 10 cities adopted regulations to harmonize regional rules with the provisions of the federal code and/or eliminated old provisions. The biggest change is the removal of requirements—11 on average—which is also the main driver of the reduction in time. The largest impact is felt during preconstruction, with Tomsk and Voronezh removing 13 and 14 procedures.

In 2008, 8 cities required clearances from the Fire Department, 5 required clearances from the Department of Comprehensive City Improvement, as well as approvals from the City Transport Agencies, and 2 required approvals from the City Illumination Office. Today clearance from Sanitary Service is only required in 2 cities, while clearance from the Fire Department is required only in one. Irkutsk, Perm, Petrozavodsk, Rostov-on-Don, Tomsk and Tver complied with Article 49 of the Urban Development Code, which exempts warehouses below 1,500 square meters from third-party review. This measure eliminated inspections—in Irkutsk 6 procedures were eliminated by stopping bimonthly inspections during and after construction.

Another driver of reform was the enforcement of the time limits and cost ceilings set by the Urban Development Code. This success was possible due to the increased involvement of the public prosecutor’s office at the federal level, which closely monitors agencies and penalizes those that do not comply with statutory time limits. In 2008 it took 300 days to issue a development plan of a land plot in Voronezh—today it takes 10 days. A construction permit took 120 days to be issued in Petrozavodsk and 60 in Irkutsk. Today it takes 14 days in Petrozavodsk and 7 in Irkutsk. The same applies to costs. For instance, obtaining a building permit, occupancy permit and land development plan have been officially free of charge since 2004. The 2009 study, however, revealed that some cities charged for these procedures. Today this procedure is free in the 30 cities studied by this report.

Moscow introduced a one-stop shop to deal with procedures related to land use for construction and reduced the processing time for issuance of land development plans from 180 to 120 days. The city government recently introduced more measures to streamline approvals for construction permits. One of the city’s objectives is to eliminate up to half of the 23 procedures required before construction. As of October 2011, it is no longer necessary to certify compliance with the communication lines and power grids (Sketch No 2) at Mosgorgeotrest and have it approved by the Moscow Architecture Committee, get the approval on transport routes from the Moscow City Transport Agency, nor obtain the construction passport from Mosgorgeotrest. As a result, the number of requirements dropped from 51 to 47, the time by 1 month (from 423 to 392 days) and the cost by 12.28% of income per capita.

**WHAT TO REFORM?**

*Consolidate approvals for technical and design conditions*

Many agencies review construction designs—15 in Moscow, 13 in Voronezh, 10 in Kazan. Several options could consolidate the process. One would be to identify the relevance of each approval. Another would be to

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**TABLE 4.2** It is easier to deal with construction permits now in the 10 cities benchmarked in 2008

<table>
<thead>
<tr>
<th>City</th>
<th>Reduced time for processing permit applications</th>
<th>Streamlined procedures</th>
<th>Adopted new building regulations</th>
<th>Introduced risk-based approvals</th>
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</thead>
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<tr>
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<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Kazan</td>
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<td>✔</td>
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<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
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<td>Perm</td>
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<td>✔</td>
<td>✔</td>
<td>✔</td>
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<td>✔</td>
<td>✔</td>
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<td>✔</td>
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<tr>
<td>Tver</td>
<td>✔</td>
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<td>Voronezh</td>
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<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

✔ Doing Business reform making it easier to deal with construction permits

*Source: Doing Business database.*
create approval panels with participation of all involved agencies. Such panels would examine technical conditions and project designs.

Agencies can also be put in one location to improve coordination amongst themselves. Twenty-six economies, including Canada, Hong Kong SAR (China), Mexico, Morocco and Singapore have one-stop shops for building clearances; 15 were created in the past 7 years. Hong Kong SAR (China) is a successful example—in 2009 the government merged 8 procedures involving 6 agencies and 2 private utilities in a one-stop shop. Today only 6 procedures are needed to obtain a construction permit (Box 4.1).

**Update or complete city master plans and zoning rules**

Many cities lack good master zoning plans. This is the case in Kazan and Moscow, which have the longest construction processing times and procedure lists. Without zoning requirements, new property has to be reviewed by all clearance agencies.

In cities with updated master plans, such as Petrozavodsk and Surgut, fewer clearances are needed for construction permits. Building authorities in most EU countries verify that projects comply with zoning requirements. France, for instance, does not require preliminary zoning permits because there is a right to build in areas allowed by zoning plans and construction applicants can access relevant zoning information to determine if projects meet zoning conditions.

**Enhance alignment with the Urban Development Code**

Despite being in place since 2004, the federal Urban Development Code is not evenly implemented across the country, especially in big cities such as Moscow. Russian authorities could make efforts to ensure a stronger alignment of regional codes with the provisions of the national code. These efforts can be hampered by local regulations that, at times, are not consistent with the federal legislation.

**Increase the use of certified private professionals**

Russian building controls used to rely exclusively on the public sector. As part of reform, the federal government has started empowering private professionals who can be held accountable for acceptable standards of care. Amendments to the Urban Development Code (articles 49 and 50) introduced private third-party reviews for plan checks. These amendments represent a genuine effort to move closer to international good practice.

Extending third-party reviews to building inspections, not just plan reviews, would expedite several procedures conducted before and during construction, including issuance of building permits and inspections. To proceed to this step, Russian authorities

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BOX 4.1 HONG KONG'S "BE THE SMART REGULATOR PROGRAM"*

In Hong Kong SAR (China) a working group (WG) was established by the local government in 2007, comprising the Economic Analysis and Business Facilitation Unit, the Development Bureau and the Buildings Department, Lands Department, Fire Services Department, Drainage Services Department, Highways Department and Water Supplies Department to re-engineer and streamline the relevant licensing procedures in response to the survey findings of the World Bank. The WG’s recommendations which did not require drastic procedural changes were implemented that same year. Other reforms identified by the WG were long term in nature, requiring cross-departmental process re-engineering and organizational change.

The following reforms were implemented in 2008, consolidating 8 procedures in 2 steps:

1. **SETTING-UP OF ONE-STOP CENTRE**

   The WG set up a One-Stop Centre for Warehouse Construction Permits (OSC) where building license applications to 6 government departments and 2 private utilities (i.e. telephone line and electricity supply) are collected and joint inspections for two-storey warehouse projects as a pilot program are coordinated. All these departments and private utilities work together on the OSC under the supervision of the Efficiency Unit (EU).

2. **BEFORE CONSTRUCTION**

   Property developers can now use Form OSC-1 to submit to the One-Stop Centre in one-go all applications relating to building plans approval and consent for commencement of building works from the Buildings Department, technical audit of water supply connection works by the Water Supplies Department, and road excavation permit from both the Police and Highways Department. This new arrangement simplifies the submission process by combining the following 5 procedures—
   - Obtain building plans approval
   - Apply and pay for technical audit of water supply connection works
   - Apply, pay and receive road excavation work permission from Highways Department
   - Notify and obtain approval from traffic police
   - Obtain building consent from Buildings Department

3. **AFTER CONSTRUCTION**

   When the necessary construction works are completed, the developer can now submit the postconstruction applications under a covering checklist (Form OSC-2) to the One-Stop Centre for the technical audit from the Drainage Services Department, water supply certificates from the Water Supplies Department, occupation permit from the Buildings Department, certificate of compliance from the Lands Department, certificate for fire service installations from the Fire Services Department, and connection of electricity and telephone line from the respective utility companies. This one-stop service eliminates the need for the developer to contact individual government departments and private utility companies for reporting completion of works, issuance of certificates and inspections.

   Upon receipt of the applications, the One-Stop Centre will coordinate, according to the information provided in the application form, with the relevant authorities to conduct a single joint inspection in one day. This greatly alleviates the effort of developers in receiving inspections and shortens the total processing time.

4. **TRACKING OF APPLICATIONS**

   To facilitate answering enquiries from applicants, the One-Stop Centre has established a mechanism to monitor the progress of each application, making the whole application process more transparent and convenient to the property developers.

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need to ensure that a successful and robust private certification system is in place. This body should be independent of municipal, regional and federal governments.

Most economies with well-developed construction industries have some collaboration with licensed private building professionals to reduce public controls. Austria and Germany use qualified private individuals or engineering firms for plan reviews and inspections to increase efficiency. Austria, Australia, Canada, Germany, Japan, New Zealand, Singapore and the United Kingdom do not restrict the use of private services to check on building plans and technical reviews of construction permit applications; they allow private professionals to conduct inspections.

By delegating such tasks to private professionals, city administrations save resources and time for entrepreneurs. Using a risk-based approach, approvals of simple, low-risk buildings are outsourced to private professionals who carry responsibility for projects. In Germany the state of Bavaria introduced a risk-based approach in 1994, agreeing that the building authorities were only to review high-risk projects. Architects of low-risk projects assumed liability for construction. Builders saved 154 million euros and building authorities reduced 270 staff, and in a few years the approach spread to the rest of Germany.13

Create an electronic platform for approving technical conditions from utilities

Builders in Russia have to obtain technical conditions from electricity providers, street lighting providers, water services providers, sewerage providers, telecommunications providers, and heat providers. Multifunctional centers that are in place in some cities are meant to facilitate the issuance of technical conditions for various utilities. But they hardly improve the efficiency of the process. Builders prefer to go directly to utilities, which are considered likely to offer better conditions.

One solution is to create an electronic platform where applicants for building permits can apply for all technical conditions simultaneously by submitting one online form along with final drawings. Once this infrastructure is created, it could be used to issue other documents such as building and occupancy permits. In September 2010 a federal ordinance set a timetable for the provision of electronic services for 74 public services. In conjunction with the law on electronic signature signed by the State Duma in March 2011, this ordinance also creates a legal framework to automate government services with a focus on permits and licenses.

Establish a risk-based system for technical reviews, inspections and conformity assessment

The risk-based approach of defining simple projects at an early stage could save time and concentrate resources on complex projects that pose a higher threat to public safety. It would also eliminate the need for preapproval of projects by environmental, transport, fire and sanitary services. While Russian legislation takes a risk-based approach during construction—eliminating the need for low-risk projects to undergo state supervision and inspections—this practice could be further expanded to preconstruction.

Builders in Russia submit an average of 11 documents and approvals to obtain a construction permit. Not all projects have the same social, cultural, economic and environmental risks. Simple buildings involve low risk and should require less documentation. Russian authorities could consider adopting a risk-based classification of buildings, possibly building on European Standard EN 1990 (Annex B. 3.1). This approach would allow a meaningful risk categorization for buildings while providing a structured, operational approach to implement it.

Efficient governments have legislation that differentiates construction permitting based on risk and location. Eighty-six economies have adopted this practice, 13 in the past 7 years. Colombia, Singapore and the United Kingdom are among the countries that have improved risk-based approvals, eliminating the need for preapprovals by multiple agencies. In 2006 the Republic of Korea introduced a fast track for small construction projects. Between 2004 and 2009 applications for building permits in Seoul jumped from 1,521 to 3,895.14

NOTES

8. Gradostroitelnyj plan zemel’nogo uchastka (GPZU; development plan of a land plot) is a document providing information on the type and characteristics of construction projects that can be built on the land plot according to the city’s zoning requirements. The document has detailed information of the land plot including the land plot’s boundaries; its interaction with the city’s cultural heritage structures; the requirements for connection to various utilities; etc. A more detailed description can be found in Article 44 of the Urban Development Code.
9. Technical parameters of the project such as volume of water required, the point of connection for telephone line, etc.
10. According to the Federal Law of 28.11.2011 No: 337-FZ, state expertise, or “review”, is not a requirement for self-standing construction objects no taller than 2 stories and of a total surface of 1,500 square meters.
11. Article 55 of the Urban Development Code outlines procedural and documentation requirements for obtaining the occupancy permit.
14. Ibid.
In 2011 Russian utilities connected to the electricity grid twice as many applicants as they did in 2008. But electricity connections remain a concern. A 2010 survey of more than 5,000 managers in 40 regions found that 14% reported that it is almost impossible to obtain a new electricity connection, and 30% reported that it is associated with difficulties.

WHY DOES GETTING ELECTRICITY MATTER?

Infrastructure services—particularly electricity—are a concern for businesses around the world. World Bank Enterprise Surveys in 109 economies show that managers consider lack of electricity among the biggest constraints to their businesses (figure 5.1). Poor electricity supply undermines firms’ productivity and investments. Eliminating electricity outages in Eastern Europe and Central Asia would increase GDP by 0.5%.

Obtaining a new connection—the process measured by the getting electricity indicator—represents only a small part of electricity services (figure 5.2). Yet the indicator offers information on a number of issues for which data were previously unavailable, complementing other indicators such as electricity outages. Analysis of 140 economies suggests that the getting electricity indicator is a useful proxy for the broader performance of the electricity sector. Longer delays and higher costs of getting an electricity connection are associated with lower electrification rates. Additional connection procedures are more likely in economies with weak electricity supplies because of high losses in transmission and distribution systems.

Electricity services are highly regulated. The connection process is governed by laws and regulations covering quality, safety, technical standards and procurement practices. In many economies electricity connections are under the control of distribution utilities that often retain monopolistic positions—even in otherwise liberalized electricity markets—so businesses have little choice. The getting electricity indicator provides insights into regulatory aspects of electricity connections and assesses how such regulations and institutions affect businesses.

WHAT DOES GETTING ELECTRICITY MEASURE?

Doing Business measures the procedures, time and cost for a small or medium-size enterprise to get a new electricity connection for a standardized warehouse with specific electricity needs (figure 5.3). These procedures include applications and contracts with electricity utilities,
necessary inspections, clearances from the distribution utility and other agencies and external and final connection works. To make the data comparable across cities, several assumptions about the warehouse and the electricity connections are used. The location of the warehouse is assumed to be within city limits, the subscribed capacity of the connection 140 kilovolt amperes (kVA) and the length of the connection 150 meters.

HOW DOES GETTING ELECTRICITY IN RUSSIA COMPARE GLOBALLY?

In the 30 Russian cities studied, obtaining an electricity connection for a small and medium-size business takes, on average, 9 procedures, 230 days and costs 66.2% of income per capita. Compared with Brazil, China, and India, Russian cities have, on average, more procedures, higher costs and slower processing. The connection takes 34 days in Brazil, 67 in India, 70 in Turkey, 108 in Indonesia, 142 in Vietnam, 145 in China and 260 in Nigeria. In OECD economies procedures between a utility and other public agencies are streamlined and utilities usually have enough capacity to accommodate additional demand with a simple network extension. Russian small businesses wait almost 7 months longer than their competitors in Germany, where it takes 17 days to obtain an electricity connection—and spend 72 times more than Australians, where it costs 9% of income per capita.

Getting an electricity connection is easiest in Saransk, where it takes 9 procedures and 123 days at a cost of 269% of income per capita (table 5.1). The factors driving Saransk’s performance are shorter delays and lower connection tariffs. When the Unified Energy System, a state-owned vertically integrated monopoly servicing all Russia, was restructured in 2006-08, the electricity sector was unbundled into generation, transmission and distribution. IDGC Holding is the largest distribution entity, with subsidiaries in 69 of 83 regions in Russia. Other distribution utilities serve the other regions. The boundaries where a distribution utility operates do not necessarily correspond to the borders of a city or region. Independent retail electric suppliers participate in the connection process at the stage of preparation and signing of contracts for electricity supply.

Distribution utilities are governed by federal regulations on electricity connections. These regulations provide step-by-step descriptions of how to obtain a connection, specifying the responsibilities of distribution utilities and customers. They list documents required for a connection application and prohibit distribution utilities from requesting additional

HOW DOES GETTING ELECTRICITY WORK IN RUSSIA?

Across Russian cities, the electricity connection process follows the same overall stages (figure 5.4). The customer submits documents to the distribution utility that operates in the city where the warehouse is located. The utility issues a contract and conditions with the technical specifications of the connection. The design of the connection can then be prepared in accordance with the technical specifications. After the connection design has been approved by several agencies—including the distribution utility and the energy inspectorate—connection works begin. Connection design and approval, as well as connection works, are often conducted by private firms and contractors, although in some cities distribution utilities complete these tasks. Inspections and documentation on technical requirements follow the works. Electricity starts flowing once the customer signs the supply contract.

When the Unified Energy System, a state-owned vertically integrated monopoly servicing all Russia, was restructured in 2006-08, the electricity sector was unbundled into generation, transmission and distribution. IDGC Holding is the largest distribution entity, with subsidiaries in 69 of 83 regions in Russia. Other distribution utilities serve the other regions. The boundaries where a distribution utility operates do not necessarily correspond to the borders of a city or region. Independent retail electric suppliers participate in the connection process at the stage of preparation and signing of contracts for electricity supply.

Distribution utilities are governed by federal regulations on electricity connections. These regulations provide step-by-step descriptions of how to obtain a connection, specifying the responsibilities of distribution utilities and customers. They list documents required for a connection application and prohibit distribution utilities from requesting additional

### Table 5.1: Ease of getting electricity ranking for the 30 cities measured in Russia

<table>
<thead>
<tr>
<th>City</th>
<th>Rank</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saransk</td>
<td>1</td>
<td>9</td>
<td>123</td>
<td>269.2</td>
</tr>
<tr>
<td>Vladivostok</td>
<td>2</td>
<td>9</td>
<td>120</td>
<td>441.2</td>
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<tr>
<td>Rostov-on-Don</td>
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<td>6</td>
<td>233</td>
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<td>Kirov</td>
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<td>9</td>
<td>220</td>
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<td>10</td>
<td>265</td>
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<tr>
<td>Moscow</td>
<td>30</td>
<td>10</td>
<td>281</td>
<td>1852.4</td>
</tr>
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Note: Rankings are the simple average of the city’s percentile rankings on the procedures, time and cost to get an electricity connection. Cities with the same average percentile rankings have the same rank. See Data notes for details.

Source: Doing Business database.
information. In addition, many distribution utilities provide guidance on their websites or in their offices.

Time limits for issuing technical specifications and completing connections are also regulated at the federal level. If distribution utilities do not comply with the time limits, applicants can file a complaint with the Federal Antimonopoly Service, which can issue warnings, monetary penalties or legal action. For example, in 2012 the Moscow United Electric Grid Company was issued a warning regarding 20 cases where the Federal Antimonopoly Service found that the utility was not meeting its obligations in a timely fashion and imposing excessive requirements on customers. Despite these efforts, much remains to be done to improve regulations on electricity connections. In addition, federal regulations are implemented and interpreted unevenly across regions and cities.

HOW DOES GETTING ELECTRICITY VARY ACROSS RUSSIAN CITIES?

Differences in procedures among cities depend on whether most of the connection process is conducted by the distribution utility or if private third parties hired by customers are involved. The process involves less steps in Kemerovo, Perm, Rostov-on-Don, Samara, Stavropol and Yakutsk with 6-7 procedures. The predominant practice in these cities is for the distribution utility to prepare the connection design, obtain approvals of the design from the energy inspectorate, the department of architecture and construction and others, undertake the external connection works and prepare part of the inspection documentation (stages 2, 3 and partially 4 in figure 5.4). In other cities the number of procedures increases to 9-10 because customers hire private design firms and electrical contractors directly. Cities where utilities are in charge of the design, approvals and connection works have fewer procedures, but they sometimes have longer delays—on average it takes about 2 months longer (figure 5.5).

Less common procedures add to the complexity of the connection process in a few of the cities studied. In Kaluga, Murmansk, Stavropol, Surgut and Volgograd the distribution utility also visits the construction site when preparing technical conditions. It is common for applicants or their representatives to be present during this visit. In other cities the distribution utility prepares the connection specifications by using maps of the electricity network. Only in complicated cases is a site visit organized.

In Omsk and Petrozavodsk the power retail company inspects the connection when preparing the supply contract (in addition to the 3 common inspections of the connection works by the distribution utility, the energy inspectorate and the check of the meter by the distribution utility or power retail company). In Moscow and Novosibirsk a customer profile must be submitted by the applicant to a special department of the distribution utility. The profile is required to obtain a document describing the division of ownership and responsibilities for the maintenance of the electricity connection by the distribution utility and customers.

The design including approvals is the longest stage in the connection process (figure 5.6). Across the cities studied, this procedure lasts an average of 74 days. It is fastest in Surgut at 1 month—while in Murmansk and Petrozavodsk it takes 4 months. External connection works take an average of 34 days, and together all
FIGURE 5.6 Connection design and approvals take the most time

Average time for each type of activity (as % of total time)

- Application and technical conditions: 12%
- Design and its approvals: 33%
- Connection works: 15%
- Inspections: 17%
- Supply contract: 7%
- Other procedures: 16%

Note: The graph includes 24 cities where customers hire private firms to complete the design. In the other 6 cities, utilities conduct design, approvals and connection works. Therefore, connection durations cannot be estimated separately.

Source: Doing Business database.

The inspections of completed works including inspections by the distribution utility, energy inspectorate, and a separate check and sealing of the meter, take 40 days. Project approvals from several public agencies are common in most economies in Eastern Europe and Central Asia, but not elsewhere in the world.

The cost of connecting to electricity consists of fees paid to distribution utilities and, where applicable, private design firms and electrical contractors. Fees paid to distribution utilities are set by regional energy commissions and based on a federal methodology. The fees vary based on the amount of the requested load, voltage at the point of connection, location and other factors.

If a local distribution utility determines that the network is too saturated to connect a new customer, regulated fee schedules do not apply. In such situations utilities calculate costs on a case by case basis. In Murmansk, Surgut, Yekaterinburg and Vladivostok it is difficult to obtain the regulated fee schedules because they are often not used. Instead, utilities extensively use the case by case approach to determine connection costs even for relatively average loads like the 140 kVA load assumed in the Doing Business case study. Case by case costs are reviewed by regional energy commissions for each connection. This approach reduces the possibility of overcharging customers but delays connections.

In addition, connection costs vary depending on the type of connection works required in a particular city and location.11 If the network is saturated, more extensive external connection works—including an expansion of the distribution network—may be required. The resulting capital investments (such as the installation of a distribution transformer) can substantially increase costs for new customers. Among the 30 cities studied, an expansion of the distribution network with installation of a new transformer is the most likely scenario in 19.12

As a result of these variations, connection costs equal 112% of income per capita in Omsk, compared with 1,852% in Moscow and 1,153% in Samara (figure 5.7).13

WHAT REFORMS WERE IMPLEMENTED?

In 2008 distribution utilities connected only 15% of the load requested during the year.14 In response to this problem, the Russian government introduced amendments to federal legislation on electricity connections.15 Several of these amendments targeted companies requesting loads below 100 kilowatts and residential customers with loads below 15 kilowatts.16 After the enactment of the new legislation, such requests could no longer be denied because of insufficient capacity of the electricity grid. In an effort to reduce the burden of inspections, the energy inspectorate stopped checking completed connection works in such cases.

Other federal reforms affected a broader set of customers. For example, to ease the burden of high connection fees, it is now possible to pay in installments. In March 2011 new amendments introduced mandatory templates for connection contracts between utilities and customers.17 These templates reduce opportunities for excessive or even illegal connection conditions. In addition, utilities are required to disclose certain statistical information on

FIGURE 5.7 Getting an electricity connection is cheapest in Omsk and most expensive in Moscow and Samara

<table>
<thead>
<tr>
<th>City</th>
<th>Costs as % of income per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omsk</td>
<td>105.6</td>
</tr>
<tr>
<td>Moscow</td>
<td>1850</td>
</tr>
<tr>
<td>Samara</td>
<td>1152.9</td>
</tr>
</tbody>
</table>

Source: Doing Business database.
electricity connections, including the number of submitted and completed applications.

Federal reforms are not evenly implemented across cities. For example, in 2008 the connection design and approval stage was simplified by eliminating the requirement to have the design approved by the energy inspectorate. Yet in Irkutsk, Novosibirsk, Omsk and Yekaterinburg this approval is still required today. Another reform not enforced in all cities is a 2009 amendment that defines the division of responsibilities for connection works between distribution utilities and customers. Under this amendment, customers complete works within the borders of their property and utilities are responsible for works beyond the property lines. But in most of the cities studied, utilities do not strictly follow this regulation. Customers often have to hire firms to complete the design and works required to lay cable outside their property lines.

For connection fees, reforms present a serious challenge. Because the condition of the electrical network across Russia has required large investments, connection costs have been high partly to help fund these investments. To remedy this situation, the government amended the methodology for calculating connection costs in 2011. It is now prohibited to include investment expenses for the development of an existing network in connection fees. As a result, the connection fee, for example in Moscow, dropped from 4,125% of income per capita to 1,852%.

**WHAT TO REFORM?**

**Make design approval less complex**

The most complex, time-consuming procedure in getting an electricity connection is obtaining approvals of the connection design from all relevant agencies, including the distribution utility, the department of architecture and construction, the energy inspectorate in some cases, the retail electric supplier and in many cases other organizations, like the water and gas utilities and the telephone company. Customers may have to visit more than 10 agencies to complete this process. There is ample room for streamlining this process.

**Simplify inspection and documentation after connection works are completed**

After connection works are completed, customers must comply with 3–5 additional steps before supply contracts can be signed and electricity can start flowing. The inspection by the distribution utility is followed by an inspection from the energy inspectorate for customers requesting loads above 100 kilowatts. After that, the applicant visits the utility to collect several documents, including one describing the division of ownership and responsibilities for the maintenance of the electricity connection between the distribution utility and the customer. Finally, a separate procedure is required to check and seal the meter. Moreover, some cities have additional requirements. In Omsk and Petrozavodsk an additional inspection by a power company is required before electricity is turned on. By contrast, in Australia, once the electrical contractor finishes works, there is only one more step before electricity starts flowing—an inspection by the utility.

Inspection and documentation have already been simplified for customers requesting loads below 100 kilowatts by eliminating the inspection by the energy inspectorate. Further review and streamlining of this process would reduce its complexity for customers requesting higher loads.

**Make case by case connection fees more transparent**

Connection costs should be transparent to allow customers to understand what they are paying for. When utilities allocate the costs for new connections between prospective and existing customers by charging connection fees and distribution charges, respectively, they also balance considerations of economic efficiency and fairness. But it is often difficult to distinguish between capital works needed to connect customers and those needed for projected growth or to improve the safety and reliability of distribution networks. New customers might end up paying for investments in networks rather than just connection costs.

In some of the Russian cities studied, connection fees are available on websites or in offices of distribution utilities and regulators. For customers requesting loads less than 15 kilowatts, a federally regulated tariff of up to 550 rubles ($19) applies across Russian cities. For customers requesting larger loads, connection fee schedules are set by regional energy commissions in charge of tariff regulation. Based on these fee schedules, customers can calculate and understand the costs charged by distribution utilities. But for loads above 100 kilowatts, distribution utilities can decide that networks are too saturated to connect new customers. In such situations utilities calculate costs based on each case.

Though it is difficult to ensure that customers are charged fairly when costs are estimated on a case by case basis, some countries find inventive ways to facilitate adequate charging. For example, in the United Kingdom, where connection costs are also estimated on a case by case basis, utilities publish booklets with the most common connection schemes and associated costs of materials and works. This approach gives customers an idea of the cost range that will apply to their connections.

**NOTES**

1. Ministry of Economic Development, note on the completed work and planned activities in the area of electricity connections, 2011.


6. In many economies connection works and designs are conducted by private design firms and electrical contractors rather than distribution utilities. But even in these cases issuing connection specifications, turning on electricity and other tasks can be completed only by utilities.

7. http://www.holding-mrsk.ru/eng/about/Key-facts

8. Federal Decree N861 from December 2004 with amendments through March 2011


10. As this report went to print, the Moscow United Electric Grid Company issued an internal order that eliminates the requirement for customers to submit the profiles. Instead, departments in the utility share the information internally.

11. Doing Business distinguishes between 2 cases: connecting to low-voltage or to medium-voltage networks. The first case involves laying low-voltage underground cables or installing low-voltage overhead wires from the metering point to the closest connection point on the network. The second case usually occurs when the capacity of the utility’s low-voltage network cannot accommodate the power demands of customers. This case involves installing a distribution transformer and connecting it between a customer’s installation and the utility’s medium-voltage network.


13. In Samara costs are paid only to distribution utilities, while in Moscow and Omsk total costs consist of connection fees paid to distribution utilities and charges paid to electrical contractors and design firms.


15. Decree N861 from December 2004 with amendments through April 2009.

16. These reforms do not apply to the case study.

17. Decree N861 from December 2004 with amendments through March 2011.


20. Methodology for calculation of electricity connection tariffs with amendments through November 2010.

21. In cities where utilities are in charge of approving designs, customers do not have to visit public agencies to obtain the approvals. Still, the time required to complete this step delays the connection process.

22. For loads below 100 kilowatts the energy inspectorate does not check connection works.

Russia’s transition to a market-oriented economy had wide-reaching effects, including repercussions on land rights and property ownership. Since the Soviet Union was dissolved, Russia created the institutions needed to transition from a state-owned to a private property system. New laws rejected the state monopoly over land in 1990, and in 1993 the constitution granted the right to private property ownership. The 2001 Land Code provided a legal framework for property ownership and unified titles to land and buildings, setting the ground for an efficient land market and a system of property rights.

WHY DOES REGISTERING PROPERTY MATTER?
Registered property rights are needed to support investment, productivity and growth. Land and buildings account for between half and three-quarters of wealth in most economies, so having an accurate land information system matters. Smoothly run, up-to-date land information systems have many benefits. Entrepreneurs with formal land titles have a better chance of getting credit when using their property as collateral. Efficient property registration systems also can raise tax revenues. Timely land information also allows governments to map out needs in cities and plan the provision of services and infrastructure. Tools such as cadastres and survey maps can be used in city planning to avoid or mitigate environmental or climate risks.

WHAT DOES REGISTERING PROPERTY MEASURE?
Doing Business records the procedures, time and costs needed for a business to purchase a property from another business and to transfer the property title to the buyer’s name. The process starts by obtaining the needed documents—such as an encumbrance’s certificate or copy of the seller’s title—and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property as collateral and resell it (figure 6.1). Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer and even if it must be completed by a third party on their behalf.

HOW DOES REGISTERING PROPERTY IN RUSSIA COMPARE GLOBALLY?
The ease of registering property varies greatly among economies. Globally, it is easiest to register property in Norway or the United Arab Emirates, where only 1 procedure is required, it takes 3 days or fewer and the cost does not exceed 3% of income per capita. Regionally, in Eastern Europe and Central Asia, Belarus faced similar challenges as Russia in its transition to a market-oriented economy. It overhauled its Soviet-style system and unified and computerized information on rights to land and buildings under one agency that became responsible for registering real estate transactions. Entrepreneurs can now register property with only 2 procedures and in 10 days.

Moscow represents Russia in the annual Doing Business publication. It ranks 45 among 183 economies, ahead of Brazil (114), India (97) and Japan (58) and not far behind China (40). It takes an entrepreneur 5 procedures, 43 days and costs 0.2% of property value—one of the lowest amounts in the world—to transfer a property title in Moscow. Compared with EU countries, Russia ranks ahead of Germany (77) and the United Kingdom (68). Russia could look to its neighbors for good practices in property registration. Azerbaijan ranks 9, Kazakhstan 29 and Lithuania 7.

HOW DOES REGISTERING PROPERTY WORK IN RUSSIA?
Three organizations used to manage property information in Russia. Cadastral information on land was held by different regional land committees based on whether it was urban
or rural. Cadastral information on buildings was managed by the Bureaus of Technical Inventory. Information on property ownership was managed by the Federal Registry Service and its predecessors. A 2008 law created the Federal Service of Registration, Cadastre and Cartography Rosreestr, unifying management of ownership registration and land cadastre. Since 2009 cadastral information on buildings is being gradually transferred to the property registry Rosreestr. The database combining the cadastral and registry of property rights can facilitate planning and local development. It makes procedures simpler for entrepreneurs wanting to register property because all information can be found in one place.

HOW DOES REGISTERING PROPERTY VARY ACROSS RUSSIAN CITIES?

Entrepreneurs seeking to register property in Russian cities face similar requirements established by federal regulation. The streamlined process in most of the 30 cities studied is efficient and affordable by international standards. But there are local variations due to how national legislation is interpreted and enforced. Among the cities measured, it is easiest to register property in Kaluga—where it takes 3 procedures, 19 days and 0.2% of property value—and longest in Yakutsk—where it takes 4 procedures, 60 days and 0.4% of property value (table 6.1).

Several observations emerge when comparing these results with those from 2008. Some cities, like Perm and Tomsk, dropped relative to their peers. Others moved up. Some of these changes are due to the study’s addition of 20 cities, some of which have competitive property registration systems. In addition, all 10 cities previously measured reduced the number of procedures and the time required to register property, while costs increased slightly. For example, Moscow and Saint Petersburg each cut 1 procedure, Rostov-on-Don cut 2 procedures and reduced delay by almost half, and Tver cut 3 procedures and 13 days.

Despite business reforms across the board, there were differences in the gains of one location relative to its peers. For example, Tver dropped from 1 in 2008 to 8 now. Rostov-on-Don jumped from the bottom to 4 of 30 cities. And because many cities have the same number of procedures and identical costs, they share the same rankings.

Across the cities measured, it would take an entrepreneur an average of 4 procedures, 35 days and 0.23% of property value to register property. Russia has one of the world’s lowest fees as a percentage of property value—much less than in EU or Eastern European and Central Asian economies, where it is 4.8% and 2.8%, respectively. In neighboring economies such as China, Finland and Japan transfer costs range between 3.6% and 5.7% of property value. In the region, only Kazakhstan has a cheaper property transfer fee, at just 0.1% of property value (figure 6.2).

The low cost in Russia is partly due to the fact that entrepreneurs pay a fixed fee to register property, a good practice captured by Doing Business in 15 economies like New Zealand and the Slovak Republic, as opposed to a percentage of the property value. Because this cost structure does not penalize higher property values, it can encourage sellers to declare the real market value of their properties.

In 27 of the 30 cities studied, almost all the cost corresponds to the official registration fee of 30,000 rubles ($1,000) for land and building, prescribed by federal law. In Irkutsk and Khabarovsk, entrepreneurs pay an additional 15,000 rubles ($500) because they also register the sale-purchase agreement. The registration of the agreement contract is not required by law because registration of the transfer rights is sufficient to ensure an owner’s rights to property. Other fees stem from notarization practices in cities like Kirov, where it costs 500 rubles ($17) to notarize each charter, one for the buyer and one for the seller. In 5 cities entrepreneurs typically obtain a cadastral passport on the building, and its cost varies from 600 rubles ($20) in Novosibirsk to 49,500 rubles ($1,650) in Kaliningrad. The variance arises from entrepreneurs in cities like Kaliningrad and Yakutsk carrying out a technical inventory of their buildings to mitigate risk.

Despite a common regulatory framework for property registration, the number of procedures varies due to local practices. All 30 cities studied share 3 requirements: verifying ownership and encumbrances at the Federal Service of State Registration, Cadastre and Cartography, obtaining excerpts from the commercial registry about the companies of the buyer and seller, and registering the transfer of rights for the building and the land plot.

Twelve cities have 1 or 2 other requirements. For example, in some cities it is common for entrepreneurs to have to submit cadastral passports for land, buildings or both. Though notarization of official documents is not a legal obligation, in Kirov, Murmansk, Saint 

<table>
<thead>
<tr>
<th>City</th>
<th>Rank</th>
<th>Procedures</th>
<th>Time</th>
<th>Cost (% of property value)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>3</td>
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<td>Stavropol</td>
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<td>Yakutsk</td>
<td>3</td>
<td>4</td>
<td>60</td>
<td>0.4</td>
</tr>
</tbody>
</table>

* City measured in Doing Business in Russia 2009

Note: Rankings are based on the average percentile rankings on the procedures, time, and cost to register property. Cities with the same average percentile rankings have the same rank.

Source: Doing Business database.
Petersburg, Tomsk and Yekaterinburg entrepreneurs submit notarized copies. In Irkutsk, Perm and Petrozavodsk they submit the originals. The registration officers certify the copies by checking them against the originals and returning the originals to the applicants. The Rosreestr’s internet portal in these cities points out this option for applicants. As a result applicants are aware that they can bring original deeds for onsite verification rather than notarized copies, saving time and money for entrepreneurs. Petrozavodsk was previously the only city to require submission of a “Plan Spravka” but has eliminated this requirement since it was last measured.

The duration of the registration process is set by federal legislation, and all cities comply with the 30-day limit. In Kaliningrad, Kaluga, Khabarovsk, Stavropol and Vladikavkaz it takes even less time—10 to 22 days. In Kazan state registration used to take 20 days, but now takes 30. Alleged causes are an increase in the number of applications and fewer employees. Time limits also exist for the issuance of the cadastral passport, but they are not always adhered to in practice. A federal law passed in 2010 caps the time to obtain a cadastral passport for a land plot at 5 working days. But a cadastral passport for a land plot takes 14 days to be issued in Saint Petersburg due to high number of applications.

Efficient service saves time. The Federal Tax Service, which manages the commercial registry, introduced an electronic queue in Rostov-on-Don. This simple tool designed to keep people in line organized the activities in the agency, increased transparency and improved customer service. In the commercial registry, expedited procedures are offered to obtain company excerpts that indicate the legal representatives of the firm, in 1–2 days, for 400 rubles ($13), twice the regular fee. Entrepreneurs in Yaroslavl tend to choose the regular service to obtain their documents in 7 days. This approach is possible because excerpts can be presented after submitting applications for registration of property rights, so there is no rush for entrepreneurs to obtain them quickly.

### WHAT REFORMS WERE IMPLEMENTED?

Since Doing Business in Russia 2009 was published, several federal reforms have been introduced to facilitate property registration (table 6.2).

In 2008 officials embarked on an effort to reorganize property registration by combining the cadastre for land and property under the Federal Service of State Registration, Cadastre and Cartography. In 2010 changes to the Federal Law on State Registration of Real Estate Rights came into force. The new provisions prevent the government from requesting new cadastral passports for buildings and land plots when the registry has records in its archives. One exception is if physical modifications were made to the property. The majority of cities across the

<table>
<thead>
<tr>
<th>City</th>
<th>Introduced legislation to consolidate functions in “Rosreestr”</th>
<th>Eliminated requirement for cadastral passport for land from “Rosreestr”</th>
<th>Eliminated requirement for cadastral passport for building from “BTI”</th>
<th>Increased fees for registration at “Rosreestr”</th>
<th>Eliminated requirement for notarization of copy of sale deed</th>
<th>Reduced time for registration at “Rosreestr”</th>
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</tr>
</tbody>
</table>

√ Doing Business reform making it easier to register property.
X Doing Business reform making it more difficult to register property.
∆ National level reform making it easier to register property.

Source: Doing Business database.
Russian Federation have complied with this new Federal Law. However, in Kaliningrad, Kemerovo, Moscow, Novosibirsk, Perm and Yakutsk entrepreneurs still submit the cadastral passport for buildings. And in Kaliningrad, Kemerovo, Murmansk, Novosibirsk, Saint Petersburg, Stavropol and Tomsk, it is still common practice for entrepreneurs to choose to submit cadastral passports on land. Parties do not want to jeopardize approval due to potential inconsistencies between the information contained in the documents about the property and the actual property itself, and therefore choose to submit these cadastral passports to minimize risk. It is faster to register property in Russia than in 2008. For the 10 cities measured in Doing Business in Russia 2009, the average time to register property dropped from 61 days in 2008 to 38 today (figure 6.3). Saint Petersburg had the largest reduction, of 73 days from 117 to 44 days, after speeding registration at Rosreestr, followed by Kazan which cut time by more than half to 33 days by unifying cadastral and registration functions at Rosreestr.

Across the country, the fixed registration fee at Rosreestr doubled from 7,500 rubles ($250) to 15,000 ($500) in 2010, which is paid on both the land plot and the building, totaling 30,000 rubles ($1,000).

**WHAT TO REFORM?**

**Expeditate registration at the Rosreestr and offer fast-track procedures for property registration**

Russian law sets 30 days as the time limit for property registration. In some cities, like Kaluga, it takes 14 or fewer days. But in most cities it takes 30 days to register the transfer. Agencies should better plan staffing resources based on assessments of transaction volumes and staff productivity to complete registration of property rights in less time.

Another option is to offer expedited procedures for higher fees. The Commercial Registry already offers expedited procedures to issue company excerpts in 1 day for 400 rubles ($14) instead of 7 days—half the usual fee. Among the 183 economies studied by the global Doing Business, 15 offered expedited procedures in 2010/11. This helps people who need speedier registration and are willing to pay for it – and allows a registry to prioritize its work and pay for additional resources to enable expeditated registration. Azerbaijan, Bulgaria and Serbia introduced fast-track options for property registrations over the past 6 years. In Lithuania property can be registered in 10 business days, or in 3 by paying 30% more, 2 by paying 50% more, or 1 for 100% more. In Moldova property can be registered in 10 days (for $38), 3 ($111) or 1 ($185). Hungary introduced a fast-track procedure that reduced registration time at the land registry to 9-19 days for a higher fee ($72 compared with $30 for regular service, which takes 30-60 days). Though Russia has combined the functions of multiple agencies responsible for land cadastral and real estate rights into one agency, the Rosreestr continues to centralize all information in all regions. To strengthen connectivity between agencies, the country should continue to work on a unified database for records to allow for easier, quicker access to vital information to ensure title security. Connecting with the bureaus of technical inventory for information on buildings can facilitate the property transfer process until the full unification is complete. Linking the Rosreestr and Commercial Registry could also eliminate the need for entrepreneurs to undertake a separate procedure to obtain company excerpts.

**Continue integrating land and building cadastres and registries in Rosreestr across regions**

Efficient property registration systems centralize activities in one-stop shops or link relevant agencies electronically, minimizing interactions between agencies and entrepreneurs. Azerbaijan, Belarus, Kazakhstan and the Kyrgyz Republic created one-stop shops for property transfers by unifying their land and building registries. As a result, the average time to transfer property in these 5 economies fell from 78 days to 14 days.

Though Russia has an electronic system to manage property ownership information, a tool used to ease and expedite registration in 108 economies. Computerized systems at cadastres or registries improve access to information and allow making information available online.

The Rosreestr could promote electronic submission of registration for transfer of real estate rights

Russia has an electronic system to manage property ownership information, a tool used to ease and expedite registration in 108 economies. Computerized systems at cadastres or registries improve access to information and allow making information available online.

The Rosreestr could promote electronic submission of state registration for transfer
of property rights. Eleven economies—including France, the Netherlands and New Zealand—offer this option. New Zealand digitized property records between 1997 and 2002, then introduced electronic registration. By 2005 only about half of property transactions were submitted electronically. In 2008 the government passed a law making electronic registration mandatory. Today registration can be completed in just 2 steps at a cost of 0.1% of property value.

Accepting original deeds instead of notarized copies

Notarizing corporate documents adds to the time and cost of transferring property. In most cities in Russia, validating corporate documents is done by the Registry, eliminating the need for entrepreneurs to submit notarized copies. This good practice should be extended to all cities.

Though the number of applicants submitting notarized copies of official documents has decreased since 2008, the practice still exists across many Russian cities. In Kirov, Moscow, Murmansk, Saint Petersburg, Tomsk and Yekaterinburg entrepreneurs still submit notarized copies, though not required by law, adding an additional procedure at a cost of 1,000 rubles ($32).

Eliminate the practice of registering agreement contract across Russia

In Russia registration of transfer of property rights is mandatory, while registration of the agreement contract is not. Entrepreneurs typically pay 30,000 rubles ($1,000) to register a transfer as mandated by law. But in cities such as Irkutsk and Khabarovsk entrepreneurs register agreements in addition to the property rights, at a cost of 15,000 rubles ($500) per transaction. Several reasons exist for this practice, including ambiguity on the law and entrepreneurs seeking to minimize the risk of refusal or suspension of state registration of real estate rights, though not registering the agreement does not pose any such risk. This practice should be eliminated by instructing relevant authorities not to accept any additional documents above those prescribed by law.

NOTES

3. Property information held in cadastres and land registries is part of the land information available to governments. Land information also includes other geographic, environmental and socioeconomic data related to land that are useful for urban planning and development.
5. According to the order of Rosreestr on May 28, 2009 No. 25
The indicators presented and analyzed in Doing Business in Russia 2012 measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. The indicators document the degree of regulation, such as the number of procedures to start a business or to register and transfer commercial property. They also gauge the time and cost of achieving a regulatory goal or complying with regulation, such as the time and cost to enforce a contract.

In this report, Doing Business indicators have been measured for 30 cities in Russia. Ten of these cities were benchmarked in Doing Business in Russia 2009. The data presented in this report for Moscow and other economies are based on the global report Doing Business 2012—Doing Business in a more transparent world. The data for all sets of indicators in Doing Business in Russia 2012 are current as of November 2011. The data for all sets of indicators taken from Doing Business 2012 are current as of June 2011.

METHODOLOGY
The Doing Business in Russia 2012 data is collected in a standardized way. To start, the Doing Business team, with academic advisers, designs a questionnaire. The questionnaire uses a simple business case to ensure comparability across countries and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Then the questionnaire is customized to the particular case of Russia.

Questionnaires are administered through local experts, including lawyers, business consultants, construction firms, engineers, local and national-level government officials and other professionals routinely administering or advising on legal and regulatory requirements. These experts have several rounds of interaction with the Doing Business in Russia 2012 team, through face-to-face interviews, conference calls and written correspondence. The data from questionnaires are subjected to numerous tests for robustness, which lead to revisions or expansions of the information collected. For example, the preliminary findings are presented to the local governments through right of reply consultations with administrators and other local government officials.

The Doing Business methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue: Doing Business is not a statistical survey, and the texts of relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies.

Finally, the data not only highlight the extent of specific regulatory obstacles to Doing Business but also identify their source and point to what might be reformed.

LIMITS TO WHAT IS MEASURED
The Doing Business methodology has four limitations that should be considered when interpreting the data. First, the data often focus on a specific business form—a limited liability company of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Second, transactions described in a standardized case study refer to a specific set of issues and may not represent the full set of issues a business encounters. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in Doing Business represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in Doing Business in Russia 2012 would differ from the perceptions of entrepreneurs reported in

ECONOMY CHARACTERISTICS
Gross national income (GNI) per capita

Exchange rate
The exchange rate used in this report is: 1 US$ = 30.945 RUB.

Region and income group
the World Bank Enterprise Surveys or other perception surveys.

**CHANGES IN WHAT IS MEASURED**

The methodology for the dealing with construction permits indicator was updated this year. The global *Doing Business* report now includes getting electricity indicators in its overall analysis of the ease of doing business. For this reason, the procedures, time and cost related to obtaining an electricity connection were removed from the dealing with construction permits indicator. In line with *Doing Business* methodology and to allow for international and subnational comparability, *Doing Business in Russia 2012* has also removed procedures, time, and cost related to getting an electricity connection from the dealing with construction permits indicator.

**STARTING A BUSINESS**

*Doing Business in Russia 2012* records all procedures that are officially required for an entrepreneur to start up and formally operate a commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The ranking on the ease of starting a business is the simple average of the percentile rankings on its component indicators (figure 7.1).

After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures is developed, along with the time and cost of complying with each procedure under normal circumstances and the paid-in minimum capital requirements if applicable. Subsequently, local incorporation lawyers, notaries and government officials complete and verify the data.

Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that all agencies involved in the start-up process function without corruption. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across countries, several assumptions about the business and the procedures are used.

**Assumptions about the business**

The business:

- Is a limited liability company. If there is more than one type of limited liability company in the country, the limited liability form most popular among domestic firms is chosen. Information on the most popular form is obtained from incorporation lawyers or the statistical office.
- Operates in the commercial district of the selected city.
- Is 100% domestically owned and has 5 owners, none of whom is a legal entity.
- Has start-up capital of 10 times income per capita at the end of 2010, paid in cash.
- Performs general commercial activities, such as the production or sale of products or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
- Leases the commercial plant and offices and is not a proprietor of real estate.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees 1 month after the commencement of operations, all of them nationals.
- Has a turnover of at least 100 times income per capita.
- Has a company deed 10 pages long.

**Procedures**

A procedure is defined as any interaction of the company founder with external parties (for example, government agencies, lawyers, auditors or notaries). Interactions between company founders or company officers and employees are not counted as procedures. Procedures that must be completed in the same building but in different offices are counted as separate procedures. If founders have to visit the same office several times for different sequential procedures, each is counted separately. The founders are assumed to complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law. If the services of professionals are required, procedures conducted by such professionals on behalf of the company are counted separately. Each electronic procedure is counted separately. If 2 procedures can be completed through the same website but require separate filings, they are counted as 2 procedures. Both pre- and post incorporation procedures that are officially required for an entrepreneur to formally operate a business are recorded (table 7.1).

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**TABLE 7.1 What do the starting a business indicators measure?**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures to legally start and operate a company (number)</td>
<td></td>
</tr>
<tr>
<td>Preregistration (for example, name verification or reservation, notarization)</td>
<td></td>
</tr>
<tr>
<td>Registration in the economy’s selected city</td>
<td></td>
</tr>
<tr>
<td>Postregistration (for example, social security registration, company seal)</td>
<td></td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td></td>
</tr>
<tr>
<td>Does not include time spent gathering information</td>
<td></td>
</tr>
<tr>
<td>Each procedure starts on a separate day</td>
<td></td>
</tr>
<tr>
<td>Procedure completed once final document is received</td>
<td></td>
</tr>
<tr>
<td>No prior contact with officials</td>
<td></td>
</tr>
<tr>
<td>Cost required to complete each procedure (% of income per capita)</td>
<td></td>
</tr>
<tr>
<td>Official costs only, no bribes</td>
<td></td>
</tr>
<tr>
<td>No professional fees unless services required by law</td>
<td></td>
</tr>
<tr>
<td>Paid-in minimum capital (% of income per capita)</td>
<td></td>
</tr>
<tr>
<td>Funds deposited in a bank or with a notary before registration (or within 3 months)</td>
<td></td>
</tr>
</tbody>
</table>

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**FIGURE 7.1 Starting a business: getting a local limited liability company up and running**

Rankings are based on 4 indicators: 25% Time, 25% Cost, 25% Procedures, 25% Paid-in minimum capital.
Procedures required for official correspondence or transactions with public agencies are also included. For example, if a company seal or stamp is required on official documents, such as tax declarations, obtaining the seal or stamp is counted. Similarly, if a company must open a bank account before registering for sales tax or value added tax, this transaction is included as a procedure. Shortcuts are counted only if they fulfill 4 criteria: they are legal, they are available to the general public, they are used by the majority of companies, and avoiding them causes substantial delays.

Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities. Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included.

**Time**

Time is recorded in calendar days. The measure captures the median duration that incorporation lawyers indicate is necessary to complete a procedure with minimum follow-up with government agencies and no extra payments. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). A procedure is considered completed once the company has received the final document, such as the company registration certificate or tax number. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry regulations and their sequence from the beginning but has had no prior contact with any of the officials.

**Cost**

Cost is recorded as a percentage of the economy’s income per capita. It includes all official fees and fees for legal or professional services if such services are required by law. Fees for purchasing and legalizing company books are included if these transactions are required by law. The company law, the commercial code and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer’s estimate is taken as an official source. In the absence of a government officer’s estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

**Paid-in minimum capital**

The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation and is recorded as a percentage of the economy’s income per capita. The amount is typically specified in the commercial code or the company law. Many countries have a minimum capital requirement but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation.

The data details on starting a business can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list. This methodology was developed in Djankov, Simeon, Rafael La Porta, Florencio López-de-Silanes and Andrei Schleifer. 2002. “The Regulation of Entry.” Quarterly Journal of Economics 117(1):1-37, and is adopted here with minor change.

**DEALING WITH CONSTRUCTION PERMITS**

*Doing Business in Russia 2012* records all procedures required for a business in the construction industry to build a standardized warehouse. These procedures include submitting all relevant project-specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. *Doing Business in Russia 2012* also records procedures for obtaining connections for water, sewerage, and a fixed telephone landline. Procedures necessary to register the property so that it can be used as collateral or transferred to another entity are also counted. The survey divides the process of building a warehouse into distinct procedures and calculates the time and cost of completing each procedure. The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators (figure 7.2).

Information is collected from experts in construction licensing, including architects, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations, including approvals and inspections. To make the data comparable across economies, several assumptions about the business, the warehouse project and the utility connections are used.

**Assumptions about the construction company**

The business (BuildCo):

- Is a limited liability company.
- Operates in the selected city.
- Is 100% domestically and privately owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience...
necessary to obtain construction permits and approvals.

- Has at least 1 employee who is a licensed architect and registered with the local association of architects.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for construction workers and third-person liability insurance).
- Owns the land on which the warehouse is built.

Assumptions about the warehouse
The warehouse:
- Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Has 2 stories, both above ground, with a total surface of approximately 1,300.6 square meters (14,000 square feet). Each floor is 3 meters (9 feet, 10 inches) high.
- Has road access and is located in the perurban area of the selected city (that is, on the fringes of the city but still within its official limits).
- Is not located in a special economic or industrial zone. The zoning requirements for warehouses are met by building in an area where similar warehouses can be found.
- Is located on a land plot of 10,000 square feet (929 square meters) that is 100% owned by BuildCo and is registered in the cadastre and land registry.
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will include all technical equipment required to make the warehouse fully operational.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Assumptions about the utility connections
The water and sewerage connection:
- Is 10 meters (32 feet, 10 inches) from the existing water source and sewer tap.
- Does not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.
- Has an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day.
- Has a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year.

The telephone connection:
- Is 10 meters (32 feet, 10 inches) from the main telephone network.
- Is a fixed telephone landline.

Procedures
A procedure is any interaction of the company’s employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors and technical experts apart from in-house architects and engineers. Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. Procedures that the company undergoes to connect to water, sewerage and telephone services are included. All procedures that are legally or in practice required for building a warehouse are counted, even if they may be avoided in exceptional cases (table 7.2).

Time
Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete the procedure in practice. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is ignored. It is assumed that BuildCo is aware of all building requirements and their sequence from the beginning.

Cost
Cost is recorded as a percentage of the economy’s income per capita. Only official costs are recorded. All the fees associated with completing the procedures to legally build a warehouse are recorded, including those associated with obtaining land use approvals and preconstruction design clearances; receiving inspection before, during and after construction; getting utility connections; and registering the warehouse property. Nonrecurring taxes required for the completion of the warehouse project are also recorded. The building code, information from local experts and specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported value is used.

The data details on dealing with construction permits can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list.
The warehouse:

- Is owned by a local entrepreneur.
- Is located in the selected city.
- Is located within the city’s official limits and in an area where other warehouses are located (a nonresidential area).
- Is not located in a special economic or investment zone; that is, the electricity connection is not eligible for subsidization or faster service under a special investment promotion regime. If several options for location are available, the warehouse is located where electricity is most easily available.
- Has road access. The connection works involve the crossing of a road (for excavation, overhead lines and the like), but they are all carried out on public land; that is, there is no crossing onto another owner’s private property.
- Is located in an area with no physical constraints. For example, the property is not near a railway.
- Is used for storage of refrigerated goods.
- Is a new construction (that is, there was no previous construction on the land where it is located). It is being connected to electricity for the first time.
- Has 2 stories, both above ground, with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

Assumptions about the electricity connection

The electricity connection:

- Is a permanent one.
- Is a 3-phase, 4-wire Y, 140-kilovolt-ampere (kVA) (subscribed capacity) connection.
- Is 150 meters long. The connection is to either the low-voltage or the medium-voltage distribution network and either overhead or underground, whichever is more common in the economy and in the area where the warehouse is located. The length of any connection in the customer’s private domain is negligible.
- Involves the installation of only one electricity meter. The monthly electricity consumption will be 0.07 gigawatt-hour (GWh). The internal electrical wiring has already been completed.

Procedures

A procedure is defined as any interaction of the company’s employees or its main electrician or electrical engineer (that is, the one who may have done the internal wiring) with external parties such as the electricity distribution utility, electricity supply utilities, government agencies, electrical contractors and electrical firms. Interactions between company employees and steps related to the internal electrical wiring, such as the design and execution of the internal electrical installation plans, are not counted as procedures. Procedures that must be completed with the same utility but with different departments are counted as separate procedures (table 7.3).
REGISTERING PROPERTY

Doing Business in Russia 2012 records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer’s name so that the buyer can use the property for expanding its business, as collateral in taking new loans or, if necessary, sell to another business. The process starts with obtaining the necessary documents, such as a copy of the seller’s title if necessary, and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it. The ranking on the ease of registering property is the simple average of the percentile rankings on its component indicators (figure 7.4).

Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them.

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

Assumptions about the parties
The parties (buyer and seller):
• Are limited liability companies.
• Are located in the periurban area of the selected city.
• Are 100% domestically and privately owned.
• Have 50 employees each, all of whom are nationals.
• Perform general commercial activities.

Assumptions about the property
The property:
• Has a value of 50 times income per capita. The sale price equals the value.
• Is fully owned by the seller.
• Has no mortgages attached and has been under the same ownership for the past 10 years.
• Is registered in the land registry or cadastre, or both, and is free of title disputes.
• Is located in a periurban commercial zone, and no rezoning is required.
• Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A 2-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property of land and building will be transferred in its entirety.

Procedures
A procedure is defined as any interaction of the buyer or the seller, their agents (if an agent is legally or in practice required) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in exceptional cases. It is assumed that the buyer follows the fastest legal option available and used by the majority of property owners. Although the buyer may use lawyers or other professionals where necessary in the registration process, it is assumed that it does not employ an outside facilitator in the registration process unless legally or in practice required to do so (table 7.4).
Time

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning. Time spent on gathering information is not considered.

Cost

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.

The data details on registering property can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list.

RANKINGS

The ranking on each topic is the simple average of the percentile rankings on its component indicators. The ease of starting a business is a simple average of the city rankings on the number of procedures, and the associated time and cost (% of income per capita) required to start a business. The ease of dealing with construction permits is a simple average of the city rankings on the number of procedures, and the associated time and cost (% of income per capita) required to build a warehouse. The ease of getting electricity is a simple average of the city rankings on the number of procedures, associated time and cost (% of income per capita) required to obtain a permanent electricity connection and supply for a standardized warehouse. The ease of registering property is a simple average of the city rankings on the number of procedures, associated time and cost (% of the property value) required to register property.

The rankings are limited in scope. They do not account for an economy’s proximity to large markets, the quality of its infrastructure services (other than services related to construction permits), the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions. There remains a large unfinished agenda for research into what regulation constitutes binding constraints, what package of reforms is most effective and how these issues are shaped by the context of an economy. The Doing Business indicators provide a new empirical data set that may improve understanding of these issues.

DISTANCE TO FRONTIER MEASURE

This year’s report introduces a new measure to illustrate how the regulatory environment for local businesses in each economy has changed over time. The distance to frontier measure illustrates the distance of an economy to the “frontier” and shows the extent to which the economy has closed this gap over time. The frontier is a score derived from the most efficient practice or highest score achieved on each of the component indicators in 9 Doing Business indicator sets (excluding the employing workers and getting electricity indicators) by any economy since 2005. In starting a business, for example, New Zealand has achieved the highest performance on the time (1 day), Canada and New Zealand on the number of procedures required (1), Denmark and Slovenia on the cost (0% of income per capita) and Australia on the paid-in minimum capital requirement (0% of income per capita).

Calculating the distance to frontier for each economy involves 2 main steps. First, individual indicator scores are normalized to a common unit. To do so, each of the 32 component indicators is re-scaled to $(y – \text{min})/ (\text{max} – \text{min})$, with the minimum value (min) representing the frontier—the highest performance on that indicator across all economies since 2005. Second, for each economy the scores obtained for individual indicators are aggregated through simple averaging into one distance to frontier score. An economy’s distance to the frontier is indicated on a scale from 0 to 100, where 0 represents the frontier and 100 the lowest performance.

The difference between an economy’s distance to frontier score in 2005 and its score in 2011 illustrates the extent to which the economy has closed the gap to the frontier over time. The maximum (max) and minimum (min) observed values are computed for the 174 economies included in the Doing Business sample since 2005 and for all years (from 2005 to 2011). The year 2005 was chosen as the baseline for the economy sample because it was the first year in which data were available for the majority of economies (a total of 174) and for all 9 indicator sets included in the measure. To mitigate the effects of extreme outliers in the distributions of the rescaled data (very few economies need 694 days to complete the procedures to start a business, but many need 9 days), the maximum (max) is defined as the 95th percentile of the pooled data for all economies and all years for each indicator.

<table>
<thead>
<tr>
<th>TABLE 7.4</th>
<th>What do the registering property indicators measure?</th>
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<tbody>
<tr>
<td>Procedures to legally transfer title on immovable property (number)</td>
<td></td>
</tr>
<tr>
<td>Pre-registration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</td>
<td></td>
</tr>
<tr>
<td>Registration procedures in the economy’s selected city</td>
<td></td>
</tr>
<tr>
<td>Post-registration procedures (for example, filing title with municipality)</td>
<td></td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td></td>
</tr>
<tr>
<td>Does not include time spent gathering information</td>
<td></td>
</tr>
<tr>
<td>Each procedure starts on a separate day</td>
<td></td>
</tr>
<tr>
<td>Procedure completed once final document is received</td>
<td></td>
</tr>
<tr>
<td>No prior contact with officials</td>
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<tr>
<td>Cost required to complete each procedure (% of property value)</td>
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</tr>
<tr>
<td>Official costs only, no bribes</td>
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<tr>
<td>No value added or capital gains taxes included</td>
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<tr>
<td>City tables</td>
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| **Khabarovsk, Khabarovsk Kray** | 23 |
| Starting a business (rank) | 24 |
| Procedures (number) | 8 |
| Time (days) | 23 |
| Cost (% of income per capita) | 3.0 |
| Minimum capital (% of income per capita) | 1.6 |
| Dealing with construction permits (rank) | 29 |
| Procedures (number) | 32 |
| Time (days) | 269 |
| Cost (% of income per capita) | 188.9 |
| Getting electricity (rank) | 8 |
| Procedures (number) | 9 |
| Time (days) | 248 |
| Cost (% of income per capita) | 391.1 |
| Registering property (rank) | 17 |
| Procedures (number) | 3 |
| Time (days) | 13 |
| Cost (% of property value) | 0.3 |

| **Kirov, Kirov Oblast** | 12 |
| Starting a business (rank) | 13 |
| Procedures (number) | 7 |
| Time (days) | 29 |
| Cost (% of income per capita) | 2.1 |
| Minimum capital (% of income per capita) | 1.6 |
| Dealing with construction permits (rank) | 5 |
| Procedures (number) | 29 |
| Time (days) | 206 |
| Cost (% of income per capita) | 47.3 |
| Getting electricity (rank) | 4 |
| Procedures (number) | 9 |
| Time (days) | 220 |
| Cost (% of income per capita) | 390.6 |
| Registering property (rank) | 20 |
| Procedures (number) | 4 |
| Time (days) | 35 |
| Cost (% of property value) | 0.2 |

| **Moscow** | 30 |
| Starting a business (rank) | 25 |
| Procedures (number) | 9 |
| Time (days) | 30 |
| Cost (% of income per capita) | 2.1 |
| Minimum capital (% of income per capita) | 1.6 |
| Dealing with construction permits (rank) | 30 |
| Procedures (number) | 47 |
| Time (days) | 392 |
| Cost (% of income per capita) | 171.5 |
| Getting electricity (rank) | 30 |
| Procedures (number) | 10 |
| Time (days) | 281 |
| Cost (% of income per capita) | 1852.4 |
| Registering property (rank) | 26 |
| Procedures (number) | 5 |
| Time (days) | 43 |
| Cost (% of property value) | 0.2 |

| **Murmansk, Murmansk Oblast** | 26 |
| Starting a business (rank) | 12 |
| Procedures (number) | 7 |
| Time (days) | 25 |
| Cost (% of income per capita) | 2.2 |
| Minimum capital (% of income per capita) | 1.6 |
| Dealing with construction permits (rank) | 19 |
| Procedures (number) | 16 |
| Time (days) | 357 |
| Cost (% of income per capita) | 137.4 |
| Getting electricity (rank) | 27 |
| Procedures (number) | 10 |
| Time (days) | 328 |
| Cost (% of income per capita) | 375.6 |
| Registering property (rank) | 23 |
| Procedures (number) | 5 |
| Time (days) | 35 |
| Cost (% of property value) | 0.2 |
### Novosibirsk, Novosibirsk Oblast

<table>
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<tr>
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<th>Rank</th>
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<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
<th>Minimum capital (% of income per capita)</th>
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### Omsk, Omsk Oblast

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<th>Minimum capital (% of income per capita)</th>
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<tr>
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### Perm, Perm Kray

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<th>Minimum capital (% of income per capita)</th>
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### Petrozavodsk, Republic of Karelia

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<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
<th>Minimum capital (% of income per capita)</th>
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### Rostov-on-Don, Rostov Oblast

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<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
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**LIST OF PROCEDURES**

**STARTING A BUSINESS**

**Irkutsk, Irkutsk Oblast**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

**Time:** 1 day

**Cost:** RUB 500 (200 rubles state duty + 300 rubles notary fees)

**Comments:** A signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Irkutsk the cost is 500 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

**Time:** 2 days

**Cost:** No cost

**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form — a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

**Time:** 1 day

**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

**Time:** 8 days

**Cost:** RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001).
2. Minutes of a meeting establishing a legal entity.
3. Charter of a limited liability company (2 copies).
4. Receipt confirming payment of a state duty. An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information to the Pension Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 5 working days from when they receive information from the Federal Tax Service. The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics

**Time:** 1 day

**Cost:** No cost

**Comments:** On the day after state registration the Federal Tax Service sends information about the company to the Federal Service of State Statistics for registration. The Federal Service of State Statistics sends their registration certificate by registered mail to the legal address of the company or a company representative picks it up personally. In the latter case the procedure takes 1-2 days.

Procedure 6. Obtain confirmation of registration at the Pension Fund

**Time:** 1 day

**Cost:** No cost

**Comments:** The Pension Fund registers the company within 5 days from the date of receipt of information from the Unified State Register of Legal Entities from the Federal Tax Service. The company can personally pick up the registration certificate at the Pension Fund or wait for mail delivery to its legal address.

Procedure 7*. Obtain confirmation of registration at the Social Insurance Fund

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 4 work days upon the date of receipt of information from the Federal Tax Service, the Social Insurance Fund registers the company as an insurer and issues the registration documents to the company representative in person or mails them.

Procedure 8*. Order and obtain a company seal

**Time:** 1 day

**Cost:** RUB 400

**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Irkutsk a seal costs 400 rubles on average.

Procedure 9*. Open the company bank account

**Time:** 3 days

**Cost:** RUB 1,500

**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Irkutsk is 1,500 rubles.

Procedure 10. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

**Time:** 1 day

**Cost:** No cost

**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Kaliningrad, Kaliningrad Oblast**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

**Time:** 1 day

**Cost:** RUB 250 (200 rubles state duty + 50 rubles notary fees)

**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability entity

(1) Application for state registration of a legal entity (form R11001).
(2) Minutes of a meeting establishing a legal entity.
(3) Charter of a limited liability company (2 copies).
(4) Receipt confirming payment of a state duty. An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information to the Pension Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 5 working days from when they receive information from the Federal Tax Service. The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 7*. Obtain confirmation of registration at the Social Insurance Fund

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 4 work days upon the date of receipt of information from the Federal Tax Service, the Social Insurance Fund registers the company as an insurer and issues the registration documents to the company representative in person or mails them.

Procedure 8*. Order and obtain a company seal

**Time:** 1 day

**Cost:** RUB 400

* This procedure can be completed simultaneously with previous procedures.
company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Kaliningrad the cost is 250 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form—a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 8 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:
1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

Once state registration is completed, the Federal Tax Service sends information about the legal entity from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund and Social Insurance Fund. They register the company and send their registration certificates back to the Federal Tax Service which passes them to the applicant together with other registration documents. On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service, as well as
5. Certificate of registration in the Pension Fund
6. Certificate of registration in the Mandatory Medical Insurance Fund

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 1 day
Cost: No cost
Comments: After receipt of registration documents at the Federal Tax Service a director of the company or an authorized representative personally goes to Rosstat with a certificate of state registration. On the same day Rosstat registers the company and issues their registration certificate.

Procedure 6. Order and obtain a company seal
Time: 1 day
Cost: RUB 700
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Kaliningrad a seal costs 700 rubles on average.

Procedure 7. Open the company bank account
Time: 2 days
Cost: RUB 2,400
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kaliningrad is 2,400 rubles.

Procedure 8. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Kaluga, Kaluga Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 550 (200 rubles state duty + 350 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Kaluga the cost is 550 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form—a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles is prepared. Cost of opening of a bank account varies. In Kaliningrad the cost is 2,400 rubles.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 8 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:
1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

Once state registration is completed, the Federal Tax Service sends information about the legal entity from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund and Social Insurance Fund. They register the company and send their registration certificates back to the Federal Tax Service which passes them to the applicant together with other registration documents. On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service, as well as
5. Certificate of registration in the Pension Fund
6. Certificate of registration in the Mandatory Medical Insurance Fund

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 1 day
Cost: No cost
Comments: After receipt of registration documents at the Federal Tax Service a director of the company or an authorized representative personally goes to Rosstat with a certificate of state registration. On the same day Rosstat registers the company and issues their registration certificate.

Procedure 6. Order and obtain a company seal
Time: 1 day
Cost: RUB 700
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Kaliningrad a seal costs 700 rubles on average.

Procedure 7. Open the company bank account
Time: 2 days
Cost: RUB 2,400
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kaliningrad is 2,400 rubles.

Procedure 8. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

* This procedure can be completed simultaneously with previous procedures.
registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 9 days  
**Cost:** RUB 4,000  
**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 working days from when they receive information from the Federal Tax Service.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The Federal Tax Service sends information about the registered legal entity to the Federal Service of State Statistics. Then a director of the company or an authorized representative goes to Rosstat with certificates of state registration, taxpayer registration and an excerpt from the Unified State Register of Legal Entities. On the same day the applicant receives the information letter confirmation of registration) with assigned statistics codes from Rosstat.

**Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** The Federal Tax service within 3-5 days after state registration electronically sends information from the Unified State Register of Legal Entities to the Social Insurance Fund for registration.

Then within no more than 3 days after receipt of the information the Social Insurance Fund registers the company as an insurer. The actual time is 1 day. The company may wait for mail delivery of the registration certificate (about 2 weeks) though in practice entrepreneurs prefers to personally pick it up at the Social Insurance Fund.

**Procedure 7*. Obtain confirmation of registration at the Pension Fund**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** The Federal Tax Service within 3-5 working days after of state registration electronically sends information from the Unified State Register of Legal Entities to the Pension Fund for registration. Within no more than 3 days after receipt of this information the Pension Fund registers the company. The actual registration time is 1 day. The company can wait for the registration certificate to be mailed (about 2 weeks) but in practice entrepreneurs prefers to personally pick it up at the Pension Fund.

**Procedure 8*. Obtain confirmation of registration at the Mandatory Medical Insurance Fund**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** The Federal Tax Service within 5 working days from the date of state registration electronically sends information from the Unified State Register of Legal Entities to the Mandatory Medical Insurance Fund for the further registration. The actual time of registration is 1 day. The company is assigned a registration number which is included in the registration certificate. A representative of the company picks up this certificate at the Mandatory Medical Insurance Fund personally.

**Procedure 9*. Order and obtain a company seal**

**Time:** 1 day  
**Cost:** RUB 1,000  
**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal maker. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Kazan a seal costs 1,000 rubles on average.

**Procedure 10*. Open the company bank account**

**Time:** 1 day  
**Cost:** RUB 1,000  
**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kaluga is 1,000 rubles.

**Procedure 11*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Kazan, Republic of Tatarstan**

Standard company legal form: Limited Liability Company (LLC)  
Minimum capital requirement: RUB 5,000 (US$ 162)  
Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 400 (200 rubles state duty + 200 rubles notary fees)  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Kazan the cost is 400 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form—a common practice. (Law on LLC, Article 15).

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

* This procedure can be completed simultaneously with previous procedures.
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 18 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R10001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Inspection of a legal address by the Federal Tax Service
Time: 1 day
Cost: No cost
Comments: The Federal Tax Service sometimes sends an inspector to confirm the legal address of the company provided for state registration.

Procedure 6*. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 1 day
Cost: No cost
Comments: After receipt of registration documents at the Federal Tax Service a director of the company or an authorized representative personally goes to Rosstat with a certificate of state registration. On the same day Rosstat registers the company and issues their registration certificate.

Procedure 7*. Order and obtain a company seal
Time: 1 day
Cost: RUB 500
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Kazan a seal costs 500 rubles on average.

Procedure 8*. Open the company bank account
Time: 1 day
Cost: RUB 400
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kazan is 400 rubles.

Procedure 9*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS
Kemerovo, Kemerovo Oblast

Standard company legal form: Limited Liability Company (LLC)
Minimum capital requirement: RUB 5,000 (US$ 162)
Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 500 (200 rubles state duty + 300 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Kemerovo the cost is 550 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 8 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R10001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

At least 50% of the charter capital must be paid before incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form – a common practice. (Law on LLC, Article 15).

* This procedure can be completed simultaneously with previous procedures.
The state duty for state registration of a legal entity is due within 3-5 working days from when they receive information from the Federal Tax Service.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 33.3.3).

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</tr>
</tbody>
</table>

**Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** After receipt of registration documents at the Federal Tax Service the applicant can immediately go to Rosstat to pick up the registration certificate with assigned statistic codes or wait for mail delivery. More often applicants prefer to personally pick up the registration certificate at Rosstat.

**Procedure 6. Obtain confirmation of registration at the Social Insurance Fund**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** Within 5 days after state registration the Federal Tax Service sends information about the new company to the Social Insurance Fund for registration. The registration certificate can be mailed by Social Insurance Fund to the legal address of the company but in practice entrepreneurs prefer to personally pick up the registration certificate at Social Insurance Fund to avoid delays and losing the letter during mail delivery.

**Procedure 7. Obtain confirmation of registration at the Pension Fund**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** Within 5 days after state registration the Federal Tax Service sends information about the new company to the Pension Fund for registration. Registration certificates can be mailed to the legal address of the company but in practice entrepreneurs prefer to personally pick up the registration certificate at Pension Fund to avoid delays and losing the letter during mail delivery.

**Procedure 8. Order and obtain a company seal**

**Time:** 1 day  
**Cost:** RUB 550  
**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Kemerovo a seal costs 550 rubles on average.

**Procedure 9. Notarize documents for opening a bank account including signatures on a bank card**

**Time:** 1 day  
**Cost:** RUB 1,200  
**Comments:** To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.

**Procedure 10. Open the company bank account**

**Time:** 2 days  
**Cost:** RUB 1,300  
**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kemerovo is 1,300 rubles.

**Procedure 11. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**Starting a Business**

[**Khabarovsk, Khabarovsk Kray**]

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 500 (200 rubles state duty + 300 rubles notary fees)  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R1001). The cost of notarization varies. In Khabarovsk the cost is 500 rubles.
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.
The Federal Tax Service electronically sends information to the Pension Fund, Social Insurance Fund, Mandatory Medical Insurance Fund and Federal Service of State Statistics, which register the company within 5 days from when they receive information from the Federal Tax Service.
The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 5 days
Cost: No cost
Comments: The Federal Tax Service within 5 working days after state registration sends information about the legal entity to the Federal Service of State Statistics which registers the new company. Then the applicant can personally go to Rosstat and pick up the registration certificate with assigned statistics codes.

Procedure 6*. Order and obtain a company seal
Time: 2 days
Cost: RUB 550
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Khabarovsk a seal costs 550 rubles on average.

Procedure 7*. Open the company bank account
Time: 2 days
Cost: RUB 4,000 (3,000 rubles commission for opening bank account + 300 rubles for the card + 700 rubles for certification of copies)
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Khabarovsk is 4,000 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 550 (200 rubles state duty + 350 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders or establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Kirov the cost is 550 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 2 days
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 23 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.
The following documents are required:
(1) Application for state registration of a legal entity (form R10001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.
On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.
Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3 days from when they receive information from the Federal Tax Service and mail their registration certificates to the legal address of the company.
The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Order and obtain a company seal
Time: 1 day
Cost: RUB 1,000
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities, a data entry in the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

Procedure 6. Open the company bank account
Time: 2 days
Cost: RUB 1,000
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities, a data entry in the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

* This procedure can be completed simultaneously with previous procedures.
and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Kirov is 1,000 rubles.

**Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

### STARTING A BUSINESS

**Moscow**

- **Standard company legal form:** Limited Liability Company (LLC)  
- **Minimum capital requirement:** RUB 5,000 (US$ 162)  
- **Data as of:** November 2011

**Procedure 1. Notarize registration application and agreement on establishment of a company**

**Time:** 1 day  
**Cost:** RUB 200 (RUB 200 per copy)  
**Comments:** Copy of the agreement of establishment of a company and the filled out and signed registration application must also be notarized.

**Procedure 2. Deposit capital in the bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital shall be paid before company incorporation. The balance must be paid in the first year of operation. In order to open a bank account the following documents are required: (i) application form, notarized copy of the charter; (ii) notarized copy of the decision of establishment of the limited liability company; and (iii) notarized copy of the foundation agreement. The deposit of the capital requires opening an accumulative bank account for the name of the entity which is not created yet. Depending on the bank, opening an account may take more than 1 day mostly because of bank’s client acceptance procedures.

**Procedure 3. Pay registration fee**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The registration fee must be paid for the registration of the legal entity with the State Tax Inspectorate. Many applicants use Sberbank for paying the registration fee as the tax authorities are familiar with the payment order issued by the Sberbank and in case of the payment order issued by any other banks may request some additional confirmation that the payment was actually completed. The registration fee of RUR 4,000 shall be transferred to the account of the State Tax Inspectorate.

**Procedure 4. Register with the unified register at the Federal Tax Service on the local level, to obtain the single number of state registration and the number of tax registration (identification number of taxpayer, INN)**

**Time:** 18 days  
**Cost:** RUB 4,000  
**Comments:** Documents required for registration:  
- Decision of the founders meeting;  
- Charter (2 copies);  
- Registration Application, notarized;  
- Payment receipt.  

The tax authorities sometimes implement a number of requirements, and failure to comply may lead to the rejection of the application. In addition, recently the tax authorities stopped issuing the original of the Charter (Articles of Association) which is filed for state registration. Only a certified copy is issued. As a result, if the company has to file the copy of the Charter with any other state authorities, another copy of the Charter has to be requested by the tax authorities every time. The copy is usually issued within 5 working days and requires a payment of RUR 200 or RUR 400.

**Procedure 5. Notarize Bank Signature Card**

**Time:** 1 day  
**Cost:** RUB 1,200 + RUB 400 (signatures and bank card) + RUB 800 (notary fees)  
**Comments:** For a limited liability company with 50 employees, generally the General director and Chef accountant have a signature right. Required documents:  
- Registration certificate, notarized must be original document;  
- Taxpayer Identification Number (INN) certificate, notarized must be original document;  
- Charter, originals or notarized copies notarized;  
- Documents confirming authority of the signatories (decision on the founders on appointment/election of the Director etc.), notarized.  
- Signature card with the print of the seal - notarized.

**Procedure 6. Make a seal in a private company in order to open a bank account**

**Time:** 1 day  
**Cost:** RUB 928  
**Comments:** The company need to make a company seal before it opens a bank account.

**Procedure 7. Open the company bank account**

**Time:** 5 days  
**Cost:** No cost nominal  
**Comments:** Banks may require documents related to the founders of the newly established company and investigate the founder’s history and its financial status. Requirements in terms of client acceptance procedure vary depending on the bank. The bank finally provides the entrepreneur with a confirmation procedure which contains details about the bank account. The entrepreneur needs this information to inform the Federal Tax Service about the opening of a bank account through the required notification.

**Procedure 8. Inform Federal Tax Service of the company bank account number**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The representative of the newly founded company has to submit a notification (a standard form) in person or by mail to the Federal Tax Service giving notice of the opening of the bank account. In addition, banks have the obligation to notify the Pension Fund and the Social Insurance Fund of the opening of the bank account of a new legal entity.

### Murmansk, Murmansk Oblast

- **Standard company legal form:** Limited Liability Company (LLC)  
- **Minimum capital requirement:** RUB 5,000 (US$ 162)  
- **Data as of:** November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 450 (200 rubles state duty + 250 rubles notary fees)  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R1001). The cost of notarization varies. In Murmansk the cost is 450 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen.

* This procedure can be completed simultaneously with previous procedures.
The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 20 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R11001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, and Social Insurance Fund which register the company within 5 working days from when they receive information from the Federal Tax Service and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Order and obtain a company seal
Time: 1 day
Cost: RUB 800
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Murmansk a seal costs 800 rubles on average.

Procedure 6. Open the company bank account
Time: 1 day
Cost: RUB 1,500
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Murmansk is 1,500 rubles.

Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Novosibirsk, Novosibirsk Oblast

Standard company legal form: Limited Liability Company (LLC)
Minimum capital requirement: RUB 5,000 (US$ 162)
Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 500 (200 rubles state duty + 300 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R1001). The cost of notarization varies. In Novosibirsk the cost is 500 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 9 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R11001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information from the Unified State Register of Legal Entities and a taxpayer registration to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics which register the company.

* This procedure can be completed simultaneously with previous procedures.
The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 1 day
Cost: No cost
Comments: After receipt of registration documents at the Federal Tax Service the applicant can immediately go to Rosstat, show the registration documents and obtain the statistics registration with assigned statistics codes or wait for mail delivery. Applicants prefer to pick up the registration certificates in Rosstat personally.

Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund
Time: 5 days
Cost: No cost
Comments: The Federal Tax Service electronically sends information about the new company to the Social Insurance Fund on the day of the state registration. Then Social Insurance Fund within 5 days registers the company. Social Insurance Fund mails the registration certificate if the company doesn’t pick it up personally.

Procedure 7*. Obtain confirmation of registration at the Pension Fund
Time: 5 days
Cost: No cost
Comments: On the day of state registration the Federal Tax Service electronically sends information about the new company to the Pension Fund. Then the Pension Fund within 5 days registers the company and mails the registration certificate if the company has not picked it up personally.

Since January 1, 2011 the Pension Fund has performed the function of the Mandatory Medical Insurance Fund on registration (in accordance with the federal law “On Mandatory Medical Insurance in the Russian Federation” of November 29, 2010 No 326-FZ, Article 17).

Procedure 8*. Order and obtain a company seal
Time: 1 day
Cost: RUB 500
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to inform the Federal Tax Service about your address and the main state registration number. The state duty for state registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R11001).
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 days from when they receive information from the Federal Tax Service and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 10. Open the company bank account
Time: 1 day
Cost: RUB 1,000
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Novosibirsk is 1,000 rubles.

Procedure 11. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS
Omsk, Omsk Oblast

Standard company legal form: Limited Liability Company (LLC)
Minimum capital requirement: RUB 5,000 (US$ 162)
Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 300 (200 rubles state duty + 100 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submit- ted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Omsk the cost is 300 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 18 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R11001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 days from when they receive information from the Federal Tax Service and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

* This procedure can be completed simultaneously with previous procedures.

Procedure 9. Notarize documents for opening a bank account including signatures on a bank card
Time: 1 day
Cost: RUB 1,020
Comments: To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.
**STARTING A BUSINESS**

### Perm, Perm Krai

**Standard company legal form:** Limited Liability Company (LLC)

**Minimum capital requirement:** RUB 5,000 (US$ 162)

**Data as of:** November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 600 (200 rubles state duty + 400 rubles notary fees)

**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Perm the cost is 600 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost

**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days  
**Cost:** RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001).
2. Minutes of a meeting establishing a legal entity.

**Procedure 5*. Order and obtain a company seal**

**Time:** 1 day  
**Cost:** RUB 700

**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Perm is 1,000 rubles.

**Procedure 6. Note to documents for opening a bank account including signatures on a bank card**

**Time:** 1 day  
**Cost:** RUB 1,100

**Comments:** To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.

**Procedure 7. Open the company bank account**

**Time:** 2 days  
**Cost:** RUB 1,000

**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Perm is 1,000 rubles.

**Procedure 8. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost

**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**Procedure 9. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days  
**Cost:** RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001).
2. Minutes of a meeting establishing a legal entity.

**Procedure 10. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 11. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days  
**Cost:** RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001).
2. Minutes of a meeting establishing a legal entity.

**Procedure 12. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 13. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days  
**Cost:** RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001).
2. Minutes of a meeting establishing a legal entity.

* This procedure can be completed simultaneously with previous procedures.
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Petrozavodsk, Republic of Karelia**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 400 (200 rubles state duty + 200 rubles notary fees)

Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs,” a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company; charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Petrozavodsk the cost is 400 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost

Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account; deposit charter capital and receive the money back in case the registration does not happen.

The charter capital can be in a noncash form - a bank account notify the Federal Tax Service, and do not charge for opening accounts. The average cost of opening a bank account in Petrozavodsk is 1,500 rubles.

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days

Cost: RUB 4,000

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

Within 5 working days from the moment of state registration the Federal Tax Service sends electronic information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5*. Order and obtain a company seal**

**Time:** 1 day  
**Cost:** RUB 800

Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Perm a seal costs 800 rubles on average.

**Procedure 6. Open the company bank account**

**Time:** 1 day  
**Cost:** RUB 1,500

Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Petrozavodsk is 1,500 rubles.

**Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost

Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Rostov-on-Don, Rostov Oblast**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 250 (200 rubles state duty + 50 rubles notary fees)

Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company; charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Rostov-on-Don the cost is 250 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost

Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account; deposit charter capital and receive the money back in case the registration does not happen.

The charter capital can be in a noncash form - a bank account notify the Federal Tax Service, and do not charge for opening accounts. The average cost of opening a bank account in Rostov-on-Don the cost is 250 rubles.

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 18 days

Cost: RUB 4,000

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

Within 5 working days from the moment of state registration the Federal Tax Service sends electronic information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5*. Order and obtain a company seal**

**Time:** 1 day  
**Cost:** RUB 800

Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Perm a seal costs 800 rubles on average.

**Procedure 6. Open the company bank account**

**Time:** 1 day  
**Cost:** RUB 1,500

Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Rostov-on-Don the cost is 1,500 rubles.

*This procedure can be completed simultaneously with previous procedures.*
Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 8 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:
(1) Application for state registration of a legal entity (form R11001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. At the end of the registration period an applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics
Time: 7 days
Cost: No cost
Comments: Within 3-5 working days after state registration the Federal Tax Service sends information about the new company to Rosstat for registration. Then the registration certificate with assigned statistics codes can be mailed to the legal address of the new company but in practice entrepreneurs prefer to pick up the registration certificates in Rosstat personally in order to avoid delays and losing the letter during mail delivery.

Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund
Time: 1 day
Comments: On completion of state registration at the Federal Tax Service the applicant can personally go to the Social Insurance Fund, show the registration documents obtained at the Federal Tax Service and receive the registration certificate.

Procedure 7*. Obtain confirmation of registration at the Pension Fund
Time: 1 day
Cost: No cost
Comments: On completion of state registration of the new company at the Federal Tax Service the applicant can personally go to the Pension Fund, show documents of state registration obtained at the Federal Tax Service and receive the certificate of registration at the Pension Fund.

Procedure 8*. Order and obtain a company seal
Time: 2 days
Cost: RUB 525
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Rostov-on-Don a seal costs 525 on average.

Procedure 9. Notarize documents for opening a bank account including signatures on a bank card
Time: 1 day
Cost: RUB 1,200
Comments: To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.

Procedure 10. Open the company bank account
Time: 1 day
Cost: RUB 1,750
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Rostov-on-Don is 1,750 rubles.

Procedure 11. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number
Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Saint-Petersburg

Standard company legal form: Limited Liability Company (LLC)
Minimum capital requirement: RUB 5,000 (US$ 162)
Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 400 (200 rubles state duty + 200 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No.129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Saint Petersburg the cost is 400 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration in a bank and get proof thereof.

* This procedure can be completed simultaneously with previous procedures.
registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011. In Saint Petersburg it is possible to pay the state duty at the payment terminals located at the Federal Tax Service.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

*Time:* 9 days  
*Cost:* RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R10001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

Once state registration is completed, the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund as well as to the Federal Service of State Statistics, which register the company and send their registration certificates back to the Federal Tax Service which passes them to the applicant together with other registration documents.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service, as well as
5. Certificate of registration in the Pension Fund,
6. Certificate of registration in the Mandatory Medical Insurance Fund,
7. Certificate of registration in the Social Insurance Fund,

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5. Order and obtain a company seal**

*Time:* 1 day  
*Cost:* RUB 400

**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Saint Petersburg a seal costs 400 rubles on average.

**Procedure 6. Open the company bank account**

*Time:* 3 days  
*Cost:* RUB 1,300  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

*Time:* 1 day  
*Cost:* No cost

**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

*Time:* 1 day  
*Cost:* No cost

**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

*Time:* 1 day  
*Cost:* RUB 4,000  
**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

*Time:* 9 days  
*Cost:* RUB 4,000

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R10001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service, as well as
5. Certificate of registration in the Pension Fund,
6. Certificate of registration in the Mandatory Medical Insurance Fund,
7. Certificate of registration in the Social Insurance Fund,

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 1. Notarize signature on application for state registration of a legal entity**

*Time:* 1 day  
*Cost:* RUB 1,300 (200 rubles state duty for a signature of each of 5 founders + 300 rubles notary fees)

**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by all founders of the company (5 founder as in the standard case). The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, draft charter, passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Samara the cost is 1,300 rubles.

***This procedure can be completed simultaneously with previous procedures.***

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**Samara, Samara Oblast**

*Standard company legal form: Limited Liability Company (LLC)*

*Minimum capital requirement: RUB 5,000 (US$ 162)*

*Data as of: November 2011*

**Procedure 1. Notarize signature on application for state registration of a legal entity**

*Time:* 1 day  
*Cost:* RUB 1,300 (200 rubles state duty for a signature of each of 5 founders + 300 rubles notary fees)

**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by all founders of the company (5 founder as in the standard case). The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, draft charter, passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Samara the cost is 1,300 rubles.
Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 1 day
Cost: No cost
Comments: On completion of state registration the Federal Tax Service sends information about the registered legal entity to the funds and statistics. Then the founder usually goes to Rosstat personally, shows the registration documents obtained from the Federal Tax Service and on the same day receives from Rosstat the information letter with assigned statistics codes.

Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund

Time: 2 days
Cost: No cost
Comments: On completion of registration the Federal Tax Service sends information about the new company to the funds and statistics. Then within 1-3 days the founder personally goes to the Social Insurance Fund and personally obtains the registration certificate.

Procedure 7*. Obtain confirmation of registration at the Pension Fund

Time: 1 day
Cost: No cost
Comments: On completion of registration the Federal Tax Service sends information about the new company to the funds and statistics. After that within 1-3 days the founder personally goes to the Pension Fund and receives the registration certificate. It is not required to go to the Mandatory Medical Insurance Fund as the Pension Fund in Samara Oblast also registers insurers in regard to the mandatory medical insurance.

Procedure 8*. Order and obtain a company seal

Time: 1 day
Cost: RUB 350
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Samara a seal costs 350 rubles on average.

Procedure 9. Open the company bank account

Time: 2 days
Cost: RUB 2,000
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Samara is 2,000 rubles.

Procedure 10. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

Saransk, Republic of Mordovia

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 400 (200 rubles state duty + 200 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R10001). The cost of notarization varies. In Saransk the cost is 400 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 9 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R10001).
2. Minutes of a meeting establishing a legal entity.
3. Charter of a limited liability company (2 copies).
4. Receipt confirming payment of a state duty. An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 working days from when they receive information from the Federal Tax Service.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 1 day
Cost: No cost
Comments: After state registration the Federal Tax Service sends information about the new company to Rosstat which registers the company on the next day. The applicant can pick up the registration certificate in Rosstat personally or wait for mail delivery.

Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund

Time: 2 days
Cost: No cost

* This procedure can be completed simultaneously with previous procedures.
Comments: On completion of state registration the Federal Tax Service sends information about the new company to the Social Insurance Fund which registers the company within 1-2 days. Then the applicant can personally pick up the registration certificate at Social Insurance Fund or wait for mail delivery.

Procedure 7*. Obtain confirmation of registration at the Pension Fund
Time: 2 days
Cost: No cost
Comments: On completion of state registration the Federal Tax Service sends information about the new company to the Pension Fund which registers the company within 1-2 days. Then the applicant can personally receive the registration certificate at the Pension Fund or wait for mail delivery.

Procedure 8*. Obtain confirmation of registration at the Mandatory Medical Insurance Fund
Time: 2 days
Cost: RUB 550
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Saransk a seal costs 550 rubles on average.

Procedure 9*. Order and obtain a company seal
Time: 2 days
Cost: RUB 550
Comments: Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Stavropol the cost is 500 rubles.

Procedure 10. Open the company bank account
Time: 1 day
Cost: RUB 2,200
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

Procedure 1*. Notarize signature on application for state registration of a legal entity
Time: 1 day
Cost: RUB 500 (200 rubles state duty + 300 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Stavropol the cost is 500 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital
Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof
Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents
Time: 18 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
1. Application for state registration of a legal entity (form R1001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Order and obtain a company seal
Time: 1 day
Cost: RUB 600
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents.

Procedure 6. Open the company bank account
Time: 1 day
Cost: RUB 1,500
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information
letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Stavropol is 1,500 rubles.

**Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number and an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Surgut, Khanty-Mansiysk Autonomous Okrug – Yugra**  
Standard company legal form: Limited Liability Company (LLC)  
Minimum capital requirement: RUB 5,000 (US$ 162)  
Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

**Time:** 1 day  
**Cost:** RUB 1,000  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Surgut the cost is 1,000 rubles.

**Procedure 2*. Open a temporary bank account and deposit part of charter capital**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

**Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof**

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)  
**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

**Time:** 8 days  
**Cost:** RUB 4,000  
**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:  
(1) Application for state registration of a legal entity (form R10001),  
(2) Minutes of a meeting establishing a legal entity,  
(3) Charter of a limited liability company (2 copies),  
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:  
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,  
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,  
(3) Excerpt from the Unified State Register of Legal Entities,  
(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends information about registration to the Pension Fund, Mandatory Medical Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 working days from when they receive information from the Federal Tax Service.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** Within 5 days from after state registration the Federal Tax Service sends information about the company to the Federal Service of State Statistics. The Rosstat registration certificate can be mailed to the legal address of the company but in practice entrepreneurs prefer to pick up the registration certificate personally to avoid delays and losing the letter during mail delivery.

**Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** Within 5 days after state registration the Federal Tax Service sends information about the new company to the Social Insurance Fund for registration. The registration certificate can be mailed by Social Insurance Fund to the legal address of the company however in practice entrepreneurs prefers personally pick up the registration certificate at Social Insurance Fund to avoid delays and losing the letter during mail delivery.

**Procedure 7*. Obtain confirmation of registration at the Pension Fund**

**Time:** 5 days  
**Cost:** No cost  
**Comments:** Within 5 days after state registration the Federal Tax Service sends information about the new company to the Pension Fund for registration. The Pension Fund can mail the registration certificate to the legal address of the company but in practice entrepreneurs prefer to personally pick up registration certificates at the Pension Fund to avoid delays and losing the letter during mail delivery.

Since January 1, 2011 the Pension Fund has performed the function of the Mandatory Medical Insurance Fund on registration (in accordance with the federal law “On Mandatory Medical Insurance in the Russian Federation” of November 29, 2010 No 326-FZ, Article 17).

**Procedure 8*. Order and obtain a company seal**

**Time:** 2 days  
**Cost:** RUB 1,500  
**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Surgut a seal costs 1,500 rubles on average.

**Procedure 9. Notarize documents for opening a bank account including signatures on a bank card**

**Time:** 1 day  
**Cost:** RUB 1,200  
**Comments:** To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.

**Procedure 10. Open the company bank account**

**Time:** 2 days  
**Cost:** RUB 1,500  
**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head
of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Surgut is 1,500 rubles.

Procedure 11. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Tomsk, Tomsk Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 250 (200 rubles state duty + 50 rubles notary fees)

Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R10001). The cost of notarization varies. In Tomsk the cost is 250 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 2 days
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen.

The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 20 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R10001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

At the end of the registration period the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 working days from when they receive information from the Federal Tax Service. The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 525
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Tomsk a seal costs 525 rubles on average.

Procedure 7*. Open the company bank account

Time: 3 days
Cost: RUB 2,000
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Tomsk is 2,000 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Tver, Tver Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 2 days
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen.

The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 20 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R10001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

At the end of the registration period the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,
(4) Copy of the charter certified by the Federal Tax Service.

Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company within 3-5 working days from when they receive information from the Federal Tax Service. The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 525
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Tomsk a seal costs 525 rubles on average.

Procedure 7*. Open the company bank account

Time: 3 days
Cost: RUB 2,000
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Tver is 2,000 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

* This procedure can be completed simultaneously with previous procedures.
company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Tver the cost is 400 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 22 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R1001)
2. Minutes of a meeting establishing a legal entity
3. Charter of a limited liability company (2 copies)
4. Receipt confirming payment of state duty

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number
2. Certificate as a taxpayer with assigned individual number of a taxpayer
3. Excerpt from the Unified State Register of Legal Entities

(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 1 day
Cost: RUB 550
Comments: A representative of a new company personally applies to Tverstat and attaches copies of registration documents, charter, minutes of founders meeting. Then s/he obtains a payment document, pays in a bank, goes back to Tverstat and immediately receives the information letter (confirmation of registration). Since 2012 Rosstat will only issue registration certificates with assigned statistics codes free of charge.

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 500
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Tver a seal costs 500 rubles on average.

Procedure 7*. Open the company bank account

Time: 1 day
Cost: RUB 1,800
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Tver is 1,800 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Ulyanovsk, Ulyanovsk Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1*. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 500 (200 rubles state duty + 300 rubles notary fees)
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Ulyanovsk the cost is 500 rubles.

Procedure 2. Open a temporary bank account and deposit part of charter capital

Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 22 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R1001)
2. Minutes of a meeting establishing a legal entity
3. Charter of a limited liability company (2 copies)
4. Receipt confirming payment of state duty

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number
2. Certificate as a taxpayer with assigned individual number of a taxpayer
3. Excerpt from the Unified State Register of Legal Entities

(4) Copy of the charter certified by the Federal Tax Service.

The Federal Tax Service sends electronically information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 1 day
Cost: RUB 550
Comments: A representative of a new company personally applies to Tverstat and attaches copies of registration documents, charter, minutes of founders meeting. Then s/he obtains a payment document, pays in a bank, goes back to Tverstat and immediately receives the information letter (confirmation of registration). Since 2012 Rosstat will only issue registration certificates with assigned statistics codes free of charge.

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 500
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Tver a seal costs 500 rubles on average.

Procedure 7*. Open the company bank account

Time: 1 day
Cost: RUB 1,800
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Tver is 1,800 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

* This procedure can be completed simultaneously with previous procedures.
**Procedure 3**: Pay registration fee for state registration in a bank and get proof thereof

**Time**: 1 day

**Cost**: No cost (included in procedure of state registration at the Federal Tax Service)

**Comments**: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4**: Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

**Time**: 10 days

**Cost**: RUB 4,000

**Comments**: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

**Procedure 5**: Obtain confirmation with statistics codes at the Federal Service of State Statistics

**Time**: 1 day

**Cost**: No cost

**Comments**: After state registration the Federal Tax Service within the one-stop shop sends information about the new company to the funds and statistics. Then the founder personally goes to Rosstat and on the same day receives an information letter with assigned statistics codes.

**Procedure 6**: Order and obtain a company seal

**Time**: 1 day

**Cost**: RUB 800

**Comments**: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Ulyanovsk a seal costs 800 rubles on average.

**Procedure 7**: Open the company bank account

**Time**: 3 days

**Cost**: RUB 1,100

**Comments**: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Ulyanovsk is 1,100 rubles.

**Procedure 8**: Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

**Time**: 1 day

**Cost**: No cost

**Comments**: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number must be submitted either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**Starting a business**

**Vladikavkaz, Republic of North Ossetia – Alania**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

**Procedure 1**: Notarize signature on application for state registration of a legal entity

**Time**: 1 day

**Cost**: RUB 200

**Comments**: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R1001). The cost of notarization varies. In Vladikavkaz the cost is 200 rubles.

**Procedure 2**: Open a temporary bank account and deposit part of charter capital

**Time**: 1 day

**Cost**: No cost

**Comments**: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

* This procedure can be completed simultaneously with previous procedures.
State Statistics for registration. Then the information letter with assigned statistics codes can be mailed to the legal address of the new company but in practice entrepreneurs prefer to personally obtain the information letter at Rosstot in order to avoid delays and losing the letter during mail delivery.

Procedure 6*. Obtain confirmation of registration at the Social Insurance Fund

Time: 1 day  
Cost: No cost  
Comments: It is envisaged that the Federal Tax Service operates a one-stop shop and sends information about the registered legal entity to the funds and statistics and then receives their registration certificates and passes all certificates to the applicant together with the registration documents issued by the Federal Tax Service. But in practice on completion of state registration at the Federal Tax Service the founder personally goes to the Social Insurance Fund and on the same day receives the registration certificate.

Procedure 7*. Obtain confirmation of registration at the Pension Fund

Time: 1 day  
Cost: No cost  
Comments: It is envisaged that the Federal Tax Service operates a one-stop shop and sends information about the registered legal entity to the funds and statistics and then receives their registration certificates and passes all certificates to the applicant together with the registration documents issued by the Federal Tax Service. But in practice on completion of state registration at the Federal Tax Service the founder personally goes to the Pension Fund and on the same day receives the registration certificate.

Procedure 8*. Obtain confirmation of registration at the Mandatory Medical Insurance Fund

Time: 1 day  
Cost: No cost  
Comments: It is envisaged that the Federal Tax Service operates a one-stop shop and sends information about the registered legal entity to the funds and statistics and then receives their registration certificates and passes all certificates to the applicant together with the registration documents issued by the Federal Tax Service. But in practice on completion of state registration at the Federal Tax Service the founder personally goes to the Mandatory Medical Insurance Fund and on the same day receives the registration certificate.

Procedure 9*. Order and obtain a company seal

Time: 2 days  
Cost: RUB 600  
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Vladivostak a seal costs 500 rubles on average.

Procedure 10. Notarize documents for opening a bank account including signatures on a bank card

Time: 1 day  
Cost: RUB 700  
Comments: To open a bank account, notarized copies of documents confirming the registration of a new company are required, along with notarization of signatures of authorized company representatives on a bank card. As an alternative, some banks certify copies of registration documents and signatures on a bank card themselves.

Procedure 11. Open the company bank account

Time: 1 day  
Cost: RUB 1,500  
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Vladivostak is 1,500 rubles.

Procedure 12. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day  
Cost: No cost  
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Vladivostok, Primorsky Krai

Standard company legal form: Limited Liability Company (LLC)  
Minimum capital requirement: RUB 5,000 (US$ 162)  
Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day  
Cost: RUB 500 (200 rubles state duty + 300 rubles (notary fees))  
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Vladivostok the cost is 500 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 1 day  
Cost: No cost  
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day  
Cost: No cost (included in procedure of state registration at the Federal Tax Service)  
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 20 days  
Cost: RUB 4,000  
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:
(1) Application for state registration of a legal entity (form R11001),
(2) Minutes of a meeting establishing a legal entity,
(3) Charter of a limited liability company (2 copies),
(4) Receipt confirming payment of a state duty.
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted. On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:
(1) Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
(2) Certificate as a taxpayer with assigned individual number of a taxpayer,
(3) Excerpt from the Unified State Register of Legal Entities,

* This procedure can be completed simultaneously with previous procedures.
Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 2 days
Cost: No cost
Comments: The Federal Tax Service within no more than 5 working days after state registration sends information about the legal entity to the Federal Service of State Statistics which registers the new company. Then the applicant can personally pick up the confirmation certificate with assigned statistic codes.

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 350
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Vladivostok a seal costs 350 on average.

Procedure 7*. Open the company bank account

Time: 2 days
Cost: RUB 2,200
Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Vladivostok is 2,200 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Volgograd, Volgograd Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 200
Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ "On State Registration of Legal Entities and Individual Entrepreneurs", a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form Р10001). The cost of notarization varies. In Volgograd the cost is 200 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 1 day
Cost: No cost
Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)
Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 19 days
Cost: RUB 4,000
Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form Р10001),
2. Minutes of a meeting establishing a limited liability company (2 copies),
3. Charter of a taxpayer legal entity (company copy),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 2 days
Cost: No cost
Comments: After receipt of documents of state registration at the Federal Tax Service a director of the company or his authorized representative goes to Rosstat and shows the registration certificate. Within 2 days the company is registered by Rosstat and obtains the registration certificate with assigned statistics codes.

Procedure 6*. Order and obtain a company seal

Time: 2 days
Cost: RUB 500
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an exempt from the Unified State Register of Legal
Entities. The price of a seal depends on its model and complexity of production. In Volgograd a seal costs 500 rubles on average.

**Procedure 7**. Open the company bank account

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>RUB 1,300</td>
</tr>
</tbody>
</table>

**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Volgograd is 1,300 rubles.

**Procedure 8**. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>No cost</td>
</tr>
</tbody>
</table>

**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

**Voronezh, Voronezh Oblast**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

**Procedure 1. Notarize signature on application for state registration of a legal entity**

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>RUB 1,000 (200 rubles state duty for a signature of each of 5 founders)</td>
</tr>
</tbody>
</table>

**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ “On State Registration of Legal Entities and Individual Entrepreneurs”, a signature on application for state registration of a company must be notarized. Application should be signed by all founders of the company (5 founder as in the standard case). The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company; charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Voronezh the cost is 1,000 rubles.

**Procedure 2. Open a temporary bank account and deposit part of charter capital**

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>No cost</td>
</tr>
</tbody>
</table>

**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

**Procedure 3. Pay registration fee for state registration in a bank and get proof thereof**

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>No cost (included in procedure of state registration at the Federal Tax Service)</td>
</tr>
</tbody>
</table>

**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

**Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents**

<table>
<thead>
<tr>
<th>Time:</th>
<th>10 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>RUB 4,000</td>
</tr>
</tbody>
</table>

**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

Once state registration is completed, the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund and Social Insurance Fund. The funds register the company and send their registration certificates back to the Federal Tax Service which passes them to the applicant together with other registration documents.

Registration information from the Pension Fund is included in the Unified State Register of Legal Entities and the registration certificate is mailed to the legal address of the company.

On the 8th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service, as well as
5. Certificate of registration in the Pension Fund
6. Certificate of registration in the Mandatory Medical Insurance Fund

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

**Procedure 5. Obtain confirmation with statistics codes at the Federal Service of State Statistics**

<table>
<thead>
<tr>
<th>Time:</th>
<th>2 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>No cost</td>
</tr>
</tbody>
</table>

**Comments:** After completion of state registration at the Federal Tax Service the applicant goes to Rosstat and shows documents of state registration obtained at the Federal Tax Service. On the next day the applicant can pick up the registration certificate with assigned statistics codes at Rosstat. Since October 1, 2011 Rosstat doesn’t issue information letters, only registration certificates. The registration certificates are issued free of charge.

**Procedure 6. Order and obtain a company seal**

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>RUB 800</td>
</tr>
</tbody>
</table>

**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Voronezh a seal costs 800 rubles on average.

**Procedure 7. Open the company bank account**

<table>
<thead>
<tr>
<th>Time:</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td>RUB 2,000</td>
</tr>
</tbody>
</table>

**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Voronezh is 2,000 rubles.

* This procedure can be completed simultaneously with previous procedures.
STARTING A BUSINESS

Vyborg, Leningrad Oblast

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 450 (200 rubles state duty + 250 rubles notary fee)

Comments: In accordance with the Federal Law of August 8, 2001 No. 129-FZ "On State Registration of Legal Entities and Individual Entrepreneurs", a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Vyborg the cost is 450 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

Time: 1 day
Cost: No cost

Comments: At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost (included in procedure of state registration at the Federal Tax Service)

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 22 days
Cost: RUB 4,000

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandated Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 2 days
Cost: RUB 300 (cost of a round trip to Saint Petersburg)

Comments: After receipt of documents of state registration at the Federal Tax Service a director of the company or his authorized representative goes to the Federal Service of State Statistics (On Saint Petersburg, 39 Professor Popov Str.) and shows the certificate of state registration. Within 2 days the company is registered by Rosstat and obtains the registration certificate with assigned statistics codes.

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 500

Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Vyborg a seal costs 500 rubles on average.

Procedure 7*. Open the company bank account

Time: 2 days
Cost: RUB 900

Comments: On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal print is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Vyborg is 900 rubles.

Procedure 8*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day
Cost: No cost

Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

STARTING A BUSINESS

Yakutsk, Republic of Sakha – Yakutia

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: RUB 5,000 (US$ 162)

Data as of: November 2011

Procedure 1. Notarize signature on application for state registration of a legal entity

Time: 1 day
Cost: RUB 700 (200 rubles state duty + 600 rubles notary fee)

Comments: After receipt of documents of state registration at the Federal Tax Service a director of the company or his authorized representative goes to the Federal Service of State Statistics (On Saint Petersburg, 39 Professor Popov Str.) and shows the certificate of state registration. Within 2 days the company is registered by Rosstat and obtains the registration certificate with assigned statistics codes.

Procedure 2. Open a temporary bank account and deposit part of charter capital

Time: 2 days
Cost: RUB 1,300 (500 rubles state duty + 800 rubles notary fee)

Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

Comments: A 2% tax is levied on a balance above 500 rubles in a bank account. The price of a seal depends on its model and complexity of production. In Yakutsk a seal costs 300 rubles on average.

Procedure 3. Pay registration fee for state registration in a bank and get proof thereof

Time: 1 day
Cost: No cost

Comments: The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents

Time: 22 days
Cost: RUB 4,000

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.

On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,
2. Certificate as a taxpayer with assigned individual number of a taxpayer,
3. Excerpt from the Unified State Register of Legal Entities,
4. Copy of the charter certified by the Federal Tax Service.

Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Obtain confirmation with statistics codes at the Federal Service of State Statistics

Time: 2 days
Cost: RUB 300 (cost of a round trip to Saint Petersburg)

Comments: After receipt of documents of state registration at the Federal Tax Service a director of the company or his authorized representative goes to the Federal Service of State Statistics (On Saint Petersburg, 39 Professor Popov Str.) and shows the certificate of state registration. Within 2 days the company is registered by Rosstat and obtains the registration certificate with assigned statistics codes.

Procedure 6*. Order and obtain a company seal

Time: 1 day
Cost: RUB 500

Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Yakutsk a seal costs 300 rubles.

* This procedure can be completed simultaneously with previous procedures.
At the end of the registration period the applicant submits the registration documents.

The following documents are required:

- Application for state registration of a legal entity (form R11001),
- Minutes of a meeting establishing a legal entity,
- Charter of a limited liability company (2 copies),
- Receipt confirming payment of a state duty.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5* Order and obtain a company seal

**Time:** 1 day  
**Cost:** RUB 600  
**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Yakutsk a seal costs 600 rubles on average.

Procedure 6. Open the company bank account

**Time:** 1 day  
**Cost:** RUB 1,200  
**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Yakutsk is 1200 rubles.

Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**

Yaroslavl, Yaroslavl Oblast  
Standard company legal form: Limited Liability Company (LLC)  
Minimum capital requirement: RUB 5,000 (USD 162)  
Date as of: November 2011  

Procedure 1. Notarize signature on application for state registration of a legal entity

**Time:** 1 day  
**Cost:** RUB 400 (200 rubles state duty + 200 rubles notary fees)  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ "On State Registration of Legal Entities and Individual Entrepreneurs", a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Yaroslavl the cost is 400 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank.

The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15). The charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen.

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof  

**Time:** 1 day  
**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.  

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents  

**Time:** 20 days  
**Cost:** RUB 4,000  
**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

An applicant receives a receipt confirming a list of documents reviewed by the Federal Tax Service and mail their registration certificates to the legal address of the company.

The following documents are required:

1. Receipt confirming payment of a state duty.
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Procedure 5*. Order and obtain a company seal  

**Time:** 1 day  
**Cost:** RUB 600  
**Comments:** After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to show the following documents: certificate of state registration, certificate of taxpayer registration, an excerpt from the Unified State Register of Legal Entities. The price of a seal depends on its model and complexity of production. In Yakutsk a seal costs 600 rubles on average.

Procedure 6. Open the company bank account  

**Time:** 1 day  
**Cost:** RUB 1,200  
**Comments:** On state registration of a legal entity (LLC) a temporary bank account is transformed into a permanent bank account. To do so, it is necessary to submit to a bank the documents received in procedure No.4 as well as a copy of an information letter from the statistics service, an order appointing a chief accountant or an order authorizing the head of the company to act as chief accountant, an order appointing a director. An additional agreement about opening a bank account is signed and a bank card with samples of signatures of the head of the company and the chief accountant and the seal is prepared. Cost of opening of a bank account varies and depends upon each bank. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Yakutsk is 1200 rubles.

Procedure 7. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number  

**Time:** 1 day  
**Cost:** No cost  
**Comments:** A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

**STARTING A BUSINESS**  

Yaroslavl, Yaroslavl Oblast  
Standard company legal form: Limited Liability Company (LLC)  
Minimum capital requirement: RUB 5,000 (USD 162)  
Date as of: November 2011  

Procedure 1. Notarize signature on application for state registration of a legal entity  

**Time:** 1 day  
**Cost:** RUB 400 (200 rubles state duty + 200 rubles notary fees)  
**Comments:** In accordance with the Federal Law of August 8, 2001 No. 129-FZ "On State Registration of Legal Entities and Individual Entrepreneurs", a signature on application for state registration of a company must be notarized. Application should be signed by a director of a company or other authorized person. The following documents should be submitted to the notary: minutes of meeting of founders on establishment of a limited liability company, charter (draft), passport of applicant who signs the application, application (form R11001). The cost of notarization varies. In Yaroslavl the cost is 400 rubles.

Procedure 2*. Open a temporary bank account and deposit part of charter capital  

**Time:** 1 day  
**Cost:** No cost  
**Comments:** At least 50% of the charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15). The charter capital must be paid before company incorporation. The balance must be paid during the first year of operation. To deposit charter capital a temporary bank account should be opened. Time, cost and number of required documents might vary depending on the bank. The following documents are required to open a temporary bank account: charter (draft), agreement and minutes of meeting. The minutes of meeting should indicate that the founders entrust their representative (indicate name) to open a temporary bank account, deposit charter capital and receive the money back in case the registration does not happen. The charter capital can be in a noncash form - a common practice. (Law on LLC, Article 15).  

Procedure 3*. Pay registration fee for state registration in a bank and get proof thereof  

**Time:** 1 day  
**Cost:** No cost (included in procedure of state registration at the Federal Tax Service)  
**Comments:** The registration fee of 4,000 rubles must be paid before documents are submitted for registration. The registration fee doubled from 2,000 rubles to 4,000 rubles in January 2011.  

Procedure 4. Submit documents for registration of a legal entity to one-stop shop at the Federal Tax Service and obtain registration documents  

**Time:** 20 days  
**Cost:** RUB 4,000  
**Comments:** State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration.

The following documents are required:

1. Application for state registration of a legal entity (form R11001),
2. Minutes of a meeting establishing a legal entity,
3. Charter of a limited liability company (2 copies),
4. Receipt confirming payment of a state duty.

The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).
Procedure 5*. Order and obtain a company seal

Time: 1 day  
Cost: RUR 500  
Comments: After obtaining registration documents at the Federal Tax Service a company can order a seal at any seal producer. To do so, it is necessary to submit to the notary the following documents: minutes of meeting of founders of a limited liability company, charter (draft), passport of applicant who signs the application, and a copy of the charter certified by the Federal Tax Service. The cost of notarization varies. In Yekaterinburg the cost is RUB 300.

Procedure 6*. Open a temporary bank account

Time: 3 days  
Cost: RUR 1,100  
Comments: On state registration of a legal entity (LLC), a temporary bank account is opened. Time to open a bank account is 1 business day. Sometimes banks have special offers for small and medium-size enterprises and do not charge for opening accounts. The average cost of opening a bank account in Yaroslavl is RUR 1,100.

Procedure 7*. Inform the Federal Tax Service, the Pension Fund and the Social Insurance Fund of the company bank account number

Time: 1 day  
Cost: No cost  
Comments: A taxpayer within 7 days of opening a bank account notify the Federal Tax Service, the Pension Fund and the Social Insurance Fund. Notifications of required format with the bank account number an applicant either mails or brings personally. In the latter case a secretariat puts a mark on the second copy that information has been received. Banks also inform the Federal Tax Service about opening bank accounts.

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R1001),  
2. Minutes of a meeting establishing a legal entity,  
3. Charter of a limited liability company (2 copies),  
4. Receipt confirming payment of a state duty.  
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.  
On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,  
2. Certificate as a taxpayer with assigned individual number of a taxpayer,  
3. Copy from the Unified State Register of Legal Entities,  
4. Copy of the charter certified by the Federal Tax Service.  
Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.  
The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).

Comments: State registration of a legal entity at the Federal Tax Service includes a data entry in the Unified State Register of Legal Entities and a taxpayer registration. The following documents are required:

1. Application for state registration of a legal entity (form R1001),  
2. Minutes of a meeting establishing a legal entity,  
3. Charter of a limited liability company (2 copies),  
4. Receipt confirming payment of a state duty.  
An applicant receives a receipt confirming a list of documents and date of submission. State registration is conducted no more than 5 working days after documents are submitted.  
On the 6th working day the applicant receives the following documents confirming state registration of a legal entity:

1. Certificate of state registration of a legal entity in the Unified State Register of Legal Entities with assigned main state registration number,  
2. Certificate as a taxpayer with assigned individual number of a taxpayer,  
3. Copy from the Unified State Register of Legal Entities,  
4. Copy of the charter certified by the Federal Tax Service.  
Within no more than 5 working days from the moment of state registration the Federal Tax Service sends information from the Unified State Register of Legal Entities to the Pension Fund, Mandatory Medical Insurance Fund, Social Insurance Fund and Federal Service of State Statistics, which register the company and mail their registration certificates to the legal address of the company.  
The state duty for state registration of a legal entity increased in January 2011 to 4,000 rubles (The Tax Code, Article 333.33).
Vodokanal tariffs. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 13. Obtain compliance certificate of the building with the technical conditions from the phone utility at any service provider (who issued technical conditions)
Time: 3 days
Cost: No cost
Comments: BuildCo obtains a certificate of compliance with technical conditions. The procedure is free of charge.

Procedure 14. Request and connect to telephone services at any service provider (who issued technical conditions)
Time: 3 days
Cost: RUB 3,000
Comments: The telephone number is assigned at the time of conclusion of a contract for connection to a telephone network, and is chargeable according to the provider tariffs.

Procedure 15. Obtain occupancy permit at Architecture and Urban Development Department of Urban Development Policy Committee of Irkutsk Oblast
Time: 7 days
Cost: No cost
Comments: The facility occupancy permit is issued in accordance with the requirements of the UDC and the service regulation.

Procedure 16. Obtain cadastral passport of the building at Bureau of technical inventoryization
Time: 30 days
Cost: RUB 30,000
Comments: The facility cadastral passport is required for further registration of property interests in the FRS. At the same time, a technical passport is made; it shows the actual parameters of the newly built property.

Procedure 17. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)
Time: 30 days
Cost: RUB 30,000
Comments: Property titles for the new building are registered in compliance with the Federal Law “On Real Property Rights Registration” by the Irkutsk Oblast Department of the Federal Service for State Registration, Cadastre and Cartography after submitting the application, cadastral passport, incorporation documents, occupancy permit and land titles.

DEALING WITH CONSTRUCTION PERMITS

Kaliningrad, Kaliningrad Oblast

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at any licensed organization
Time: 17 days
Cost: RUB 16,000
Comments: An application is lodged with a company with a SRO license for this type of work. The applicant provides the following documents: 1) application or contract; 2) legal documents for the land plot (cadastral plan) and plot borders. The company staff perform site work and develop a layout/topographic plan. Installed communication lines are checked during the inspection. The applicant receives an approved plan and topographic survey report.

Procedure 2. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Committee of Kaliningrad City
Time: 30 days
Cost: No cost
Comments: The procedure is governed by the Administrative regulation of the Principal City Architect’s Department of the Committee for Architecture and Urban Development of the Kaliningrad Mayor’s Office on provision of the municipal service of land development plan issuance. BuildCo’s representative files an application with the Committee for Architecture and Urban Development of the Kaliningrad Mayor’s Office in conformity with the Guidelines “On the Procedure of Completing the Land Development Plan Form”, submitting the following documents: power of attorney; copies of titles to the land plot and permanent structure/property; technical passport of permanent structures situated on the land plot; cadastral layout of the land plot with a list of coordinates; topographic survey of the land plot with surface and underground communications at 1:500 and valid for no longer than 2 years; technical conditions for connection of the permanent structure to engineering/technical support networks—for property under construction/renovation.

Procedure 3. Obtain technical conditions to connect to electricity at Yantarenergo, OJSC
Time: 30 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 4. Obtain technical conditions to connect to water and sewage at Municipal Unitary Organization Vodokanal—water utility
Time: 14 days
Cost: RUB 32,167 [RUB 0 for technical conditions and contract conclusion. RUB 32,167 (tariffs: water supply: RUB 694,000 per m3/hour; water disposal: RUB 635,000 per m3/hour)].
Comments: The applicant applies to Vodokanal and submits the following documents: 1) notarized copies of incorporation documents (certificate of state registration and articles of association); 2) documents confirming the signee’s authority (power of attorney, ID); 3) copies of land title documents (for the title holder); 4) information about the boundaries of the land plot, where a permanent structure is planned to be built, or where a permanent structure subject to renovation is located; 5) information about the authorized use of the land plot (an authorization letter from the Kaliningrad Committee for Architecture and Urban Development); 6) information about the utmost parameters of the authorized construction/renovation of permanent structures related to the land plot; 7) situational facility plan with residential area positioning; 8) topographic survey with facility setting, at 1:500, with all surface and underground communications and structures and color-marked boundaries of the territory. General layout of the company/organization internal lines at 1:500 (in the event of construction/renovation of a building location on the compound of a company/organization with a different owner); 9) estimated balance of water consumption and disposal in the connected facility (m3/day) with an indication of the water use purposes (potable, utilities, industrial), including fire-fighting. The estimate should be made by a license design organization and provided on the designer’s official stationary; 10) information about the composition of drain water planned for discharging into the sewerage; 11) information about sub-subscribers; 12) copies of the water supply and/or sanitation specifications that had been issued earlier (if available). If the technical conditions are collected by an authorized agent, a duly documented customer’s power of attorney should be filed.

Procedure 5*. Obtain technical conditions to connect to heavy shower sewage at Gidroteknich, Municipal Unitary Enterprise
Time: 14 days
Cost: RUB 5,186
Comments: A representative of the customer lodges with Gidroteknich Municipal Unitary Enterprise an application and document package (land title, topographic survey at 1:500 and authorization document). After the land plot survey by Gidroteknich staff, a hydrologic land survey certificate and technical conditions are issued.

Procedure 6*. Obtain technical conditions to connect to fixed telephone line. Conclude agreement at Rostelekom, OJSC, Kaliningrad Division
Time: 30 days
Cost: RUB 5,200 [technical conditions: RUB 2,700; Number: RUB 2,500]
Comments: The applicant applies to Rostelecom OJSC or another telephone company and submits the following documents: application, general layout with the land plot plan, consolidated network diagram (master layout), land title, legal entity establishing documents, document confirming the authority of the CEO.

Procedure 7. Obtain certificate of compliance of the project design from the water utility at Municipal Unitary Organization Vodokanal—water utility
Time: 30 days
Cost: No cost
Comments: To obtain design clearance, the applicant submits the following documents: operating design and a free-form application.

Procedure 8*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom, OJSC
Time: 30 days
Cost: No cost
Comments: To obtain design clearance, the applicant submits to Rostelecom OJSC or another telephone company and submits the following documents: application, design documentation, Land plot title documentation, legal entity establishing documents, document confirming the authority of the CEO.

* This procedure can be completed simultaneously with previous procedures.
Procedure 9. Request geological survey of the land plot at Commercial enterprise with a permission from the self-regulating organization for engineering geological surveys

Time: 12 days  
Cost: RUB 70,000

Comments: A representative of the customer contacts any SRO-authorized company for the conduct of engineering/geodesic surveys. The customer provides the following documents: application, building draft design and designer assignment. The work is based on the soil composition and other collected data, as required for the designed. The cost is RUB 60-80 thousand for soil engineering/geodesic surveys, borings and laboratory test outcomes (RUB 15-20 thousand per boring).

Procedure 10. Obtain construction permit at Architecture and Urban Development Committee of Kaliningrad City

Time: 10 days  
Cost: No cost

Comments: It is a municipal service provided in accordance with the Administrative Regulation of the Committee of Architecture and Construction of the Kaliningrad City Administration on provision of the municipal service of construction permit issuance. The applicant lodges a construction permit application with the following attachments: 1) land titles; 2) land development plan; 3) design documentation materials: 3.1) explanatory note; 3.2) land plot layout in line with the land development plan, with marked permanent structure are, access roads and paths, public servitude and archeological heritage area boundaries; 3.3) land plot arrangement layout confirming location of the linear object within the red lines, approved by the area planning documents, as applicable to linear objects; 3.4) diagrams showing architectural decisions; 3.5) information about engineering equipment, aggregate plan of engineering/technical support with points of connection of the designed permanent structure to engineering/technical support lines; 3.6) project of organization of construction/renovation of a permanent structure; 3.7) project of organization of demolition or dismantling of permanent structures, or their parts; 4) positive conclusion of the State Expertise on the design documentation (as applied to the design documentation of projects stipulated in Article 49 of the Russian Federal Urban Development Code); 5) permit for deviation from the utmost parameters of the authorized construction/renovation (if the person concerned has been issued such a permit); 6) notarized written consent of all owners of the permanent structure in the event of the structure renovation.

Procedure 11. Obtain confirmation of compliance of the building with technical conditions for connection to water and sewage at Municipal Unitary Organization Vodokanal—water utility

Time: 9 days  
Cost: No cost

Comments: The applicant submits a request to Vodokanal for a municipal service provision along with the construction project title, construction project address, numbers of the Vodokanal technical conditions and a power of attorney. Based on the inspection outcomes, a report of connection to Vodokanal engineering and technical systems is compiled.

Procedure 12. Obtain confirmation of compliance of building with technical conditions for telephone connection at Rostelekom, OJSC, Kaliningrad Division

Time: 2 days  
Cost: No cost

Procedure 13. Obtain a technical passport of the building at Kaliningrad Division of the Federal State Unitary Organization “Rosttechinventarizatsia—Federal BTI”—bureau of technical inventory

Time: 15 days  
Cost: RUB 55,000

Comments: The applicant applies to the Kaliningrad Office of Rosttechinventarizatsia – Federal BTI and submits a package of documents together with the application for inventory and issuance of a technical passport. The following documents must be enclosed: organization establishing documents articles of association, (a copy of) state registration certificate, (a copy of) tax registration certificate, excerpt from the Uniform Register of Legal Entities (issued no later than 3 months prior to the submission), land title documents: property interests registration certificate, commissioning permit, occupancy permit, completed project acceptance report issued by an acceptance commission, order for approval of the acceptance commission report, certificate of state registration of the land title (copies bearing official seals of the organization), document confirming the authority of the CEO to sign a service contract with Rosttechinventarizatsia – Federal BTI, list of items subject to technical inventory.

Procedure 14. Obtain occupancy permit at Architecture and Urban Development Committee of Kaliningrad City

Time: 10 days  
Cost: No cost

Comments: The applicant submits an occupancy permit with enclosed documents according to the list established by the regulation on provision of the municipal service of occupancy permit issuance. These documents include: 1) land title; 2) land development plan; 3) construction permit; 4) permanent structure acceptance report (in case of construction, renovation, major repairs under a contract); 5) document confirming compliance of the newly built permanent structure with technical regulations and signed by the person in charge of the construction; 6) document confirming compliance of the newly built permanent structure with technical regulations and signed by the person in charge of the construction (or the developer or customer in the event of construction, renovation, major repairs under a contract), except for construction/renovation/major repair of individual residential buildings; 7) documents confirming compliance of the newly built, renovated or repaired permanent structure with technical conditions, and signed by officials of the organizations in charge of engineering/technical network maintenance (if any); 8) diagram of the newly built, renovated or repaired permanent structure with location of engineering/technical support networks within the land area, and planned land layout, signed by the person in charge of the construction (and the developer or customer in the event of construction/renovation/major repairs under a contract); 9) conclusion of a public construction supervisory agency (if there are provisions for public construction supervision) about compliance of the facility with technical regulations and design documentation.

Procedure 15. Obtain cadastral passport of the building at Kaliningrad Division of the Federal State Unitary Organization “Rosttechinventarizatsia—Federal BTI”—bureau of technical inventory

Time: 15 days  
Cost: RUB 3,000

Comments: The applicant submits a package of documents to the Kaliningrad Office of Rosttechinventarizatsia–Federal BTI.

Procedure 16. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 10 days  
Cost: RUB 15,000

Comments: The applicant applies to the Municipal Unitary Enterprise and submits the following documents: documents confirming capacity of the legal entity and its representative’s authority; state fee payment voucher; construction permit, the developer’s title/authorization documents for the land where the construction project has been accomplished; facility occupancy permit; cadastral passport of the newly established property.

Procedure 17. Sign agreement with water utility at Municipal Unitary Organization Vodokanal—water utility

Time: 18 days  
Cost: RUB 63,196

Comments: The following documents should be provided for conclusion of an agreement with legal entities – building owners: 1) application for conclusion of an agreement for water supply and drain/pollutant collection; 2) certificate of official registration of the title; 3) certificate of official registration of the enterprise; 4) certificate of tax registration (INN/KPP); 5) articles of association of the enterprise; 6) minutes of an incorporation meeting about the CEO appointment or an order of the CEO appointment; 7) banking information; 8) order of appointment of a contact person for the contract (full name, position, contact telephone number); 9) water supply and sanitation balance, or an estimate; 10) diagram of distribution of operating responsibilities for water and sewage lines (in a standalone building).

DEALING WITH CONSTRUCTION PERMITS

Kaluga, Kaluga Oblast

Warehouse value: RUB 26,120,000 (US$ 44,063)  
Data as of: November 2011

Procedure 1. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department

Time: 30 days  
Cost: No cost

Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and specifications. The
following documents should be submitted to obtain it: a) documents proving the applicant’s rights to the land plot; b) topographic/geodesic materials from the boundary-setting file with the land delimitation and current encumbrances; c) X and Y coordinate catalog; d) documents certifying cadastral registration of the land plot. The document is issued by the Department of Architecture and Urban Development in accordance with the established municipal service rendering rules.

Procedure 2*. Obtain technical conditions to connect to water and sewage at Centrtelekom
Time: 30 days
Cost: RUB 62,974
Comments: BuildCo obtains the conditions of connection to water supply and sanitation systems. The applicant submits a request to Kaluga Oblast Vodokanal OJSC with full information about the facility. Connection fee is based on the Vodokanal tariffs and amounts to RUB 28,870 per m³ of water supply a day, and RUB 21,760 per m³ of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 3*. Obtain technical conditions to connect to heavy shower sewage at Kalugaspetsavtodor
Time: 30 days
Cost: No cost
Comments: BuildCo obtains the conditions of connection to the storm drain system and concluding a contract. No fees are charged for connection and contract conclusion.

Procedure 4. Request a topographic survey of the land plot at Kaluga Engineering and Construction Survey Organization (TISIZ)
Time: 16 days
Cost: RUB 20,000
Comments: BuildCo places an order for land survey at 1:500/1,200,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 5*. Request geological survey of the land plot at Kaluga Engineering and Construction Survey Organization (TISIZ)
Time: 21 days
Cost: RUB 30,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs).

Procedure 6. Obtain technical conditions for electricity connection at MRSK Center and Privolzhme, OJSC, Kalugaenergo Division
Time: 30 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection

Procedure 7. Obtain certificate of compliance of the project design from the water utility at Kaluga Oblast Vodokanal—water utility
Time: 25 days
Cost: RUB 8,000
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 8. Obtain certificate of compliance of the project design from the phone utility at Centrtelekom
Time: 7 days
Cost: RUB 2,000
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

Procedure 9. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Kalugaspetsavtodor
Time: 17 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 10. Obtain clearance of project documentation from the Traffic Police at GIBDD Division in Kaluga City—traffic police
Time: 11 days
Cost: No cost
Comments: The final construction design is submitted to the road police for clearance.

Procedure 11. Obtain construction permit at Architecture and Urban Development Department
Time: 10 days
Cost: No cost
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Besides, in accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. To obtain a construction permit, BuildCo needs to lodge an application with the Construction and Land Issues Department, with the following documents attached land titles, land development plan and design documentation. Construction permit issuance procedure is governed by the administrative regulation on the municipal service of issuance of permits for construction/renovation/major repair of permanent structures.

Procedure 12. Receive inspection during construction works at Rostekhnadzor
Time: 1 day
Cost: No cost
Comments: Rostekhnadzor staff inspect lifting mechanisms used in the construction process (if any).

Procedure 13*. Obtain confirmation of compliance of the building with technical conditions for connection to water and sewage at Kaluga Oblast Vodokanal—water utility
Time: 21 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Kaluga Oblast Vodokanal LLC after checking the water supply and sanitation systems.

Procedure 14*. Obtain compliance certificate from the phone utility confirming the building’s compliance with the technical conditions at Centrtelekom, OJSC
Time: 11 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports, that serves as a basis for issuance of technical conditions.

Procedure 15*. Obtain clearance on the compliance of the construction with the Kalugaspetsavtodor
Time: 11 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 16*. Obtain a technical passport of the building at Bureau of technical inventory
Time: 30 days
Cost: RUB 9,300
Comments: Technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from BTI Public Enterprise, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

Procedure 17. Request occupancy permit at Architecture and Urban Development Department
Time: 21 days
Cost: No cost
Comments: To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Kaluga City Department of Construction and Land Issues.

* This procedure can be completed simultaneously with previous procedures.
**Procedure 18.** Receive inspection for occupancy permit at Architecture and Urban Development Department  
**Time:** 1 day  
**Cost:** No cost  
**Comments:** Upon receipt of an application and documents for a facility occupancy permit, the staff of the Kaluga City Construction and Land Issues Department make an inspection and decide, whether to issue the permit or reject the application.

**Procedure 19.** Obtain occupancy permit at Architecture and Urban Development Department  
**Time:** 10 days  
**Cost:** No cost  
**Comments:** A decision to reject or issue an occupancy permit is issued to the applicant in 10 days upon application by the Department of Construction and Land Issues of the city of Kaluga.

**Procedure 20.** Sign agreement with water and sewage utility at Kaluga Oblast Vodokanal—water utility  
**Time:** 14 days  
**Cost:** No cost  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

**Procedure 21*.** Sign agreement with the phone utility at Centrtelekom, OJSC  
**Time:** 7 days  
**Cost:** No cost  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

**Procedure 22*.** Sign agreement with heavy shower sewage utility at Kalugaspetsavtodor  
**Time:** 10 days  
**Cost:** No cost  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

**Procedure 23*.** Obtain cadastral passport of the building at Bureau of technical inventoryization  
**Time:** 5 days  
**Cost:** No cost  
**Comments:** After an occupancy permit is obtained, BuildCo may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

**Procedure 24.** Registration of the building at the Federal Service of State Registration, Cadastro and Cartography (Rostreestr)  
**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** Property titles for the new building are registered in compliance with the Federal Law "On Real Property Rights Registration" by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting applications, cadastral passport, incorporation documents, occupancy permit and land titles.

## DEALING WITH CONSTRUCTION PERMITS

**Kazan, Republic of Tatarstan**

**Warehouse value:** RUB 26,120,000 (US$ 844,063)  
**Data as of:** November 2011

**Procedure 1.** Request a topographic survey of the land plot at any specialized organization  
**Time:** 10 days  
**Cost:** RUB 15,000  
**Comments:** BuildCo places an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries.

**Procedure 2*.** Obtain clearance on compliance with the city zoning rules at Center of Architecture and Urban Development  
**Time:** 21 days  
**Cost:** No cost  
**Comments:** The development plan should be approved by the Principal Architect. Urban development regulations pertaining to real property use and construction-related changes apply to all areas and each land plot. These regulations include: authorized real property uses (the owners may opt for the acceptable use and change them depending on the market situation; in specially reserved situations it is subject to certain conditions and clearances for criteria of non-damaging adjacent properties); land area and linear dimension (width, length) margins (minimum/maximum); margins of the construction authorized on the land plots; minimal building setback from the land plot boundary; maximum indicators; height of the buildings/number of stories; plot development rate (ratio of the land area covered by buildings to the total land area); land use rate (ratio of the total surface area of all existing buildings and that of potential buildings to the total land area); car parking indicators; other indicators and requirements.

**Procedure 3.** Obtain technical conditions for electricity connection at Kazan Electric Supply Network  
**Time:** 30 days  
**Cost:** No cost  
**Comments:** BuildCo applies for technical conditions for electricity connection.

**Procedure 4*.** Obtain technical conditions for water and sewage services at Vodokanal—Municipal Unitary Organization—water utility  
**Time:** 22 days  
**Cost:** No cost  
**Comments:** BuildCo obtains technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package: application, land title (cadastral passport, draft design and design estimates). The connection is paid for at the time of the contract execution. To be paid for at the time of connection.

**Procedure 5*.** Request technical conditions for a telephone connection at GTS or TVT  
**Time:** 22 days  
**Cost:** No cost  
**Comments:** BuildCo obtains technical specification for landline telephone connection and concluding a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line.

**Procedure 6*.** Request geological survey of the land plot at KazTISIZ, OJSC  
**Time:** 30 days  
**Cost:** RUB 7,500  
**Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area. In our case, there will be 5-7 holes, 10 meters deep.

**Procedure 7*.** Request inspection from the state expertise at State Expertize—for construction  
**Time:** 1 day  
**Cost:** No cost  
**Comments:** BuildCo lodges an application with the State Expertise of the Republic of Tatarstan with a copy of the development design operating documents to obtain an assignment for environmental study.

**Procedure 8*.** Laboratory works by Rospotrebnadzor—the Consumer Protection Agency at Center for Hygiene and Epidemiology  
**Time:** 18 days  
**Cost:** RUB 18,000  
**Comments:** Laboratory surveys environmental conditions at the land plot.

**Procedure 9*.** Obtain clearance of allocation of land plot at Center for Development of Initial Documentation, Municipal Unitary Organization  
**Time:** 2 days  
**Cost:** No cost  
**Comments:** The laboratory testing outcomes are sent to the State Expertise of the Republic of Tatarstan for a conclusion on the possibility to build a warehouse on the given land plot. Then the document is submitted for the GPZU issuance along with the other documents.

**Procedure 10*.** Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department  
**Time:** 30 days  
**Cost:** No cost  
**Comments:** The following documents are required to obtain the GPZU: application, draft design,
Procedure 11*. Obtain technical conditions to connect to heavy shower sewage at GTS or TVT
Time: 14 days
Cost: No cost
Comments: Compound landscaping plan and storm drain diagram should be provided.

Procedure 12. Obtain certificate of compliance of the project design from the water utility at FBUZ Hygiene and Epidemiology Center
Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 13*. Obtain certificate of compliance of the project design from the phone utility at State Expertize—for construction
Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

Procedure 14*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Architecture and Urban Development Department
Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the Department for clearance.

Procedure 15. Obtain construction permit at Fire Department
Time: 10 days
Cost: No cost
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Construction permits are issued by the Municipal Establishment “Urban Permit Department of the Executive Committee of the Kazan City Municipality”.

Procedure 16. Notify the authorities of commencement of construction works at Rospotrebnadzor
Time: 1 day
Cost: No cost
Comments: BuildCo should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit; schedule, list of responsible persons. Based on the notification, the State Construction Control develops construction inspection schedules, and share them with BuildCo.

Procedure 17. Receive inspection during construction works at GIBDD—traffic police
Time: 1 day
Cost: No cost
Comments: 5 inspections take place according to the approved inspection agenda based on the construction schedule.

Procedure 18. Receive inspection during construction works at Department of Outdoor Territory Improvement
Time: 1 day
Cost: No cost
Comments: 5 inspections take place according to the approved inspection agenda based on the construction schedule.

Procedure 19. Receive inspection during construction works at State Construction Supervision Agency
Time: 1 day
Cost: No cost
Comments: 5 inspections take place according to the approved inspection agenda based on the construction schedule.

Procedure 20. Receive inspection during construction works at State Construction Supervision Agency
Time: 1 day
Cost: No cost
Comments: 5 inspections take place according to the approved inspection agenda based on the construction schedule.

Procedure 21. Receive inspection during construction works at Municipal Unitary Organization Vodokanal—water utility
Time: 1 day
Cost: No cost
Comments: 5 inspections take place according to the approved inspection agenda based on the construction schedule.

Procedure 22. Notify the authorities of end of construction works at TVT
Time: 1 day
Cost: No cost
Comments: BuildCo submits a construction completion notification to Gosstroynadzor of the Republic of Tatarstan.

Procedure 23. Obtain confirmation of compliance of the building with technical conditions for connection to water and sewage at Department of External Territory Improvement
Time: 7 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 24*. Obtain compliance certificate of the building with the heavy shower sewage utility at Department for Urban Development Permissions of Kazan City
Time: 7 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 25*. Obtain compliance certificate of the building with the phone utility at Gosstroynadzor—construction supervision
Time: 7 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports that serve as a basis for issuance of technical conditions.

Procedure 26. Connect to water services at Gosstroynadzor—construction supervision
Time: 29 days
Cost: RUB 37,137
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks. The contract amount is paid in full.

Procedure 27*. Request and connect to telephone services at Gosstroynadzor—construction supervision
Time: 10 days
Cost: No cost

Procedure 28. Obtain clearance from the Construction Supervision Authority at Gosstroynadzor—construction supervision
Time: 3 days
Cost: No cost
Comments: Based on inspection outcomes and certificates of the warehouse compliance with the technical conditions of network maintenance companies, the Public Construction Control Agency issues its conclusion, which is required for obtaining an occupancy permit.

Procedure 29. Obtain a technical passport of the building at Gosstroynadzor—construction supervision
Time: 30 days
Cost: RUB 30,000
Comments: The technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Municipal Enterprise of Technical Inventory and Real Property Evaluation, the Kazan Subsidiary of Rostechinventarizatsia – Federal BTI, or any bureau of technical inventory.

Procedure 30. Obtain occupancy permit at Gosstroynadzor—construction supervision
Time: 15 days
Cost: No cost
Comments: The occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. The process is governed by a relevant regulation. The accepted project and declared design information are compared.

Procedure 31. Obtain cadastral passport of the building at Municipal Unitary Organization Vodokanal—water utility
Time: 21 days

* This procedure can be completed simultaneously with previous procedures.
Cost: No cost  
Comments: After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the Oblast Department of the Federal Service for State Registration, Cadastre and Cartography.

**Procedure 32. Registration of the building at the Federal Service of State Service, Cadastre and Cartography (Rostreestr) at Department of External Territory Improvement**  
Time: 24 days  
Cost: RUB 15,000  
Comments: Property for the new building are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting application cadastral passport, incorporation documents, occupancy permit and land titles.

**DEALING WITH CONSTRUCTION PERMITS**

**Kemerovo, Kemerovo Oblast**  
Warehouse value: RUB 26,120,000 (US$ 844,063)  
Data as of: November 2011

**Procedure 1. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department**  
Time: 18 days  
Cost: No cost  
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions.

**Procedure 2. Obtain technical conditions for electricity connection at North Kuzbass Energy Company, OJSC**  
Time: 30 days  
Cost: No cost  
Comments: BuildCo applies for technical conditions for electricity connection.

**Procedure 3. Obtain technical conditions for connecting to water and sewage services and sign agreement at North Kuzbass Energy Company, OJSC**  
Time: 27 days  
Cost: RUB 53,004 [water supply: RUB 37,100; sanitation: RUB 15,904]. Tariffs: water supply: RUB 28,000 per m³/day; sanitation: RUB 14,000 per m³/day. Cited from: http://www.skei.ru/ru/contents/assets/files/documents/openinfo/teplovodo/form-zayavka-water-2010.pdf  
Comments: BuildCo Obtains the technical conditions of connection to water supply and sanitation systems. The applicant submits a request to SKEK with full information about the facility. Payment for connection is made in accordance with a schedule attached to the agreement.

**Procedure 4*. Obtain technical conditions for telephone connection and sign agreement at Rostelekom**  
Time: 3 days  
Cost: RUB 7,740  
Comments: BuildCo obtains the technical specification for landline telephone connection and concluding a contract. No fee is charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line in accordance with approved tariffs. The tariffs are available at: http://kem.sibirtelecom.sibnet.ru/?id=125

**Procedure 5*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Committee on Road Facilities, Territorial Improvement, Transport and Communication**  
Time: 7 days  
Cost: No cost  
Comments: BuildCo obtains the technical conditions of connection to storm drain systems.

**Procedure 6*. Request a topographic survey of the land plot at Arkhproekt, LLC**  
Time: 27 days  
Cost: RUB 43,000  
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 7*. Request geological survey of the land plot at Geotekhnika, LLC**  
Time: 30 days  
Cost: RUB 93,000  
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at North Kuzbass Energy Company, OJSC**  
Time: 14 days  
Cost: No cost  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

**Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom**  
Time: 5 days  
Cost: RUB 2,510  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

**Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Committee on Road Facilities, Territorial Improvement, Transport and Communication**  
Time: 14 days  
Cost: No cost  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

**Procedure 11*. Obtain clearance of project documentation from the Traffic Police at GIBDD Division in Kemerovo City—traffic police**  
Time: 75 days  
Cost: No cost

**Procedure 12. Obtain construction permit at City Administration**  
Time: 14 days  
Cost: No cost  
Comments: The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

**Procedure 13. Notify the authorities of commencement of construction works at Inspection of the State Construction Supervision of Kemerovo Oblast**  
Time: 1 day  
Cost: No cost  
Comments: Only a notification is required to make sure that the inspectors would not be unaware about the construction in progress.

**Procedure 14. Obtain certificate of compliance of the building with technical conditions received from the water utility at North Kuzbass Energy Company, OJSC**  
Time: 45 days  
Cost: No cost  
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

**Procedure 15*. Obtain certificate of compliance of the building with technical conditions received from the phone utility at Rostelekom**  
Time: 8 days  
Cost: RUB 250  
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

* This procedure can be completed simultaneously with previous procedures.
Procedure 16*. Obtain certificate of compliance of the building with technical conditions received from the heavy shower sewage utility at Committee on Road Facilities, Territorial Improvement, Transport and Communication

Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 17. Obtain occupancy permit at City Administration

Time: 17 days
Cost: No cost
Comments: In order to obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Committee for Construction Control of the Kemerovo City Administration.

Procedure 18. Sign agreement with water and sewage utility at North Kuzbass Energy Company, OJSC

Time: 11 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 19*. Sign agreement with the phone utility at Rostelekom

Time: 7 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 20*. Sign agreement with heavy shower sewage utility at Committee on Road Facilities, Territorial Improvement, Transport and Communication

Time: 7 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 21*. Obtain a technical passport of the building at Bureau of technical inventory—federal

Time: 36 days
Cost: RUB 15,000
Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it.

Procedure 22*. Receive inspection from the electricity utility at Rostekhnadzor

Time: 13 days
Cost: No cost

Procedure 23. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr) at Federal Agency on State Registration, Cadastre and Cartography (Rosreestr)

Time: 35 days

Cost: RUB 15,000
Comments: The title to the property is registered in compliance with the Federal Law “On Real Property Rights Registration” after submitting based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 24. Sign agreement with the water utility at North Kuzbass Energy Company, OJSC

Time: 11 days
Cost: No cost
Comments: BuildCo applies for the technical conditions to connect to the storm drain system and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions. The following documents should be submitted to obtain it: application, draft design, document titles. The document is issued by the Department of Architecture and Land Use.

Procedure 5. Obtain development plan of land plot (GPZU) at Department of Architecture, Construction and Land Use of Khabarovsk City

Time: 30 days
Cost: No cost
Comments: The development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions. The following documents should be submitted to obtain it: application, draft design, document titles. The document is issued by the Department of Architecture and Land Use.

Procedure 6. Obtain technical conditions for electricity connection at Khabarovsk City Electrical Network, OJSC

Time: 16 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 7. Obtain certificate of the technical project design from the water utility at Municipal Unitary Organization Vodokanal—water utility

Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 8*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Territory Improvement Department of Khabarovsk Municipality

Time: 7 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the Landscaping Department for clearance.

Procedure 9*. Obtain clearance of project documentation from the Traffic Police at GIBDD—traffic police

Time: 10 days

* This procedure can be completed simultaneously with previous procedures.
Procedure 10*. Obtain certificate of compliance from fire department at State Fire Supervision Division in a district
Time: 4 days
Cost: No cost
Comments: The final construction design is submitted to the fire department for clearance.

Procedure 11. Obtain certificate of compliance from Architecture department at Department of Architecture, Construction and Land Use of Khabarovsk City
Time: 14 days
Cost: No cost
Comments: The construction design with all clearances is submitted to the Architecture Unit of the Department of Architecture and Urban Development, where it is inspected by experts and signed by the Principal City Architect.

Procedure 12. Obtain construction permit at Department of Architecture, Construction and Land Use of Khabarovsk City
Time: 10 days
Cost: No cost
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Besides, in accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. To obtain a construction permit, the applicant needs to lodge an application with the Department of Architecture, Construction and Land Use, with the following documents attached: land titles, explanatory note, land plot layout diagrams (2 types), information about engineering equipment, combined engineering network layout, construction plan with clearances.

Procedure 13. Register with the inspection authorities at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: BuildCo should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons. For properties not subject to public review and construction control (as in our case), the procedure is not mandatory, though customers sometimes would carry it out.

Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average, once a month.

Procedure 15. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 16. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 17. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 18. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 19. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 20. Receive inspection during construction works at Inspection of the State Architecture and Construction Supervision of Khabarovsk Krai Government
Time: 1 day
Cost: No cost
Comments: Construction progress inspections take place on average once a month.

Procedure 21. Obtain confirmation of compliance of the building with technical conditions for connection to water and sewage at Municipal Unitary Organization Vodokanal—water utility
Time: 22 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vodokanal MUE after checking the water supply and sanitation systems.

Procedure 22*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Territory Improvement Department of Khabarovsk Municipality
Time: 17 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by the Landscaping Department after checking the storm drain connection and landscaping work.

Procedure 23*. Sign agreement with the phone utility at Rostelekom, Vostoktelekom or other company
Time: 14 days
Cost: RUB 34,400
Comments: To connect to telephone network, one needs to apply to a fixed communication provider (such as Vostoktelecom or Rostelecom) with incorporation documents and a cover letter. Upon contract execution, payment is made in accordance with the established tariffs.

Procedure 24*. Obtain a technical passport of the building at Khabarovsk Krai State Unitary Organization of Technical Inventory and Real Estate Appraisal or federal bureau of technical inventory
Time: 30 days
Cost: RUB 35,000
Comments: The technical passport is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Khabarovsk Krai State Unitary Enterprise of Technical Inventory and Real Property Evaluation. Subsidiary of Rostechinventarizatsia – Federal BTI, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself and, as a rule, they are not easily available.

Procedure 25. Request occupancy permit at Department of Architecture, Construction and Land Use of Khabarovsk City
Time: 3 days
Cost: No cost
Comments: The occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. The document samples are available at the web-site of the Department of Architecture and Urban Development.

Procedure 26. Receive inspection from the Department of Architecture and Construction at Department of

* This procedure can be completed simultaneously with previous procedures.
**Architecture, Construction and Land Use of Khabarovsk City**

**Procedure 27. Obtain occupancy permit at Department of Architecture, Construction and Land Use of Khabarovsk City**

| Time: | 4 days |
| Cost: | No cost |
| Comments: | Based on the Inspection conclusion, an occupancy permit is prepared by the Department of Architecture and Urban Development. |

**Procedure 28. Connect to water and sewage services at Gorvodokanal, Municipal Unitary Organization—water utility**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks. |

**Procedure 29. Sign agreement with heavy shower sewage utility at Territory Improvement Department of Khabarovsk Municipality**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks. |

**Procedure 30. Obtain cadastral passport of the building at Khabarovsk Krai State Unitary Organization of Technical Inventory and Real Estate Appraisal or federal bureau of technical inventory**

| Time: | 14 days |
| Cost: | RUB 1,000 |
| Comments: | After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is prepared by the same organization that prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost. |

**Procedure 31. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)**

| Time: | 10 days |
| Cost: | RUB 15,000 |
| Comments: | Title to the property is registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting an application, cadastral passport, incorporation documents, occupancy permit and land titles. |

**Procedure 32. Sign agreement with water utility at Vodokanal—Municipal Unitary Organization—water utility**

| Time: | 5 days |
| Cost: | No cost |
| Comments: | Resource supply contract (subscriber agreement) may be concluded only by the facility title holder, subject to physical connection to the network. |

**Procedure 1. Request a topographic survey of the land plot at MOA Arkhitektura**

| Time: | 14 days |
| Cost: | RUB 12,000 |
| Comments: | The procedure is performed, when there are no records of a topographic survey in the Kirov City Urban Development Support System (ISOGD), maintained by the Municipal Budget Department “Architektura”. In that case, it may be performed by a specialized organization with SRO access. The price is established in the contract. Placement of an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. |

**Procedure 2. Obtain technical conditions for electricity connection at Kirovenergo**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | BuildCo applies for the technical conditions for electricity connection. |

**Procedure 3*. Obtain technical conditions for water and sewage systems and sign agreement at KKS, OJSC**

| Time: | 30 days |
| Cost: | RUB 69,205 |
| Comments: | BuildCo obtains the technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package: application, land title, cadastral passport, draft design and design estimates. |

**Procedure 4*. Request technical conditions for a telephone connection at Rostelekom, OJSC**

| Time: | 21 days |
| Cost: | No cost |
| Comments: | BuildCo obtains the technical specifications for landline telephone connection and concludes a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line. |

**Procedure 5*. Obtain technical conditions to connect to heavy shower sewage at Department for Road Facilities, Municipal Unitary Organization**

| Time: | 21 days |
| Cost: | RUB 1,100 |
| Comments: | BuildCo obtains the technical conditions of connection to the storm drain system and concludes a contract. No fees are charged for connection and contract conclusion; there is a fee for technical conditions only. |

**Procedure 6*. Request geological survey of the land plot at Sputstroyproekt, CJSC**

| Time: | 22 days |
| Cost: | RUB 12,000 |
| Comments: | BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area. In our case, there will be 5-7 holes, 10 meters deep. |

**Procedure 7. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | The list of attachments, application format, review procedure and time limits are set forth in the administrative regulation on the municipal service “Issuance of an development plan of a land plot” situated on the territory of the Kirov City Municipality are posted at the official web-site of the Kirov City Administration. No public review conclusion may be required, though. The development plan is prepared by Architektura MBD. The Department of Architecture and Urban Development issues the development plan and an order for approval of the land development plan. |

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at KKS, OJSC**

| Time: | 14 days |
| Cost: | No cost |
| Comments: | The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance. |

**Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom**

| Time: | 14 days |
| Cost: | No cost |
| Comments: | The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance. |

**Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Department for Road Facilities, Municipal Unitary Organization**

| Time: | 14 days |
| Cost: | RUB 2,200 |

**Procedure 11. Obtain construction permit at Architecture and Urban Development Department of Kirov City**

<p>| Time: | 10 days |
| Comments: | This procedure can be completed simultaneously with previous procedures. |</p>
<table>
<thead>
<tr>
<th>Procedure</th>
<th>Title</th>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Notify the authorities of commencement of construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>The application is lodged with the multi-functional center. The list of documents, application format, procedure and time limits are set forth in the administrative regulation on the municipal service “Issuance of permits for construction of permanent structures on the territory of the Kirov City Municipality”, posted at the official web-site of the Kirov City Administration in the Municipal Services section.</td>
</tr>
<tr>
<td>13</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>The developer should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons. Based on the notification, the State Construction Control would develop construction inspection schedules, and share them with the developer.</td>
</tr>
<tr>
<td>14</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 6</td>
</tr>
<tr>
<td>15</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 6</td>
</tr>
<tr>
<td>16</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 6</td>
</tr>
<tr>
<td>17</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 6</td>
</tr>
<tr>
<td>18</td>
<td>Receive inspection during construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 6</td>
</tr>
<tr>
<td>19</td>
<td>Notify the authorities of end of construction works at Gosstroynadzor—construction supervision</td>
<td>1 day</td>
<td>No cost</td>
<td>BuildCo submits the of a construction completion notification to Gosstroynadzor</td>
</tr>
<tr>
<td>20</td>
<td>Obtain confirmation of compliance of the building with technical conditions for connection to water and sewage at KKS, OJSC</td>
<td>10 days</td>
<td>No cost</td>
<td>According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by KKC OJSC after checking the water supply and sanitation systems.</td>
</tr>
<tr>
<td>21</td>
<td>Obtain compliance certificate of the building with the technical conditions from the phone utility at Rostelekom</td>
<td>10 days</td>
<td>No cost</td>
<td>The telephone company is notified about completion of work, with enclosed reports that serves as a basis for issuance of technical conditions.</td>
</tr>
<tr>
<td>22</td>
<td>Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Department for Road Facilities, Municipal Unitary Organization</td>
<td>10 days</td>
<td>No cost</td>
<td>According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions, is mandatory for obtaining an occupancy permit.</td>
</tr>
<tr>
<td>23</td>
<td>Sign agreement with water and sewage utility at KKS, OJSC</td>
<td>1 day</td>
<td>RUB 550</td>
<td>This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.</td>
</tr>
<tr>
<td>24</td>
<td>Sign agreement with the phone utility at Rostelekom</td>
<td>1 day</td>
<td>RUB 5,100</td>
<td>This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.</td>
</tr>
<tr>
<td>25*</td>
<td>Sign agreement with heavy shower sewage utility at Department for Road Facilities, Municipal Unitary Organization</td>
<td>1 day</td>
<td>No cost</td>
<td>The application is lodged with the multi-functional center. The list of documents, application format, procedure and time limits are set forth in the administrative regulation on the municipal service “Issuance of permits for occupancy of permanent structures on the territory of the Kirov City Municipality”, posted at the official web-site of the Kirov City Administration in the Municipal Services section.</td>
</tr>
<tr>
<td>26</td>
<td>Obtain a technical passport of the building at Federal State Organization “Land Cadastre Chamber”</td>
<td>30 days</td>
<td>RUB 28,000</td>
<td>The technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Kirov Subsidiary of Rostektinventarizatsia - Federal Bureau of Technical Inventory (BTI SUE), or any bureau of technical inventory.</td>
</tr>
<tr>
<td>27</td>
<td>Obtain occupancy permit at Architecture and Urban Development Department of Kirov City</td>
<td>10 days</td>
<td>No cost</td>
<td>The application is lodged with the multi-functional center. The list of documents, application format, procedure and time limits are set forth in the administrative regulation on the municipal service “Issuance of permits for occupancy of permanent structures on the territory of the Kirov City Municipality”, posted at the official web-site of the Kirov City Administration in the Municipal Services section.</td>
</tr>
<tr>
<td>28</td>
<td>Obtain cadastral passport of the building at Federal State Organization “Land Cadastre Chamber”</td>
<td>21 days</td>
<td>No cost</td>
<td>After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the Kirov Subsidiary of Rostektinventarizatsia - Federal Bureau of Technical Inventory, or BTI.</td>
</tr>
<tr>
<td>29</td>
<td>Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostfreestr)</td>
<td>21 days</td>
<td>RUB 15,000</td>
<td>Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.</td>
</tr>
</tbody>
</table>
DEALING WITH CONSTRUCTION PERMITS

**Moscow**

Warehouse value: RUB 26,120,000 (US$ 844,063)

Data as of: November 2011

**Procedure 1. Request and obtain the development plan of land plot at the Moscow Architecture and City Planning Committee**

- **Time:** 120 days
- **Cost:** No cost
- **Comments:** The Moscow Architecture and City Planning Committee (MoskomArkhitektura) A one stop shop has been implemented in order to deal with all procedures related to the Land. The applicant does not have to go to each agency in order to obtain documents. The applicant applies for the copy development plan of the land plot at Moskomarchitecture which will deal with all the steps. The legal time limit is 1 month but in practice this takes on average 6 months according to private sector contributors.

**Procedure 2*. Request and obtain Act of Moscow Geological—Geodesic Department**

- **Time:** 45 days
- **Cost:** RUB 39,000
- **Comments:** The applicant obtains a geodesic map of the plot with all communication lines indicated and analyzed.

As of January 1, 2009, the fee for obtaining a geodesic map of the plot from the Moscow Geological—Geodesic Department has increased from RUB 36,700 to RUB 39,000.

**Procedure 3*. Request and obtain an engineering ecological survey—Mosgorgeotest or any other licensed entity**

- **Time:** 45 days
- **Cost:** RUB 100,000
- **Comments:** This is one of the pieces of information needed for project design – information about conditions of your land plot – geological, geodesic and ecological. There are 5 types of mandatory engineering surveys. All or a few of them are requested depending on the land plot and surrounding territory conditions. In our case there could be 2-3 types of surveys.

Mosgorgeotest does these surveys. Private licensed companies also can do these surveys but they are requested to get the results ‘stamped’ by Mosgorgeotest.

**Procedure 4*. Request and obtain sanitary and epidemiological certificate—Rospotrebnadzor**

- **Time:** 30 days
- **Cost:** No cost

**Procedure 5*. Request and obtain technical conditions from water services and sewage**

- **Time:** 30 days
- **Cost:** RUB 21,300
- **Comments:** The technical conditions are defined by the Moscow water and the sewage company. Under Government Regulation No. 83 dated 13 February 2006, (1) a list of technical conditions must be prepared by the local government when preparing the city development plan of the land plot; (2) if the city development plan of the land plot does not contain this information, the technical conditions as well as the information on payment for connection to such services must be provided by the respective agency within 14 business days after receiving the request; however in practice it takes longer.

According to the fee schedule of Moscow State Unitary Enterprise “Vodokanal” for 2009, the fee for obtaining the technical conditions has been increased from RUB 17,673 to RUB 21,300.

**Procedure 6*. Request and obtain technical conditions to connect to electricity with MOESK**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Technical conditions are determined by the electricity company MOESK.

Under Government Regulation No. 83 dated 13 February 2006, (1) a list of technical conditions must be prepared by the local government when preparing the city development plan of the land plot; (2) if the city development plan of the land plot does not contain this information, the technical conditions as well as the information on payment for connection to such services must be provided by the respective agency within 14 business days after receiving the request, however in practice it takes longer.

Under Government Regulation No. 83 dated 13 February 2006, (1) a list of technical conditions must be prepared by the local government when preparing the city development plan of the land plot; (2) if the city development plan of the land plot does not contain this information, the technical conditions as well as the information on payment for connection to such services must be provided by the respective agency within 14 business days after receiving the request, however in practice it takes longer.

**Procedure 7*. Request and obtain technical conditions to connect to telephone line from Moscow City Telephone Service (MGTS)**

- **Time:** 30 days
- **Cost:** RUB 5,000
- **Comments:** Technical conditions are set by the district telephone network services, which are either branches of the Moscow City Telephone Service (MGTS) or private operators.

**Procedure 8*. Request and obtain technical conditions for heavy shower sewage**

- **Time:** 30 days
- **Cost:** RUB 10,000
- **Comments:** These technical conditions are also required for the project design.

**Procedure 9*. Request and obtain technical conditions to install radio from the Moscow Broadcasting Network**

- **Time:** 30 days
- **Cost:** RUB 4,500
- **Comments:** These technical conditions are also required for the project design and needed by law for civil security. It is supposed to be used for public announcements (like in case of force majeure).

**Procedure 10*. Request and obtain approval from Moscomarchitectura on engineering supply of the facility**

- **Time:** 14 days
- **Cost:** RUB 4,500

**Procedure 11*. Request and obtain Extract from Minutes of Meeting and Decision of the ‘Reglament’ Commission by the Chief Architect of Moscow on approval of architectural design (facades, profiles, color) and the certificate of approval of architectural design**

- **Time:** 30 days
- **Cost:** No cost

**Procedure 12. Request and obtain Extract from Minutes of Meeting and Decision of the ‘Reglament’ Commission by the Chief Architect of Moscow on approval of architectural design (facades, profiles, color) and the certificate of approval of architectural design**

- **Time:** 30 days
- **Cost:** No cost

**Procedure 13*. Request and obtain the approval of conditions for designs by Department of Preparation of Project Approvals**

- **Time:** 14 days
- **Cost:** RUB 12,100
- **Comments:** The seal of the Department of Preparation of Project Approvals of MoskomArchitectura is placed on the cover page of the conditions list.

**Procedure 14*. Request and obtain approval of conditions for designs by the Ministry of Civil Defense, Emergencies and Natural Disaster Management (MChS)**

- **Time:** 14 days
- **Cost:** RUB 14,728
- **Comments:** MChS specifies whether a shelter for civil defense must be constructed on the site.

**Procedure 15*. Request and obtain approval of conditions for designs with Sanitary Services (Rospotrebnadzor)**

- **Time:** 30 days
- **Cost:** RUB 13,800
- **Comments:** The Sanitary Services (Rospotrebnadzor) analyze the drawings and designs according to sanitary norms and conditions.

**Procedure 16*. Request and obtain the approval from State Inspection of Road Safety (GIBBD)**

- **Time:** 30 days
- **Cost:** RUB 8,837
- **Comments:** The State Inspectorate of Road Safety (GIBBD) analyzes the drawings and designs according to its norms and conditions.

* This procedure can be completed simultaneously with previous procedures.
**Procedure 17**. Request and obtain the approval from Department of Comprehensive Well-Being of City
- Time: 30 days
- Cost: RUB 4,600
- Comments: The Department of Comprehensive Well-Being of the city analyzes the drawings and designs according to its norms and conditions.

**Procedure 18**. Request and obtain approval for project design from Department of Nature Management and Environment Protection of Moscow
- Time: 21 days
- Cost: RUB 29,455
- Comments: The Department of Nature Use analyzes the drawings and designs according to its norms and conditions.

**Procedure 19**. Request and obtain approval of Volumes of «Outline of Construction Arrangements» and “GenPlan” from GenPlan Institute
- Time: 30 days
- Cost: RUB 30,000

**Procedure 20**. Request and obtain approval of conditions for designs by Local Government (uprava)
- Time: 7 days
- Cost: No cost
- Comments: The seal of the local government is placed on the cover page of the conditions list.

**Procedure 21**. Request and obtain approval of conditions for designs by Prefect’s Office
- Time: 14 days
- Cost: No cost
- Comments: The seal of the local government is placed on the cover page of the conditions list.

**Procedure 22**. Request and obtain approval on project by Moscow State Expertise
- Time: 45 days
- Cost: RUB 59,500
- Comments: The Moscow State Expertise relies on internal expertise. In accordance with the Moscow Government regulation “Regulation of the document preparation by the “Moscow State Expertise” No. 670, dated 29 July 2008 should be no more than 60 days and is conducted regardless of project size. In practice, this takes about 45 days. The fee for issuing project approval is calculated according to a formula based on the square meters. According to the article 49 of the City Planning Code, this approval on project by the Moscow State Expertise is not needed for a two-story warehouse with a total surface up to 1,500 m² with non-residential or production purposes if they are not considered dangerous, technically difficult or unique. Yet, in practice, this approval is often required.

**Procedure 23**. Request and obtain Permission for construction
- Time: 10 days
- Cost: No cost
- Comments: To obtain the building permit, BuildCo must submit the following documents to the Moscow State Committee of Construction Supervision:
  - An application form.
  - Documents confirming title to the land.
  - Town (planning) plan of land.
  - Relevant project documentation.
  - After reforms in 2006, the statutory time line of issuing the permit fell from 30 days to 10. This is free of charge.

**Procedure 24**. Request and obtain an opening order of production of works from the Union of Administrative Technical Inspections (UATI)
- Time: 1 day
- Cost: RUB 30,000

**Procedure 25**. Inform the Moscow District Municipality about the work schedule, get a stamp and leave a copy of the work schedule
- Time: 1 day
- Cost: No cost

**Procedure 26**. Inform the Department of Nature Management about the work schedule, get a stamp and leave a copy of the work schedule
- Time: 1 day
- Cost: No cost

**Procedure 27**. Inform the Traffic Police about the work schedule, get a stamp and leave a copy of the work schedule
- Time: 1 day
- Cost: No cost

**Procedure 28**. Inform the Fire Department about the work schedule, get a stamp and leave a copy of the work schedule
- Time: 1 day
- Cost: No cost

**Procedure 29**. Inform the Rosprotectednadzor about the work schedule, get a stamp and leave a copy of the work schedule
- Time: 1 day
- Cost: No cost

**Procedure 30**. Receive inspection from the Moscow Committee of State Construction Supervision during foundation works
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The first inspection takes place during foundation construction.

**Procedure 31**. Receive inspection from the Moscow Committee of State Construction Supervision during structure works
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The second inspection takes place during structure construction.

**Procedure 32**. Receive inspection from the Moscow Committee of State Construction Supervision during engineering works
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The third inspection takes place during engineering work.

**Procedure 33**. Order and receive results of laboratory tests of foundation pits from Mosgorgeotrest for the acceptance commission
- Time: 1 day
- Cost: RUB 10,000
- Comments: During the construction phase of an approved project, the building company has to obtain results of laboratory tests which are then required by the acceptance commission.

**Procedure 34**. Receive an inspection from the Mosgorgeotrest to make sure that the building has been built where it was planned to be
- Time: 1 day
- Cost: RUB 50,000

**Procedure 35**. Receive inspection by Union of Administrative Technical Inspections (UATI)—I
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The first inspection takes place during foundation construction.

**Procedure 36**. Receive inspection by Union of Administrative Technical Inspections (UATI)—II
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The second inspection takes place during structure construction.

**Procedure 37**. Receive inspection by Union of Administrative Technical Inspections (UATI)—III
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested. The third inspection takes place during engineering work.

**Procedure 38**. Receive inspection by Union of Administrative Technical Inspections (UATI)—IV
- Time: 1 day
- Cost: No cost
- Comments: Construction activities are not interrupted during inspections. These inspections need not be requested and take place at least once a month during the construction cycle. The Union of Administrative Technical Inspections (UATI) inspects

* This procedure can be completed simultaneously with previous procedures.
whether the construction boundaries have remained the same.

Procedure 39*. Receive inspection by Union of Administrative Technical Inspections (UATI)—V
Time: 1 day
Cost: No cost
Comments: Construction activities are not interrupted during inspections. These inspections need not be requested and take place at least once a month during the construction cycle. The UATI inspects whether the construction boundaries have remained the same.

Procedure 40*. Receive inspection by Union of Administrative Technical Inspections (UATI)—VI
Time: 1 day
Cost: No cost
Comments: Construction activities are not interrupted during inspections. These inspections need not be requested and take place at least once a month during the construction cycle. The UATI inspects whether the construction boundaries have remained the same.

Procedure 41*. Receive inspection by Union of Administrative Technical Inspections (UATI)—VII
Time: 1 day
Cost: No cost
Comments: Construction activities are not interrupted during inspections. These inspections need not be requested and take place at least once a month during the construction cycle. The UATI inspects whether the construction boundaries have remained the same.

Procedure 42. Connect to water services
Time: 30 days
Cost: No cost
Comments: Construction activities are not interrupted during inspections. These inspections need not be requested and take place at least once a month during the construction cycle. The UATI inspects whether the construction boundaries have remained the same.

Procedure 43*. Request and connect to telephone services
Time: 10 days
Cost: RUB 8,640
Comments: According to Decree # 312, as of February 27, 2009 by Moscow City Telephone Network Company the cost of connection works is now RUB 8,640 and done in 10 days.

Procedure 44*. Request and obtain Extract from Minutes of Meeting and Decision of the ‘Reglament’ Commission by the Chief Architect of Moscow on approval of architectural design (facades, profiles, color) and the certificate of approval of architectural design
Time: 60 days
Cost: No cost
Comments: BuildCo files application forms with the Moscow State Committee of Construction Supervision in order to convene the Approval Commission. The commission includes representatives from different backgrounds, such as ecology, the prefecture, the local government, the sanitary services, the company, and the designer. After the commission has convened, BuildCo collects the signatures of all its members. The time line established by Government of Moscow Resolution No. 530, dated November 7, 2001, for the relevant authorities to appoint representatives to the Approval Commission is 10 days. The time required for approval of the building depends on the state of the building (whether it is ready to be occupied or not) and on the inspection results. In practice, this takes on average 60 days. The most difficult part is to convene the commission members and gather their signatures for approval.

Procedure 45. Request and receive the Disposition on operation of building (Occupancy Permit)
Time: 10 days
Cost: No cost
Comments: Obtaining an occupancy permit takes 10 days.

Procedure 46. Obtain a technical passport of the building
Time: 30 days
Cost: RUB 55,000

Procedure 47. Register the building after completion in Rosreestr
Time: 30 days
Cost: RUB 15,000
Comments: According to the Russian Federation Civil Code, the right to own and “create” immovable things, including buildings, is subject to state registration at the Unified State Register of rights to immovable assets and associated transactions.

To complete the registration, BuildCo must submit an application, the real property plan, and approval of the building, confirming the fact that real property has been created. The state registration must be processed within a month of the application date. Payment of a duty is required for registration. The amount of the duty is determined by the local authorities. For the Russian government at RUB 7,500 for legal persons. The state duty for building registration is RUB 15,000 (for legal entities).

DEALING WITH CONSTRUCTION PERMITS

Murmansk, Murmansk Oblast
Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Obtain development plan of land plot (GPZU) at Urban Development and Territorial Development Committee of Murmansk City
Time: 30 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction and renovation of permanent structures. It is prepared as part of land planning documentation (or sometimes as a separate document) with information about the land plot boundaries and authorized use; it is required for development of design documents for construction, construction permit and occupancy permits. The development plan regulates and establishes what and where can be built on the land plot area. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project.

Procedure 2. Request a topographic survey of the land plot at Murmansk Land Surveying Enterprise, OJSC, with permission from a self-regulating organization
Time: 25 days
Cost: RUB 139,350 (RUB 92,900-185,800. Estimate based on the cost of RUB 10,000-20,000 per 100 m²)
Comments: Placement of an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastre plan) and land boundaries.

Procedure 3*. Request geological survey of the land plot at Arctic Marine Engineering and Geological Expeditions, OJSC (OAO AMIGE)
Time: 60 days
Cost: RUB 100,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 4. Obtain technical conditions for electricity connection at Kolenergo, OJSC
Time: 45 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 5. Obtain technical conditions for water, sewage and heavy shower sewage systems and sign agreement at Murmanskvodokanal, OJSC
Time: 30 days
Cost: RUB 131,889 (1.325 x RUB 99,161,44 per m³ + RUB 500 for technical related with contract drafting)
Comments: BuildCo obtains the technical conditions of connection to water supply and sanitation systems from Murmansk Vodokanal OJSC. The applicant submits the following document package: application, land title (a copy of the Murmansk Oblast Administration on land allocation, for the owner – a copy of state property registration, for lessee: copy of lease agreement with a note of state registration); information about the boundaries of the land plot where they plan to build or renovate

* This procedure can be completed simultaneously with previous procedures.
a permanent structure (a copy of duly approved boundary plan of the land plot); facility general layout and a topographic map of the land plot at 1:500 with all existing surface and underground communications and structures (approved by relevant maintenance organizations). Within 15 days upon receipt of the application and document package, Murmansk Vodokanal issues technical conditions of connection to water supply and sanitation systems. When necessary, the term is extended for up to 30 days. Connection fees are based on the tariffs of Murmansk Vodokanal OJSC and amount to RUB 99,161.44 per cubic meter. The connection is paid for at the time of the contract execution. The agreement drafting costs are RUB 500.

Procedure 6*. Request technical conditions for a telephone connection at North-West Telekom, OJSC

**Time:** 14 days  
**Cost:** No cost  
**Comments:** After the construction is completed, the cost of connection of one number will be RUB 2,500. Contract drafting cost: RUB 500.

Procedure 7. Obtain construction permit at Urban Development and Territorial Development Committee of Murmansk City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 95 of the Administrative Offense Code. Besides, in accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. The developer should, within ten days upon receipt of a construction permit, provide to the Committee for Urban and Territorial Development of the Murmansk City Administration information about the area, height and number of stories of the planned permanent structure, engineering/technical support networks, one copy of all design documentation sections, as stipulated in Clauses 2, 8-10 and 11.1 of Part 2 of Article 48 of the Russian Federal UDC for publishing in the municipal urban development support system (Part 18, Article 51). PS: Failure to fulfill the requirements of Clause 18 of Article 51 would later on constitute grounds for rejection of an occupancy permit application by a local authority (Part 7 of Article 55 of the Russian Federal UDC). Construction permits are issued by the Committee for Urban Planning, Architecture and Territorial Development of the Murmansk City Administration. By resolution of the Murmansk City Administration No. 1828 of 05.10.2011, this procedure is governed by the administrative regulation on the municipal service “Construction permit issuance”, rendered by the Urban and Territorial Development Department of the Murmansk City Administration Officially, the document issuance time limits are followed; however, in reality the document may be picked up only on the following working day, as it is prepared by the close of business time.

Procedure 8. Obtain compliance certificate of the building with the technical conditions from the water utility at Murmanskvodokanal, OJSC

**Time:** 3 days  
**Cost:** No cost  
**Comments:** After the construction of the water supply and sanitation lines, these are (separately) demonstrated to the Vodokanal inspectors. The construction design (pre-approved by Vodokanal) and as-built documentation (fact of work accomplished) are also provided. If the design and as-built documentation meet the requirements, Vodokanal issues a certificate of compliance with technical conditions, which serves as a pre-requisite document for issuance of an occupancy permit.

Procedure 9*. Obtain compliance certificate of the building with the technical conditions from the phone utility at North-West Telekom, OJSC

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The technical passport shows the actual parameters of the newly built property. The document may be obtained from the Murmansk Oblast Public Unitary Enterprise for Technical Inventory. To obtain the passport, the applicant provides an application along with the building design, incorporation documents, mailing address, construction permit, cadastral land certificate and land lease agreement or title. The technical passport issuance tariffs are set by the agency itself, and this information is not, as a rule, easily available.

Procedure 10. Obtain a technical passport of the building at State Unitary Organization of Technical Inventory of Murmansk Oblast

**Time:** 30 days  
**Cost:** RUB 35,000  
**Comments:** The technical passport application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. Facility occupancy permit is drawn in line with the requirements of the UDC and Permit Issuance Regulation, adopted in Murmansk.

Procedure 11. Obtain occupancy permit at Urban Development and Territorial Development Committee of Murmansk City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** The occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. Facility occupancy permit is drawn in line with the requirements of the UDC and Permit Issuance Regulation, adopted in Murmansk.

Procedure 12. Connect to water, sewage and heavy shower sewage services at Murmanskvodokanal, OJSC

**Time:** 30 days  
**Cost:** No cost  
**Comments:** This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements

**Procedure 13**. Sign agreement with the phone utility at North-West Telekom, OJSC

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a legal act of recognition and confirmation of fulfillment of all requirements imposed by the telephone company.

Procedure 14. Obtain cadastral passport of the building at Federal Service of State Registration, Cadastre and Cartography

**Time:** 20 days  
**Cost:** No cost  
**Comments:** After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the Murmansk Oblast Department of the Federal Service for State Registration, Cadastre and Cartography.

Procedure 15. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr) at Federal Service of State Registration, Cadastre and Cartography

**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** This refers to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by the Murmansk Oblast Department of the Federal Service for State Registration, Cadastre and Cartography after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 16. Sign agreement with water utility at Murmanskvodokanal, OJSC

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The connection to water supply networks is performed after issuance of a title to the newly built property. The applicant and officials of Murmansk Vodokanal OJSC conclude a contract and sign an act establishing a boundary between internal and external networks. The customer shall send lodge with Murmansk Vodokanal: 1) notarized copies of establishing documents, as well documents confirming the signee’s authority; 2) land titles; 3) the facility layout with position in the residential area; 4) site topographic plan at 1:500 (with all surface and underground communications and structures), cleared by maintenance organizations; 5) water consumption and disposal balance of facility being connected, listing all water usage types, including fire-fighting; 6) information about sub-subscribers. Murmansk Vodokanal shall, in 30 days upon receipt of an application.

**DEALING WITH CONSTRUCTION PERMITS**

**Novosibirsk, Novosibirsk Oblast**

Warehouse value: RUB 26,120,000 (US$ 844,063)  
Data as of: November 2011

**Procedure 1. Request a topographic survey of the land plot at Design organization with permission from a self-regulating organization**

**Time:** 25 days  
**Cost:** RUB 70,000  
**Comments:** BuildCo places an order for land survey at 1:500/1,200/1:5,000 (for areas up to 1 ha, up to 10 ha, and more than 10 ha, respectively).
over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 2**: Request geological survey of the land plot at Commercial licensed company

**Time**: 23 days  
**Cost**: RUB 60,000  
**Comments**: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 3**: Obtain development plan of land plot (GPZU) at Main Department of Architecture and Urban Development of Novosibirsk City

**Time**: 30 days  
**Cost**: No cost  
**Comments**: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions. The following documents should be submitted to obtain it: application, draft design, document titles. The document is issued by the Department of Architecture and Urban Development of the Novosibirsk Mayor’s Office.

**Procedure 4**: Obtain technical conditions for electricity connection at Novosibirsk City Electric Supply Networks

**Time**: 15 days  
**Cost**: No cost  
**Comments**: BuildCo applies for the technical conditions for electricity connection

**Procedure 5**: Obtain technical conditions for water services and sign agreement at Gorvodokanal, Municipal Unitary Organization—water utility

**Time**: 34 days  
**Cost**: RUB 42,784  
**Comments**: Technical conditions of connection to water supply and sanitation systems. The applicant submits a request to City Vodokanal MUE with full information about the facility (according to a form available at the company’s web-site on the office). Payment for connection is made in accordance with a schedule attached to the agreement.

**Procedure 6**: Request technical conditions for a telephone connection at Rostelekom

**Time**: 16 days  
**Cost**: No cost  
**Comments**: BuildCo obtains the technical specification for landline telephone connection and concluding a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line in accordance with approved tariffs.

**Procedure 7**: Obtain certificate of compliance of the project design from the water utility at Gorvodokanal, Municipal Unitary Organization—water utility

**Time**: 10 days  
**Cost**: No cost  
**Comments**: The design documents are cleared in the normal course of business on reception days (twice a week: on Tuesdays and Thursdays) with relevant notes made on the drawings. No additional documents are drafted. The approval process is performed in the presence of the visitor on the day of application. If so desired, the approved design may be picked up on the following reception day.

**Procedure 8**: Obtain technical conditions to connect to heavy sewerage at Main Department of Territory Improvement and Planting of Novosibirsk City

**Time**: 30 days  
**Cost**: No cost  
**Comments**: To obtain the technical conditions, BuildCo needs to provide a list of plants located on the allotted land plot, as well as an excerpt from the minutes of a meeting of the Novosibirsk Labor Issues Department, along with a layout of the allotted land plot. Technical conditions are prepared based on decision of the TC preparation team. The team meets every two weeks.

**Procedure 9**: Obtain certificate of compliance of the project design from the phone utility at Sibirtelekom

**Time**: 10 days  
**Cost**: No cost  
**Comments**: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

**Procedure 10**: Obtain compliance certificate from the heavy sewerage utility at Main Department of Territory Improvement and Planting of Novosibirsk City

**Time**: 10 days  
**Cost**: No cost  
**Comments**: The design documents are cleared on reception days with relevant notes made on the drawings, additional documents are also drafted.

**Procedure 11**: Obtain construction permit at Inspection for architecture and construction supervision

**Time**: 10 days  
**Cost**: No cost  
**Comments**: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Besides, in accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. To obtain a construction permit, BuildCo needs to lodge an application with the Construction and Land Issues Department, with the following documents attached land titles, land development plan and design documentation materials. An administrative regulation on provision of the municipal service of issuance of permanent structure occupancy permits has been drafted.

**Procedure 12**: Obtain confirmation of compliance of the building with technical conditions for connection to water and sewerage at Gorvodokanal—water utility

**Time**: 5 days  
**Cost**: No cost  
**Comments**: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

**Procedure 13**: Obtain compliance certificate of the building with the technical conditions from the phone utility at Sibirtelekom

**Time**: 5 days  
**Cost**: No cost  
**Comments**: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

**Procedure 14**: Obtain a technical passport of the building at Bureau of technical inventory—federal

**Time**: 30 days  
**Cost**: RUB 52,000  
**Comments**: The technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Novosibirsk Subsidiary of Rostechnadzor, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

**Procedure 15**: Obtain occupancy permit at Inspection for architecture and construction supervision

**Time**: 10 days  
**Cost**: No cost  
**Comments**: To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Architectural and Construction Inspectorate Department of the Novosibirsk City Mayor’s Office. An administrative regulation on provision of the municipal service of issuance of permanent structure occupancy permits has been drafted.

* This procedure can be completed simultaneously with previous procedures.
### Procedure 16. Connect to water and sewage services at Gorvodokanal—water utility
**Time:** 18 days  
**Cost:** RUB 185,000  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

### Procedure 17*. Connect to telephone services at Sibintelekom
**Time:** 5 days  
**Cost:** RUB 25,000  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

### Procedure 18*. Obtain cadastral passport of the building at Bureau of technical inventory—federal
**Time:** 13 days  
**Cost:** No cost  
**Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is prepared by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

### Procedure 19. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)
**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.

### Procedure 20*. Sign agreement with water utility at Gorvodokanal—water utility
**Time:** 10 days  
**Cost:** No cost  
**Comments:** Application is lodged with City Vodokanal MUE together with reports and establishing documents (contract concluded by the owner).

### Procedure 3. Obtain development plan of land plot (GPZU) at Municipal Architecture and Urban Development Department
**Time:** 30 days  
**Cost:** No cost  
**Comments:** The application is lodged upon collection of technical conditions and land title registration.

### Procedure 4*. Obtain technical conditions for water services and sign agreement at Omskvodokanal, OJSC—water utility
**Time:** 30 days  
**Cost:** RUB 62,262  
**Comments:** To obtain technical conditions of connection to water supply and sanitation systems, BuildCo needs to lodge an application Omsk Vodokanal OJSC, the specifications may be picked up within one month.

### Procedure 5. Obtain technical conditions for electricity connection at Omskelectro, Municipal Unitary Organization
**Time:** 30 days  
**Cost:** No cost  
**Comments:** Apply for technical conditions for electricity connection.

### Procedure 6*. Obtain technical conditions for phone services and sign agreement at Sibintelekom
**Time:** 30 days  
**Cost:** RUB 1,500 [technical conditions are free of charge; number cost is RUB 1,500]  
**Comments:** Obtaining technical specification for landline telephone connection and concluding a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line in accordance with approved tariffs.

### Procedure 7. Obtain technical conditions to connect to heavy sewage system at Municipal Facilities Department of Omsk City
**Time:** 30 days  
**Cost:** RUB 1,500 [technical conditions are free of charge; number cost is RUB 1,500]  
**Comments:** Obtaining technical conditions of connection to storm drain systems.

### Procedure 8. Conduct Laboratory works at the Rospotrebnadzor (Russian Consumer Agency’s) Laboratory at Hygiene Center in Omsk Oblast
**Time:** 14 days  
**Cost:** RUB 15,000  
**Comments:** Occupational conditions, level of lighting, radioactivity, water quality, level of noise and air exchange should be analyzed and surveyed. Developers prefer to perform these tasks, as in future, when the warehouse will be in operation, it may be inspected by RosPotrebNadzor; and violations will entail a order to close down the warehouse.

### Procedure 9. Obtain certificate of compliance of the project design from the water utility at Omskvodokanal, OJSC—water utility
**Time:** 1 day  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

### Procedure 10. Obtain certificate of compliance of the project design from the phone utility at Rostelekom
**Time:** 4 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

### Procedure 11. Obtain certificate of compliance of the project design from the heavy sewage utility at Municipal Facilities Department of Omsk City
**Time:** 3 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

### Procedure 12. Obtain construction permit at Municipal Architecture and Urban Development Department
**Time:** 10 days  
**Cost:** No cost  
**Comments:** The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

### Procedure 13. Obtain permit to start excavation works at Administrative and Technical Inspection of Omsk City
**Time:** 14 days  
**Cost:** No cost  
**Comments:** BuildCo should start working on getting permissions, on average, 2 months ahead of the scheduled earthwork commencement date. The following documents are submitted to the Inspectorate for obtaining a warrant for earthwork: 1) application in conformity with Article 251 of the Landscaping Regulation, including a guarantee to restore landscape and keep to the requirements of the Landscaping Regulation; 2) operating design/ documents cleared by a competent structural units of the Omsk City Administration, as authorized by the Mayor of the City of Omsk; 3) work schedule; 4) transportation diagram after a road section is closed; 5) clearance from a competent structural units of the Omsk City Administration, as authorized by the Mayor of the City of Omsk of an open method of earthwork on street lanes and congested roads; 6) order or articles of association for legal entities and individual entrepreneurs; 7) power of attorney to the name of an employee in charge – for legal entities and individual entrepreneurs; 8) letter addressed to the Head of the Administrative and Technical Inspection of the Omsk City Administration.

### Omsk, Omsk Oblast
Warehouse value: RUB 26,120,000 (US$ 844,063)  
Data as of: November 2011

### Procedure 1. Request a topographic survey of the land plot at Omskarkhhitektura Municipal Organization
**Time:** 19 days  
**Cost:** RUB 10,000  
**Comments:** A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

### Procedure 2. Request geological survey of the land plot at Geoeology, LLC
**Time:** 30 days  
**Cost:** RUB 85,000

### Procedure 9. Obtain certificate of compliance of the project design from the water utility at Omskvodokanal, OJSC—water utility
**Time:** 1 day  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

### Procedure 10. Obtain certificate of compliance of the project design from the phone utility at Rostelekom
**Time:** 4 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

### Procedure 11. Obtain certificate of compliance of the project design from the heavy sewage utility at Municipal Facilities Department of Omsk City
**Time:** 3 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

### Procedure 12. Obtain construction permit at Municipal Architecture and Urban Development Department
**Time:** 10 days  
**Cost:** No cost  
**Comments:** The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

### Procedure 13. Obtain permit to start excavation works at Administrative and Technical Inspection of Omsk City
**Time:** 14 days  
**Cost:** No cost  
**Comments:** BuildCo should start working on getting permissions, on average, 2 months ahead of the scheduled earthwork commencement date. The following documents are submitted to the Inspectorate for obtaining a warrant for earthwork: 1) application in conformity with Article 251 of the Landscaping Regulation, including a guarantee to restore landscape and keep to the requirements of the Landscaping Regulation; 2) operating design/ documents cleared by a competent structural units of the Omsk City Administration, as authorized by the Mayor of the City of Omsk; 3) work schedule; 4) transportation diagram after a road section is closed; 5) clearance from a competent structural units of the Omsk City Administration, as authorized by the Mayor of the City of Omsk of an open method of earthwork on street lanes and congested roads; 6) order or articles of association for legal entities and individual entrepreneurs; 7) power of attorney to the name of an employee in charge – for legal entities and individual entrepreneurs; 8) letter addressed to the Head of the Administrative and Technical Inspection of the Omsk City Administration.

* This procedure can be completed simultaneously with previous procedures.
Procedure 14*. Legalize the permit for excavation and other construction related works at Administrative and Technical Inspection of Omsk City

Time: 7 days
Cost: No cost
Comments: The performance of work not related to earthwork requires a separate permit from the Administrative and Technical Inspection of the Omsk City Administration.

Procedure 15*. Obtain clearance of the places of storage for the construction material at Administrative and Technical Inspection of Omsk City

Time: 7 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 16*. Obtain permit to start excavation works at Administrative and Technical Inspection of Omsk City

Time: 7 days
Cost: No cost

Procedure 17. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Omskvodokanal, OJSC—water utility

Time: 3 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Omsk Vodokanal OJSC after checking the water supply and sanitation systems.

Procedure 18*. Obtain compliance certificate of the building with the technical conditions from the phone utility at Sibirtelekom

Time: 7 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports that serve as a basis for issuance of technical conditions.

Procedure 19*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Municipal Facilities Department of Omsk City

Time: 3 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 20. Obtain a technical passport of the building at Bureau of technical inventorization—Federal

Time: 14 days
Cost: RUB 1,000
Comments: The technical passport of a facility is required for obtaining an occupancy permit.

Procedure 21. Request occupancy permit at Construction Department of Omsk City

Time: 10 days
Cost: No cost
Comments: The application is lodged with the Omsk Construction Department. The following documents are enclosed with the application: KS-11 Report, land title documents, construction permit, GPZU, construction technical passport and incorporation documents.

Procedure 22. Receive inspection for occupancy permit at Municipal Architecture and Urban Development Department

Time: 10 days
Cost: No cost
Comments: A compliance report is compiled based on the inspection outcomes and a decision is taken on rejection or issuance of an occupation permit.

Procedure 23. Obtain occupancy permit at Construction Department of Omsk City

Time: 10 days
Cost: No cost
Comments: The application is lodged with Omsk Vodokanal OJSC—water utility

Cost: No cost
Comments: A compliance report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 24. Sign agreement with water and sewage utility at Omskvodokanal, OJSC—water utility

Time: 5 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 25*. Sign agreement with the phone utility at Rostelekom, OJSC

Time: 5 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 26*. Sign agreement with heavy shower sewage utility at Municipal Facilities Department of Omsk City

Time: 5 days
Cost: No cost
Comments: The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 27. Obtain cadastral passport of the building at Center for Technical inventorization and Land Management

Time: 22 days
Cost: No cost

Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it.

Procedure 28. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 30 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 29. Sign agreement with the water utility at Omskvodokanal, OJSC—water utility

Time: 14 days
Cost: No cost
Comments: The application is lodged with Omsk Vodokanal OJSC together with reports and establishing documents (contract concluded by the owner).

DEALING WITH CONSTRUCTION PERMITS

Perm, Perm Kray

Warehouse value: RUB 26,120,000 (US$ 444,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at Cadastre engineer and Division of City Plan of Department of Planning and Territory Development of Perm City

Time: 30 days
Cost: RUB 5,000
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 2. Obtain technical conditions for electricity connection at Permentergo

Time: 30 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection

Procedure 3. Obtain technical conditions to connect to water and sewage services at Novogor-Prikamie, LLC

Time: 30 days
Cost: No cost
Comments: BuildCo obtains technical conditions of connection to water supply and sanitation systems. The applicant submits a request with full information about the facility. Payment for connection is made in accordance with a schedule attached to the agreement.

* This procedure can be completed simultaneously with previous procedures.
Procedure 4*. Obtain technical conditions for telephone connection at Uralsvyazinform, OJSC

**Time:** 14 days  
**Cost:** No cost  
**Comments:** BuildCo obtains the technical specification for landline telephone connection and concludes a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line in accordance with approved tariffs.

Procedure 5*. Request geological survey of the land plot at Specialized agency

**Time:** 50 days  
**Cost:** RUB 165,000 [RUB 55,000 per boring]  
**Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (СНиП). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 6. Obtain development plan of land plot (GPZU) at Planning and Territory Development Department of Perm City

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions. The following documents should be submitted to obtain it: application, draft design, document titles.

Procedure 7. Obtain construction permit at Planning and Territory Development Department of Perm City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

Procedure 8. Notify the authorities of commencement of construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** Before the beginning of construction (renovation/major repairs), the developer should submit a notification about the beginning of construction.

Procedure 9. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 10. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 11. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 12. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 13. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 14. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 15. Receive inspection during construction works at Gosstroynadzor of Perm Krai—construction supervision

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The outcomes of the construction control are recorded in as-built documentation. One inspection takes place every month.

Procedure 16. Connect to water services at Novogor-Prikamie, LLC

**Time:** 35 days  
**Cost:** RUB 102,650

Comments: BuildCo submits an application indicating the requirement connected capacity.

Procedure 17. Request and connect to telephone services at Rostelekom, JSC, Uralsvyazinform

**Time:** 14 days  
**Cost:** RUB 3,500  
**Comments:** To connect to telephone network, BuildCo needs to apply to a fixed communication provider with incorporation documents and a cover letter. Upon contract execution, payment is made in accordance with the established tariffs.

Procedure 18. Obtain a technical passport of the building at Bureau of technical inventory—federal

**Time:** 20 days  
**Cost:** RUB 39,000 [RUB 39,000 - 20 days (standard time), RUB 78,000 - 10 days, RUB 117,000 - 5 days]  
**Comments:** The technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the State Unitary Enterprise for Technical Inventory of Real Property in the Yaroslavl Oblast, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

Procedure 19. Obtain occupancy permit at Planning and Territory Development Department of Perm City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Perm City Department of Area Planning and Architecture and Development.

Procedure 20. Obtain cadastral passport of the building at Bureau of technical inventory—federal

**Time:** 14 days  
**Cost:** No cost  
**Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

Procedure 21. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

**Time:** 21 days  
**Cost:** RUB 15,000  
**Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.

* This procedure can be completed simultaneously with previous procedures.
DEALING WITH CONSTRUCTION PERMITS

**Petrozavodsk, Republic of Karelia**

Warehouse value: RUB 26,120,000 (US$ 844,063)

Data as of: November 2011

**Procedure 1. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department of Petrozavodsk City**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction and renovation of permanent structures. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project.

**Procedure 2. Request a topographic survey of the land plot at Petrozavodsk Urban Development Bureau, Municipal Unitary Organization**

**Time:** 35 days  
**Cost:** RUB 92,900 [estimated RUB 10,000-15,000 per 100 m²]

**Comments:** BuildCo applies for the technical conditions for electricity connection at Petrozavodsk Communal Systems, OJSC

**Time:** 15 days  
**Cost:** No cost  
**Comments:** BuildCo applies for the technical conditions for electricity connection

**Procedure 5. Obtain technical conditions for water, sewage and heavy shower sewage systems and sign agreement at Petrozavodsk Communal Systems, OJSC**

**Time:** 30 days  
**Cost:** RUB 31,742

**Comments:** BuildCo obtains technical specification for landline telephone connection and concluding a contract with SvyazService OJSC. In principle, telephone connections with the requested parameters may be offered by other service providers; however, SvyazService is the largest player on this market. The applicant submits documents and makes payment at the time of execution of the connection contract. The contract drafting cost is RUB 500.

**Procedure 6. Obtain technical conditions for telephone connection and sign agreement at SvyazService, LLC**

**Time:** 14 days  
**Cost:** RUB 500

**Comments:** Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Construction permits are issued by the Committee for Urban Planning, Architecture and Land Use of the Petrozavodsk Administration. The list of documents, time and costs are regulated by the Russian Federal UDC. Officially, the document issuance time limits are followed; however, in reality the document may be picked up only on the following working day, as it is prepared by the close of business time.

**Procedure 7. Obtain construction permit at Architecture and Urban Development Department of Petrozavodsk City**

**Time:** 14 days  
**Cost:** No cost

**Comments:** The telephone company is notified about completion of work, with enclosed reports, that serves as a basis for issuance of technical conditions.

**Procedure 10. Obtain compliance certificate of the building with the phone utility at SvyazService, LLC**

**Time:** 30 days  
**Cost:** No cost

**Comments:** The application is lodged with the Department of Architecture and Urban Development of the Petrozavodsk City District Administration.

**Procedure 11. Request occupancy permit at Architecture and Urban Development Department of Petrozavodsk City**

**Time:** 10 days  
**Cost:** No cost

**Comments:** The application is lodged with the Department of Architecture and Urban Development of the Petrozavodsk City District Administration.

**Procedure 12. Obtain a technical passport of the building at Bureau of technical inventory—state unitary enterprise**

**Time:** 30 days  
**Cost:** RUB 35,000

**Comments:** The technical passport shows the actual parameters of the newly built property. The document may be obtained from the Petrozavodsk Bureau of Technical Inventory (BTI). To obtain the passport, the applicant provides an application along with the building design, incorporation documents, mailing address, construction permit, cadastral land certificate, land lease agreement or title. The technical passport issuance tariffs are set by the agency itself, and this information is not, as a rule, easily available.

**Procedure 13. Obtain occupancy permit at Architecture and Urban Development Department of Petrozavodsk City**

**Time:** 10 days  
**Cost:** No cost

**Comments:** The occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. Facility occupancy permit is prepared according to the requirements of the UDC and Permit Issuance Regulation, adopted in Petrozavodsk.

**Procedure 14. Sign agreement with the water, sewage and heavy shower sewage utility at Petrozavodsk Communal Systems, OJSC**

**Time:** 30 days  
**Cost:** RUB 104,264

**Comments:** This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements

*This procedure can be completed simultaneously with previous procedures.*
Procedure 15. Sign agreement with the phone utility at Svayazservice, LLC
Time: 1 day
Cost: No cost
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

Procedure 16. Obtain cadastral passport of the building at Bureau of technical inventory—state unitary enterprise
Time: 20 days
Cost: No cost
Comments: After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the State Unitary Enterprise “Petrozavodsk Bureau of Technical Inventory (BTI”).

Procedure 17. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)
Time: 30 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by the Republic of Karelia Department of the Federal Service for State Registration, Cadastre and Cartography after submitting application, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 18. Sign agreement with the water utility at Petrozavodsk Communal Systems, OJSC
Time: 30 days
Cost: No cost
Comments: Connection to water supply networks is performed after issuance of a title to the newly built property. The applicant and Petrozavodsk Vodokanal OJSC conclude a contract and sign an act establishing a boundary between internal and external networks.

DEALING WITH CONSTRUCTION PERMITS

Rostov-on-Don, Rostov Oblast
Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at Any commercial organization with corresponding permission from a self-regulating organization
Time: 35 days
Cost: RUB 77,450 [estimated RUB 10,000-20,000 per 100 m2 of the land plot]
Comments: Placement of an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 2. Obtain technical conditions for electricity connection at Rostoverenergo
Time: 30 days
Cost: No cost

Comments: Apply for technical conditions for electricity connection
Procedure 3*. Obtain technical conditions for water and sewage services at Vodokanal, OJSC—water utility
Time: 30 days
Cost: No cost
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package to Rostov-on-Don City Vodokanal OJSC: application, legal documents for the land plot (cadastral passport, draft design and design estimates). Connection fee is based on the Vodokanal tariffs. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 4*. Obtain technical conditions for telephone connection at Komstar-Regions, Rostelekom or other companies
Time: 14 days
Cost: No cost
Comments: Obtaining technical specification for landline telephone connection and concluding a contract with Komstar-Regions OJSC. In principle, telephone communications with the requested parameters may be offered by other service providers; however, Komstar-Regions is the largest player on this market. The applicant submits the following document package: application, official documents for the land plot (cadastral passport, resolution of the city mayor authorizing the design, draft design and design estimates). No fees are charged for connection and contract conclusion.

Procedure 5*. Request geological survey of the land plot at Any commercial organization with corresponding permission from a self-regulating organization
Time: 60 days
Cost: RUB 150,000 [cost estimate for 5-7 borings, 10 meters each (including water analysis); RUB 2,000-3,000 per boring per meter]
Comments: Placement of an order for engineering/ geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/ geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area. In our case, there will be 5-7 holes, 10 meters deep. The prices of GidroSpetzFundamentStroy OJSC are RUB 2,000-3,000 per meter of the plot area.

Procedure 6. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department of Rostov-on-Don City, Municipal Organization
Time: 30 days
Cost: No cost
Comments: In accordance with the Urban Development Code, a land development plan is a document that contains key land plot information: boundary coordinates, authorized use and technical conditions. The document is required for obtaining a construction permit. The document issuance time and costs are established at the federal level and requires submission of the following documents: application, draft design, all technical conditions and land titles. The document is issued by the Department of Architecture and Urban Development.

Procedure 7. Obtain construction permit at Architecture and Urban Development Department of Rostov-on-Don City, Municipal Organization
Time: 14 days
Cost: No cost
Comments: Construction permits are issued by the Department of Architecture and Urban Development. The list of documents, time and costs are regulated by the Russian Federal UDF. From the formal standpoint, the document issuance time is complied with; however, in reality it can be obtained on the following working day only, as it is prepared by the close of business time.

Procedure 8. Obtain compliance certificate of the building with the water and sewage utility at Rostov-on-Don Vodokanal, OJSC—water utility
Time: 7 days
Cost: No cost
Comments: As required by the UDC, in order to obtain an occupational permit, the developer should provide a confirmation of the facility compliance with the technical conditions. For that purpose, the developer should send a letter to the agency that issued the specification and receives a certificate of compliance with the technical conditions. This procedure is free of charge.

Procedure 9. Request connection to the water and sewage utility at Rostov-on-Don Vodokanal, OJSC—water utility
Time: 4 days
Cost: No cost
Comments: To connect to water supply and sanitation systems, the applicant lodges an inquiry with Rostov-on-Don City Vodokanal OJSC with enclosed application, work completion reports, equipment certificates, commissioning reports and acceptance reports.

Procedure 10. Connect to water services at Rostov-on-Don Vodokanal, OJSC—water utility
Time: 28 days
Cost: RUB 32,125
Comments: Connection to water supply networks is performed after issuance of a title to the newly built property. The applicant and Rostov-on-Don Vodokanal OJSC conclude a contract and sign an act establishing a boundary between internal and external networks.

Procedure 11. Obtain compliance certificate of the building with the phone utility at Komstar-Regions, Rostelekom or other companies
Time: 3 days
Cost: No cost
Comments: As required by the UDC, in order to obtain an occupational permit, the developer should provide a confirmation of the facility compliance with the technical conditions. For that purpose, the developer should send a letter to the agency that issued the specification and receives a certificate

* This procedure can be completed simultaneously with previous procedures.
of compliance with the technical conditions. This procedure is free of charge.

**Procedure 12*. Request and connect to telephone services at Komstar-Regions, Rostelekom or other companies**

- **Time:** 1 day
- **Cost:** RUB 4,800
- **Comments:** Telephone number is assigned at the time of conclusion of a contract for connection to a telephone network, and is chargeable according to the provider tariffs. In 2011, the charge per number in Komstar-Regions OJSC was RUB 4,800.

**Procedure 13*. Sign agreement with the phone utility at Komstar-Regions, Rostelekom or other companies**

- **Time:** 14 days
- **Cost:** No cost
- **Comments:** A work acceptance report is signed upon completion of the work by the telephone company staff and the line testing

**Procedure 14*. Conclude agreement on connection services from the phone utility**

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** After all documents pertaining to telephone connection are signed, the parties execute a service contract. This procedure may be run only upon acquisition of a title to the completed project.

**Procedure 15. Obtain a technical passport of the building at Bureau of technical inventory—federal and municipal**

- **Time:** 30 days
- **Cost:** RUB 12,000
- **Comments:** Technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Municipal Enterprise of Technical Inventory and Real Property Evaluation, the Rostov Subsidiary of Rostechoventzarsita - Federal BTI, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, mailing address, construction permit, cadastral passport of the land and land lease agreement, or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available. There is a legal way of expediting the procedure to pick up the technical passport in 5 days instead of the standard 30.

**Procedure 16. Obtain occupancy permit at Architecture and Urban Development Department of Rostov-on-Don City, Municipal Organization**

- **Time:** 10 days
- **Cost:** No cost
- **Comments:** Facility occupancy permit is drawn in line with the requirements of the UDC and the Rostov-on-Don local regulation on permit issuance.

**Procedure 17. Obtain cadastral passport of the building at Federal Service of State Registration, Cadastre and Cartography (Rosreestr)**

- **Time:** 25 days
- **Cost:** No cost

- **Comments:** After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the Oblast Department of the Federal Service for State Registration, Cadastre and Cartography.

**Procedure 18. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)**

- **Time:** 32 days
- **Cost:** RUB 15,000
- **Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by the Rostov Oblast Department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

**DEALING WITH CONSTRUCTION PERMITS**

### Saint-Petersburg

**Warehouse value:** RUB 26,120,000 (US$ 844,063)

**Data as of:** November 2011

**Procedure 1. Request a topographic survey of the land plot at Urban Development and Architecture Committee of Saint Petersburg**

- **Time:** 30 days
- **Cost:** RUB 4,645 [estimate based on RUB 50,000 per 10,000 m2]
- **Comments:** Placement of an order for a technical specification survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements, fencings, roads, etc.

**Procedure 2. Obtain technical conditions to connect to water and sewage services at Committee on Energy and Engineering Facilities of Saint Petersburg**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request with full information about the facility to the Saint-Petersburg Committee for Energy and Engineering Support. Connection fees are determined on case by case basis and this information is not publicly available.

**Procedure 3*. Obtain compliance certificate from water and sewage utility at Committee on Energy and Engineering Facilities of Saint Petersburg**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Final construction design, compliant to the prior technical conditions, is cleared with the Saint-Petersburg Committee for Energy and Engineering Support.

**Procedure 4. Obtain technical conditions for electricity connection at Lenenergo, OJSC—electricity supply provider**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Apply for technical conditions for electricity connection

**Procedure 5*. Obtain technical conditions for telephone connection at North-West Telekom, OJSC**

- **Time:** 30 days
- **Cost:** RUB 4,000
- **Comments:** Obtaining technical specification for landline telephone connection and concluding a contract. No fees are charged for connection and contract conclusion. After the completion of construction, a fee is collected for telephone number assignment immediately during connection to the telephone line in accordance with approved tariffs.

**Procedure 6. Request geological survey of the land plot at GGS of Urban Development and Architecture Committee of Saint Petersburg**

- **Time:** 60 days
- **Cost:** RUB 50,000
- **Comments:** Placement of an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 7. Obtain development plan of land plot (GPZU) at Urban Development and Architecture Committee of Saint Petersburg**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project. The process is governed by the procedure of interaction of the structural units of the Committee for Urban Development and Architecture and the State Establishment “Center for Information Support of Urban Development Activities” in preparation, approval, registration and issuance of land development plots.

**Procedure 8. Obtain construction permit at Service for State Construction Supervision and Expertise of Saint Petersburg**

- **Time:** 10 days
- **Cost:** No cost
- **Comments:** Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Besides, in

* This procedure can be completed simultaneously with previous procedures.
accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. To obtain a construction permit, BuildCo needs to lodge an application with the Department of Architecture, Construction and Land Use, with the following documents attached: land titles, explanatory note, land plot layout diagrams (2 types), information about engineering equipment, combined engineering network layout, construction plan with clearances.

Procedure 9. Notify the authorities of commencement of construction works at Service for State Construction Supervision and Expertise of Saint Petersburg

Time: 1 day
Cost: No cost
Comments: The construction company should inform the Saint-Petersburg State Construction Supervision and Expertise Service about the beginning of construction work.

Procedure 10*. Request connection to the water and sewage utility at State Unitary Organization Saint Petersburg Vodokanal—water utility

Time: 7 days
Cost: No cost
Comments: Submitted only after technical conditions are cleared and the required consumption volume is identified.

Procedure 11. Receive inspection from the water utility at State Unitary Organization Saint Petersburg Vodokanal—water utility

Time: 30 days
Cost: No cost
Comments: Conclusion is issued after verification of compliance of the application with technical specification. After construction the water supply and sanitation lines, they are (separately) demonstrated to the Vodokanal inspectors. The construction design (pre-approved by Petrozavodsk Municipal Systems OJSC) and as-built documentation (fact of work accomplished) are also provided. If the design and as-built documentation meet the requirements, Petrozavodsk Municipal Systems OJSC issues a certificate of compliance with technical conditions, which serves as a pre-requisite document for contract conclusion.

Procedure 12. Sign agreement with water and sewage utility at State Unitary Organization Saint Petersburg Vodokanal—water utility

Time: 10 days
Cost: No cost
Comments: The contract terms and conditions depend on water consumption volume. The contract is concluded for 1 year with optional extension.

Procedure 13*. Obtain approval of the sanitary-epidemiological station for the use of drinking water at Saint Petersburg Hygiene and Epidemiology Center

Time: 14 days
Cost: RUB 5,000
Comments: Permit is mandatory, as there will be people working in the building. The term “industrial-use water” does not apply to property. The permit is issued on the basis of laboratory studies.

Procedure 14. Connect to water services at State Unitary Organization Saint Petersburg Vodokanal—water utility

Time: 21 days
Cost: RUB 75,293
Comments: Done on the basis of a water supply and sanitation contract. Connection tariffs are determined on case by case basis and there is no information available for public.

Procedure 15. Request and connect to telephone services at North-West Telekom, OJSC

Time: 30 days
Cost: RUB 200
Comments: To connect to telephone network, BuildCo needs to apply to a fixed communication provider with incorporation documents and a cover letter. Upon contract execution, payment is made in accordance with the established tariffs.

Procedure 16. Obtain occupancy permit at Service for State Construction Supervision and Expertise of Saint Petersburg

Time: 10 days
Cost: No cost
Comments: For an occupancy permit, BuildCo needs to lodge documents with the Saint Petersburg Public Construction Supervision and Review Service; documents may be picked up in 10 days.

Procedure 17. Obtain cadastral passport of the building at Federal Service of State Registration, Cadastre and Cartography (Rosreestr)

Time: 25 days
Cost: RUB 3,200
Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

Procedure 18. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)

Time: 30 days
Cost: RUB 15,000
Comments: This is a legal act of recognition and confirmation by the State of the emergence, limitation/encumbrance, assignment or cessation of rights to real property. State registration is the only evidence of registered interests.

DEALING WITH CONSTRUCTION PERMITS

Samara, Samara Oblast

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at Gorzhilproekt Municipal Organization

Time: 7 days
Cost: RUB 30,000

Comments: BuildCo places an order for geodesic survey of the land plot at Gorzhilproekt Municipal Organization—water utility

Time: 1 day
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 3*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Samaradovokanal, Municipal Unitary Organization—water utility

Time: 14 days
Cost: RUB 166,133 (connection tariffs: water supply: RUB 103,085 with max consumption, sanitation: RUB 63,048.)
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package: application, land title documents (cadastral passport, draft design and design estimates). Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 4*. Obtain technical conditions for telephone connection and sign agreement at Volgatelekom

Time: 20 days
Cost: No cost
Comments: Obtaining technical conditions of connection to the storm drain system and concluding a contract.

Procedure 5*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Samara Municipal Territory Improvement and Ecology Department

Time: 30 days
Cost: RUB 15,000
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 6*. Request geological survey of the land plot at SamaraTICIZ, LLC

Time: 30 days
Cost: RUB 15,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in

* This procedure can be completed simultaneously with previous procedures.
The plot area. In our case, there will be 5-7 holes, 10 meters deep.

**Procedure 7. Obtain development plan of land plot (GPZU) at Construction and Architecture Department of Samara City**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. The following documents should be submitted to obtain it: draft design, all technical conditions, land titles. The document is issued by the Samara Department of Construction and Architecture.

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at Samara City**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

**Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Volgatelekom**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

**Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Samara City**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

**Procedure 11. Obtain construction permit at Construction and Architecture Department of Samara City**

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Construction permits are issued by the Samara City Department of Construction and Architecture. The list of documents, time and costs are regulated by the Russian Federal UDC.

**Procedure 12. Notify the authorities of commencement of construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The developer should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons. Based on the notification, the State Construction Control would develop construction inspection schedules, and share them with the developer.

**Procedure 13. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 14. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 15. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 16. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 17. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 18. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 19. Receive inspection during construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 – pit excavation, 2 – foundation pouring, etc.)

**Procedure 20. Notify the authorities of end of construction works at Gosstroynadzor—construction supervision**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** Submission of a construction completion notification to Gosstroynadzor

**Procedure 21. Obtain certificate of compliance of construction with technical conditions at Samaratadovokanal, Municipal Unitary Organization—water utility**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. It requires an as-built survey. The conclusion is issued after verifying the application compliance with the technical conditions. An operating design (pre-approved by Vodokanal) an as-built documentation (fact of work accomplished) are provided. If the design and as-built documentation are compliant, Vodokanal issues a certificate of compliance with technical conditions required for obtaining an occupancy permit for a newly built property.

**Procedure 22*. Obtain compliance certificate of the building with the technical conditions from the phone utility at Volgatelekom**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

**Procedure 23*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Samara City**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** Document confirming the newly built warehouse with technical conditions of connection to storm drain system.

**Procedure 24. Sign agreement with water and sewage utility at Samaratadovokanal, Municipal Unitary Organization—water utility**

**Time:** 1 day  
**Cost:** RUB 1,020,550 [RUB 550 for drafting connection documents. Payment of the remaining amount: RUB 1,020,000]  
**Comments:** The ban on the legal act of recognition and certification of binding regulatory requirements. It is paid for at the time of connection contract execution.

**Procedure 25*. Sign agreement with the phone utility at Volgatelekom**

**Time:** 1 day  
**Cost:** RUB 4,900

* This procedure can be completed simultaneously with previous procedures.
DEALING WITH CONSTRUCTION PERMITS

Saransk, Republic of Mordovia

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at Cadastre Municipal Organization
Time: 7 days
Cost: RUB 20,000
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/ contract. 2) Land plot title (cadastral plan) and land boundaries.

Procedure 2. Obtain technical conditions for electricity connection at ZAO—TF Watt
Time: 15 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 3*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Gorvodokanal, Municipal Organization—water utility
Time: 14 days
Cost: RUB 45,326
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits the following documents: application, land title documents (cadastral passport, draft design and design estimates). Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 4*. Obtain technical conditions for telephone connection and sign agreement at Volgatelekom
Time: 14 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 5*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 20 days
Cost: RUB 1,500
Comments: Obtaining technical conditions of connection to the storm drain system and concluding a contract.

Procedure 6*. Request geological survey of the land plot at MordovTICIZ, OJSC
Time: 21 days
Cost: RUB 15,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area. In our case, there will be 5-7 holes, 10 meters deep.

Procedure 7. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department
Time: 30 days
Cost: No cost
Comments: The following documents are required to obtain it: application, draft design, all technical conditions and land titles. The document is issued by the Department of Architecture and Urban Development. The process is performed in accordance with the Saransk City administrative regulation on provision of the municipal service of issuance of documents about approval of land development plan.

Procedure 8. Obtain certificate of compliance of the project design from the water utility at Gorvodokanal, Municipal Organization—water utility
Time: 10 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Volgatelekom
Time: 10 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 10 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 11. Obtain construction permit at Architecture and Urban Development Department of Saransk City
Time: 10 days
Cost: No cost
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Construction permits are issued by the Saransk City Department of Construction and Architecture. The list of documents, time and costs are regulated by the Russian Federal UDC.

Procedure 12. Notify the authorities of commencement of construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost

Comments:

This procedure can be completed simultaneously with previous procedures.
Comments: The developer should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons. Based on the notification, the State Construction Control would develop construction inspection schedules, and share them with the developer.

Procedure 13. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 14. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 15. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 16. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 17. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 18. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 19. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.).

Procedure 20. Notify the authorities of end of construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: Submission of a construction completion notification to Gosstroynadzor.

Procedure 21. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Gorvodokanal, Municipal Organization—water utility
Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. The applicant concludes a contract for technological connection of the facility to water supply and sanitation systems. To conclude the contract, the applicant submits the following document package: application, title establishing documents, copies of state registration of land property, land plot location (general layout and topographic survey report), cadastral number of the land plot and facility design.

Procedure 22*. Obtain compliance certificate of the building with the technical conditions from the phone utility at Volgatelekom
Time: 10 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 23*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 10 days
Cost: No cost
Comments: Document confirming the newly built warehouse with technical conditions of connection to storm drain system.

Procedure 24. Sign agreement with water and sewage utility at Gorvodokanal, Municipal Organization—water utility
Time: 4 days
Cost: RUB 77,960
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements. It is paid for at the time of connection contract execution.

Procedure 25*. Sign agreement with the phone utility at Volgatelekom
Time: 1 day
Cost: RUB 4,900
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

Procedure 26*. Sign agreement with heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 1 day
Cost: No cost
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

Procedure 27. Obtain a technical passport of the building at Bureau of technical inventorization—federal
Time: 30 days
Cost: RUB 26,762

Procedure 28. Obtain occupancy permit at Urban Development and Architecture Department of Saransk
Time: 10 days
Cost: No cost
Comments: Occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area. The process is governed by a relevant regulation. The accepted project and declared design information are compared.

Procedure 29. Obtain cadastral passport of the building at Bureau of technical inventorization—federal
Time: 21 days
Cost: No cost [part of the technical passport drafting cost]
Comments: After an occupancy permit is obtained, the developer may proceed with obtaining a cadastral passport for it in the same agency that had prepared the technical passport. Its cost is part of the technical passport drafting cost.

Procedure 30. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)
Time: 21 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” and the administrative regulation by a department of the Federal Service for State Registration, Cadastre and Cartography based on

* This procedure can be completed simultaneously with previous procedures.
an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

DEALING WITH CONSTRUCTION PERMITS

Stavropol, Stavropol Kray

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Obtain development plan of land plot (GPZL) at Architecture and Construction Service of Stavropol City, one-stop shop
Time: 30 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. The land development plans are prepared for built-up land plots; land plots allocated for construction/renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions.

Procedure 2. Obtain technical conditions for electricity connection at Stavropolenergoinvest
Time: 20 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 3*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Vodokanal, Municipal Unitary Organization—water utility
Time: 30 days
Cost: RUB 41,853
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Vodokanal OJSC with full information about the facility.

Procedure 4*. Obtain technical conditions for telephone connection and sign agreement at Rostelekom, YuTK
Time: 3 days
Cost: RUB 1,500
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract (see tariffs for technical conditions and connection at: http://stv.south.rt.ru/service/tariffs).

Procedure 5*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Committee for City Facilities of Stavropol City
Time: 14 days
Cost: No cost
Comments: Obtaining technical conditions of connection to storm drain systems.

Procedure 6. Request geological survey of the land plot at Specialized agency
Time: 30 days
Cost: RUB 55,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 7*. Request a topographic survey of the land plot at StavropolTICIZ, OJSC
Time: 16 days
Cost: RUB 10,000
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 8. Obtain certificate of compliance of the project design from the water utility at Vodokanal, Municipal Unitary Organization—water utility
Time: 5 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom, YuTK
Time: 5 days
Cost: RUB 700
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Committee for City Facilities of Stavropol City
Time: 5 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 11*. Obtain compliance certificate from the heating utility at Urban Development Committee of Stavropol City
Time: 11 days
Cost: No cost
Comments: Clearance is required even when there are no heating lines under the land plot. There are no uniform confirmed heating line maps in Stavropol.

Procedure 12. Obtain construction permit at Urban Development Committee of Stavropol City
Time: 10 days
Cost: No cost
Comments: The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation. Full list is available at: http://www.stavadm.ru/municipal-services/services/

Procedure 13. Notify the authorities of commencement of construction works at Ministry of Construction of Stavropol Krai
Time: 1 day
Cost: No cost
Comments: Despite the fact that the facility is not subject to supervision, usually the notification would still be sent. The notification and a copy of design documentation are submitted to the competent body within 3 days upon receipt of the construction permit.

Procedure 14. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility and sign agreement with the utility at Vodokanal, Municipal Unitary Organization—water utility
Time: 11 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vodokanal MUE after checking the water supply and sanitation systems.

Procedure 15*. Obtain compliance certificate of the building with the technical conditions from the phone utility and sign agreement with the utility at GTS YuTK
Time: 3 days
Cost: RUB 600
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 16*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility and sign agreement at Committee for City Facilities of Stavropol City
Time: 7 days
Cost: No cost
Comments: The City Economy Committee of the Stavropol City Administration issues a certificate of compliance with technical conditions of rain and drainage water disposal from the facility compound for 6 days upon the date of application from a physical or legal person, provided that the application has been submitted with a complete package of documents. Since the Stavropol City Administration does not manage storm drain networks, no maintenance contracts are concluded. Companies situated in Stavropol discharge rain and drainage water into the city storm drain system free of charge.

Procedure 17. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at State Unitary Organization “Krai Technical Inventorization”
Time: 30 days
Cost: RUB 18,700
Comments: A technical passport of a facility is required for obtaining an occupancy permit. It

* This procedure can be completed simultaneously with previous procedures.
DEALING WITH CONSTRUCTION PERMITS

**Surgut, Khanty-Mansiisk Autonomous Okrug**

- **Warehouse value:** RUB 26,120,000 (US$ 844,063)
- **Data as of:** November 2011

**Procedure 1. Request a topographic survey of the land plot at Specialized agency**

- **Time:** 10 days
- **Cost:** RUB 8,000
- **Comments:** BuildCo places an order for land survey at 1:500/1,200/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 2. Obtain technical conditions for electricity connection at Surgut City Electric Supply Network, LLC**

- **Time:** 22 days
- **Cost:** No cost
- **Comments:** BuildCo applies for the technical conditions for electricity connection.

**Procedure 3. Obtain technical conditions for connecting to water and sewage services at Gorvodokanal, Municipal Unitary Organization—water utility**

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request with full information about the facility. Connection fee amounts to RUB 30,461 per m³ of water supply a day, and RUB 38,246 per m³ of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

**Procedure 4. Obtain technical conditions for telephone connection at Rostelekom, Surgut Territorial Telecom Center**

- **Time:** 10 days
- **Cost:** No cost
- **Comments:** BuildCo obtains technical specification for landline telephone connection and concludes a contract.

**Procedure 5. Request geological survey of the land plot at Specialized agency**

- **Time:** 15 days
- **Cost:** RUB 200,000
- **Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 6. Obtain development plan of land plot (GPZU) at Municipal Architecture and Urban Development Department**

- **Time:** 16 days
- **Cost:** No cost
- **Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction/renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use, issued technical conditions.

**Procedure 7. Obtain construction permit at Municipal Architecture and Urban Development Department**

- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title. 2) land development plan. 3) materials of the design documentation.

**Procedure 8. Notify the authorities of commencement of construction works at Inspection for architecture and construction supervision**

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** A notification about the beginning of the construction is sent to the Inspectorate 10 days prior to the beginning of construction/renovation/major repairs.

**Procedure 9. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Gorvodokanal, Municipal Unitary Organization—water utility**

- **Time:** 7 days
- **Cost:** No cost
- **Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by City Vodokanal MUE after checking the water supply and sanitation systems.

**Procedure 10. Connect to water and sewage services at Gorvodokanal, Municipal Unitary Organization—water utility**

- **Time:** 30 days
- **Cost:** RUB 71,293
- **Comments:** Submission of an application indicating the requirement connected capacity. Conclusion of a contract for the service of connection water supply and/or sanitation networks with connection terms. Discharge of connection terms under the contract for connection to water supply and/or sanitation networks.

*This procedure can be completed simultaneously with previous procedures.*
List of Procedures

Procedure 11*. Obtain compliance certificate of the building with the technical conditions from the phone utility at Rostelekom, Surgut Territorial Telecom Center

Time: 5 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 12*. Connect to telephone services at Rostelekom, Surgut Territorial Telecom Center

Time: 10 days
Cost: RUB 4,500
Comments: To connect to telephone network, BuildCo needs to apply to a fixed communication provider with incorporation documents and a cover letter. Upon contract execution, payment is made in accordance with the established tariffs.

Procedure 13*. Obtain a technical passport of the building at Bureau of technical inventory—municipal

Time: 10 days
Cost: RUB 7,000
Comments: A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Surgut BTI MUE, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

Procedure 14*. Obtain certificate confirming that a copy of the design has been delivered to the Urban Development Archives

Time: 5 days
Cost: No cost
Comments: To obtain an occupancy permit, BuildCo needs to provide a certificate stating that a copy of the design has been delivered to the urban development archives.

Procedure 15. Obtain occupancy permit at Municipal Architecture and Urban Development Department

Time: 10 days
Cost: No cost
Comments: BuildCo must submit the following documents: 1) occupancy permit application; 2) land ownership documents: lease agreement or land title; 3) title to buildings and structures (for renovations); 4) copy of the construction permit; 5) facility commissioning certificate (for construction/renovation/repair or under contract), indicating the facility capacity and productivity; 6) conclusion of public construction supervision agencies (for facilities with design documents subject to public review in accordance with Article 49 of the Urban Development Code) (Building 21, 30 Let Pobedy Street); 7) documentary evidence of compliance of the completed project parameters with the design documentation (certificate issued by BTI Municipal Unitary Enterprise of the city of Surgut (6 Dzerzhinsky Street), or RosTechInventarizatsia Federal State Unitary Enterprise). 8) documentary evidence of the completed project compliance with the requirements of the technical regulations signed by the prime contractor and customer; 9) layout (geodesic survey) reflecting the location of the completed project and engineering systems within the land plot area; signed by the customer and prime contractor; 10) certificates issued by operating agencies about compliance with technical requirements and operating readiness of the engineering networks: power supply, heating, water supply, water sanitation, gas supply; 11) certificate issued by the Federal Public Unitary Enterprise “West-Siberian Zonal R&D Institute for Standard and Pilot Design of Residential and Public Buildings” stating that the design had been filed in the Urban Development Archive. 12) certificate issued by the Urban Development Cadastre Unit of the Department of Architecture and Urban Development (Office 317) regarding delivery of the geodesic survey; 13) land development plan.

Procedure 16. Obtain cadastral passport of the building at Bureau of technical inventory—municipal

Time: 20 days
Cost: RUB 20,000
Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

Procedure 17. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreesr)

Time: 21 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an application, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 18. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreesr) for landline telephone connection and concludes a contract.

Procedure 19. Obtain technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Veola Vodokanal Tomsk OJSC with full information about the facility. Connection fee is based on the Vodokanal tariffs. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 21. Obtain technical conditions for telephone connection and sign agreement at Sibirtelekom, OJSC

Time: 20 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 22. Obtain development plan of land plot (GPZU) at Main Department of Architecture and Urban Development Tomsk City

Time: 30 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions. In accordance with Clause 17 of Article 17 of the UDC, it should be issued by the local self-government agencies free of charge, within 30 days. The process is carried out in accordance with the prescribed procedure.

Comments:

Cost:
Time:

Procedure 2*. Request geological survey of the land plot at Commercial organization with permission from a self-regulating organization

Time: 23 days
Cost: RUB 25,000
Comments: BuildCo places an order for engineering/ geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 3. Obtain technical conditions for electricity connection at Gorneti, LLC—electricity utility

Time: 15 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 4. Obtain technical conditions for connecting to water and sewage services and sign agreement at Veola Voda Tomsk, LLC—water utility

Time: 30 days
Cost: No cost
Comments: BuildCo receives technical conditions from the water utility, and signs a contract.

Procedure 5*. Obtain technical conditions for telephone connection and sign agreement at Sibirtelekom, OJSC

Time: 20 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 6. Obtain development plan of land plot (GPZU) at Main Department of Architecture and Urban Development Tomsk City

Time: 30 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions. In accordance with Clause 17 of Article 17 of the UDC, it should be issued by the local self-government agencies free of charge, within 30 days. The process is carried out in accordance with the prescribed procedure.

* This procedure can be completed simultaneously with previous procedures.
Procedure 7. Obtain certificate of compliance of the project design from the water utility at Veola Voda Tomsk, LLC—water utility

Time: 6 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 8*. Obtain certificate of compliance of the project design from the phone utility at Sibirtelekom, OJSC

Time: 10 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

Procedure 9. Obtain construction permit at Architecture and Construction Inspection Department of Tomsk City

Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vodokanal after checking the water supply and sanitation systems.

Procedure 10. Obtain compliance certificate of the building with the water and sewage utility at Veola Voda Tomsk, LLC—water utility

Time: 5 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vodokanal after checking the water supply and sanitation systems.

Procedure 11*. Obtain compliance certificate of the building with the phone utility at Rostelekom

Time: 5 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 12. Obtain a technical passport of the building at Bureau of technical inventoryorization

Time: 30 days
Cost: RUB 35,000
Comments: A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Tomsk Subsidiary of Rostechinventarizatsia BTI, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title.

Procedure 13. Obtain occupancy permit at Architecture and Construction Inspection Department of Tomsk City

Time: 10 days
Cost: No cost
Comments: To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Main Department of Architecture and Urban Development of the Mayor’s Office.

Procedure 14. Connect to water and sewage services at Veola Voda Tomsk, LLC—water utility

Time: 30 days
Cost: RUB 62,802
Comments: Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 15. Connect to telephone services at Rostelekom

Time: 30 days
Cost: RUB 11,000
Comments: Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 16. Obtain cadastral passport of the building at Bureau of technical inventoryorization—federal

Time: 13 days
Cost: No cost
Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. The cadastral passport is drawn on the basis of the technical passport data.

Procedure 17. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 30 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 18. Sign agreement with the water utility at Veola Voda Tomsk, LLC—water utility

Time: 10 days
Cost: No cost
Comments: Application is lodged with Veola Water Tomsk LLC, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).

Procedure 19. Connect to the sewage system at MUP ZHEK

Time: 30 days
Cost: No cost
Comments: To obtain a GPZU, BuildCo needs to get a certificate stating that the facility is not situated in a cultural/historic protected area.

Procedure 20. Obtain certificate of connection to water supply and sanitation systems and sign agreement at Tvervodokanal, OJSC

Time: 40 days
Cost: No cost
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Tver Vodokanal LLC with full information about the facility. Connection fee is based on the Vodokanal tariffs and amounts to RUB 20,000 per m3 of water supply a day, and RUB 20,000 per m3 of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 21*. Obtain technical conditions for telephone connection and sign agreement at Centrtelekom, OJSC

Time: 25 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 22*. Obtain technical conditions for heavy shower sewage services at MUP ZHEK

Time: 30 days
Cost: No cost
Comments: Obtaining technical conditions of connection to the storm drain system and concluding a contract.

Procedure 23. Request a topographic survey of the land plot at Commercial organization with permission from a self-regulating organization

Time: 22 days
Cost: RUB 3,252
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract; 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 24*. Request geological survey of the land plot at Design institutes

Time: 38 days

DEALING WITH CONSTRUCTION PERMITS

Tver, Tver Oblast

Website: www.permity.gov.ru

Data as of: November 2011

Procedure 1. Obtain clearance from the Committee on Protection of Historical Buildings at Commettee on State Protection of Cultural Heritage in Tver Oblast

Time: 30 days
Cost: No cost
Comments: To obtain a GPZU, BuildCo needs to get a certificate stating that the facility is not situated in a cultural/historic protected area.

Procedure 2. Obtain technical conditions for connecting to water and sewage services and sign agreement at Tvervodokanal, OJSC

Time: 40 days
Cost: No cost
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Tver Vodokanal LLC with full information about the facility. Connection fee is based on the Vodokanal tariffs and amounts to RUB 20,000 per m3 of water supply a day, and RUB 20,000 per m3 of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 3*. Obtain technical conditions for telephone connection and sign agreement at Centrtelekom, OJSC

Time: 25 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 4*. Obtain technical conditions for heavy shower sewage services at MUP ZHEK

Time: 30 days
Cost: No cost
Comments: Obtaining technical conditions of connection to the storm drain system and concluding a contract.

Procedure 5. Request a topographic survey of the land plot at Commercial organization with permission from a self-regulating organization

Time: 22 days
Cost: RUB 3,252
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract; 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 6*. Request geological survey of the land plot at Design institutes

Time: 38 days

* This procedure can be completed simultaneously with previous procedures.
**Cost:** RUB 100,000 [5 borings, RUB 20,000 each]

**Comments:** BuildCo places an order for engineering/geodetic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SKO, licensed for engineering/geodetic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIP). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

### Procedure 7. Obtain development plan of land plot (GPZU) at Municipal Architecture and Urban Development Department

**Time:** 30 days

**Cost:** No cost

**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions. The document is issued by the Department of Architecture and Urban Development.

### Procedure 8. Obtain certificate of compliance of the project design from the water utility at Tvervodokanal, OJSC

**Time:** 7 days

**Cost:** RUB 1,250

**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

### Procedure 9. Request connection to the electricity utility at Tverenergo—MRSK Center, OJSC

**Time:** 30 days

**Cost:** No cost

### Procedure 10*. Obtain certificate of compliance of the project design from the phone utility at Centrtelekom

**Time:** 2 days

**Cost:** RUB 50

**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

### Procedure 11*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at MUP ZHEK

**Time:** 2 days

**Cost:** RUB 3,000

**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

### Procedure 12*. Obtain clearance of the city’s Communical Services department on the location of the building at Administration of a district

**Time:** 1 day

**Cost:** No cost

**Comments:** The final construction design, compliant to the prior technical conditions, is cleared with the utilities of the district, where the warehouse construction is planned.

### Procedure 13*. Obtain clearance from the organization providing heating services at “Gazprom Mezhregionalgaz Tver”, LLC

**Time:** 1 day

**Cost:** No cost

**Comments:** Before starting construction, BuildCo needs to provide a draft construction design cleared by the city Architecture Department.

### Procedure 14*. Obtain clearance from the Architectural Committee at Architecture Department of Tver City

**Time:** 1 day

**Cost:** No cost

**Comments:** To obtain a construction permit, BuildCo needs to provide a draft construction design cleared by the city Architecture Department.

### Procedure 15. Obtain construction permit at Architecture Department of Tver City

**Time:** 26 days

**Cost:** No cost

**Comments:** Before starting construction, BuildCo needs to provide a draft construction design cleared by the city Architecture Department.

### Procedure 16. Sign agreement on water supply at Tvervodokanal, OJSC—clients division

**Time:** 1 day

**Cost:** No cost

**Comments:** In order to make a connection to the water supply system, the supplier needs to check the metering station. For that, transportation should be provided to take an expert from Tver Vodokanal Subscriber Unit to the site.

### Procedure 17. Sign agreement on clearance of water at Tvervodokanal, OJSC—water supply workshop

**Time:** 14 days

**Cost:** RUB 1,000

**Comments:** In order to make a connection to the water supply system, the supplier needs to flush the internal lines. The procedure is performed without an advance application by the Water Transportation Shop of Tver Vodokanal, which representative should be taken to the site. The procedure cannot be generally merged with the metering station checkup procedure, as it is performed by a different unit of Tver Vodokanal.

### Procedure 18. Obtain conclusion of the bacteriology analysis of water at Rossotrebnaadzor

**Time:** 7 days

**Cost:** RUB 500

**Comments:** Bacteriology water tests should be performed to connect to water supply network; the test outcomes should be provided to Tver Vodokanal LLC.

### Procedure 19. Obtain certificate of compliance for the building from the water and sewage utility at Tvervodokanal, OJSC

**Time:** 14 days

**Cost:** RUB 3,000

**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Tver Vodokanal LLC after checking the water supply and sanitation systems.

### Procedure 20. Obtain certificate of compliance of the building from the phone utility at Gorproekt by Tver City Administration, Municipal Unitary Organization

**Time:** 14 days

**Cost:** RUB 1,000

**Comments:** Post-construction survey report should be available before obtaining a document confirming the warehouse compliance with technical conditions of connection to the telephone network and storm drain.

### Procedure 21. Obatin compliance certificate of the building with the water utility at Centrtelekom, OJSC and other commercial companies

**Time:** 7 days

**Cost:** No cost

**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. It requires an as-built survey.

### Procedure 22. Obtain compliance certificate of the building with the water utility at MUP ZHEK

**Time:** 11 days

**Cost:** RUB 1,000

**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. It requires an as-built survey.

### Procedure 23. Obtain a technical passport of the building at Bureau of technical inventory—regional and municipal organizations

**Time:** 17 days

**Cost:** RUB 50,000

**Comments:** In accordance with the UDC, obtaining an occupancy permit requires provision of a certificate describing the newly built property. The certificate (which is mostly the technical passport) is issued by Tver Oblast BTI SUE, or any bureau of technical inventory. To obtain the certificate, the applicant submits an application and building design, incorporation documents, construction permit, land cadastral passport, lease agreement or title. Certificate issuance tariffs are established by the organization itself, and, as a rule, are not easily available.

### Procedure 24. Request occupancy permit at Inspection on architecture and construction supervision

**Time:** 11 days

**Cost:** No cost

*This procedure can be completed simultaneously with previous procedures.*
**Procedure 25. Obtain occupancy permit at Municipal Architecture and Urban Development Department**

*Time: 35 days  
Cost: No cost*  

**Procedure 26. Sign agreement with water and sewage utility at Tvervodokanal, OJSC—technical division**

*Time: 11 days  
Cost: RUB 43,558*  

**Procedure 27. Sign agreement with the phone utility at Centrtelekom, OJSC**

*Time: 7 days  
Cost: RUB 8,000*  

**Procedure 28. Obtain a technical passport of the building at Federal Service on State Registration, Cadastre and Cartography (Rosreestr), Land Cadastre Chamber**

*Time: 45 days  
Cost: No cost  
Comments: Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.*

**Procedure 29. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr), Land Cadastre Chamber**

*Time: 30 days  
Cost: RUB 15,000  
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an application, cadastral passport, incorporation documents, occupancy permit and land titles.*

**Procedure 30. Sign agreement with the water utility at Tvervodokanal, LLC—water utility**

*Time: 22 days  
Cost: No cost  
Comments: Application is lodged with Tver Vodokanal LLC, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).*

**DEALING WITH CONSTRUCTION PERMITS**

**Ulyanovsk, Ulyanovsk Oblast**

**Warehouse value:** RUB 26,120,000 (US$ 844,063)  
**Data as of:** November 2011

**Procedure 1. Request a topographic survey of the land plot at Oil and Gas Design Company, LLC**

*Time: 7 days  
Cost: RUB 20,000  
Comments: BuildCo places an order for land survey at 1:500/12,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract, 2) Land plot title (cadastral plan) and land boundaries.*

**Procedure 2. Obtain technical conditions for electricity connection at Ulyanovsk Network Company, OJSC**

*Time: 15 days  
Cost: No cost  
Comments: BuildCo applies for the technical conditions for electricity connection.*

**Procedure 3*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Ulyanovsk Vodokanal, Municipal Unitary Organization—water utility**

*Time: 14 days  
Cost: RUB 54,255  
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package: application, land title documents (cadastral passport, draft design and design estimates). Payment for connection is made in accordance with a schedule attached to the agreement.*

**Procedure 4*. Obtain technical conditions for telephone connection and sign agreement at Volgatelekom**

*Time: 15 days  
Cost: No cost  
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.*

**Procedure 5*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Department of Communal Facilities and Territory Improvement, Municipal Organization**

*Time: 20 days  
Cost: No cost  
Comments: Obtaining technical conditions of connection to the storm drain system and concluding a contract.*

**Procedure 6*. Request geological survey of the land plot at UlyanovskTICIZ, OJSC**

*Time: 21 days  
Cost: RUB 15,000  
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area. In our case, there will be 5-7 holes, 10 meters deep.*

**Procedure 7. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Committee of Ulyanovsk City**

*Time: 30 days  
Cost: No cost  
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction/renovation of permanent structures. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project. The following documents should be submitted to obtain it: application, draft design, all technical conditions and document titles.*

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at Ulyanovsk Vodokanal, Municipal Unitary Organization—water utility**

*Time: 10 days  
Cost: No cost  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.*

**Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Volgatelekom**

*Time: 10 days  
Cost: No cost  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.*

**Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization**

*Time: 10 days  
Cost: No cost  
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.*

**Procedure 11. Obtain construction permit at Architecture and Urban Development Committee of Ulyanovsk City**

*Time: 10 days  
Cost: No cost  
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Construction permits are issued by the Committee for Construction and Architecture of the Ulyanovsk Mayor’s Office.*

* This procedure can be completed simultaneously with previous procedures.
The list of documents, time and costs are regulated by the Russian Federal UDC.

Procedure 12. Notify the authorities of commencement of construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: The developer should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons. Based on the notification, the State Construction Control would develop construction inspection schedules, and share them with the developer.

Procedure 13. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 14. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 15. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 16. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 17. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 18. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 19. Receive inspection during construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: In accordance with the approved inspection agenda, based on the construction work plan. Approximate number of inspections: 7 (1 - pit excavation, 2 - foundation pouring, etc.)

Procedure 20. Notify the authorities of end of construction works at Gosstroynadzor—construction supervision
Time: 1 day
Cost: No cost
Comments: Submission of a construction completion notification to Gosstroynadzor

Procedure 21. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Ulyanovsk Vodokanal, Municipal Unitary Organization—water utility
Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. It requires an as-built survey. The conclusion is issued after verifying the application compliance with the technical conditions. An operating design (pre-approved by Vodokanal) an as-built documentation (fact of work accomplished) are provided. If the design and as-built documentation are compliant, Vodokanal issues a certificate of compliance with technical conditions required for obtaining an occupancy permit for a newly built property.

Procedure 22*. Obtain compliance certificate of the building with the technical conditions from the phone utility at Volgatelekom
Time: 10 days
Cost: No cost
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 23*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 10 days
Cost: No cost
Comments: Document confirming the newly built warehouse with technical conditions of connection to storm drain system.

Procedure 24. Sign agreement with water and sewage utility at Ulyanovsk Vodokanal, Municipal Unitary Organization—water utility
Time: 4 days
Cost: RUB 550 [drafting of connection documents]
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements. It is paid for at the time of connection contract execution.

Procedure 25*. Sign agreement with the phone utility at Volgatelekom
Time: 1 day
Cost: RUB 4,900
Comments: This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

Procedure 26*. Sign agreement with heavy shower sewage utility at Department of Communal Facilities and Territory Improvement, Municipal Organization
Time: 30 days
Cost: RUB 30,000
Comments: A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Municipal Enterprise of Technical Inventory and Real Property Evaluation, the Ulyanovsk Subsidiary of Rostechinventarizatsia – Federal BTI, or any bureau of technical inventory.

Procedure 27. Obtain a technical passport of the building at Bureau of technical inventory—all
Time: 10 days
Cost: No cost
Comments: This procedure can be completed simultaneously with previous procedures.
Procedure 30. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 21 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

DEALING WITH CONSTRUCTION PERMITS

Vladikavkaz, Republic of North Ossetia – Alania

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Obtain development plan of land plot (GPZU) at Architecture and Urban Development Department of Vladikavkaz City

Time: 23 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and specifications. In accordance with Clause 17 of Article 17 of the UDC, it should be issued by the local self-government agencies free of charge, within 30 days. The process is carried out in accordance with the prescribed procedure.

Procedure 2. Request a topographic survey of the land plot at any organization with permission from a self-regulating organization

Time: 25 days
Cost: RUB 30,000
Comments: BuildCo places an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract; 2) Land plot title ( cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 3*. Request geological survey of the land plot at any organization with permission from a self-regulating organization

Time: 30 days
Cost: RUB 100,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 4. Obtain technical conditions for electricity connection at Vladikavkazenergo

Time: 23 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection

Procedure 5*. Obtain technical conditions for water services and sign agreement at Vodokanal—water utility

Time: 30 days
Cost: RUB 67,300
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Vodokanal MUE with full information about the facility. Connection fee is based on the Vodokanal tariffs and amounts to RUB 26,177.55 per m3 of water a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 6*. Obtain technical conditions for connecting to heavy shower sewage services and sign agreement at Vladvodostok

Time: 30 days
Cost: RUB 21,649
Comments: Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Vladvodostok MUE with full information about the facility. Connection fee is based on the Vladvodostok tariffs and amounts to RUB 19,056.78 per m3 of water supply a day, and RUB 19,056.78 per m3 of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 7*. Obtain technical conditions for telephone connection and sign agreement at YuTK - South Telecom, OJSC

Time: 30 days
Cost: RUB 5,000
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract. The application is filed with enclosed development plan and title documents.

Procedure 8*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Vladikavkaz Rain Sewage, Municipal Unitary Organization

Time: 30 days
Cost: RUB 30,000

Procedure 9. Obtain certificate of compliance of the project design from the water utility at Vodokanal, Municipal Unitary Organization—water utility

Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 10*. Obtain certificate of compliance of project design with the technical conditions from the sewage utility at Vladvodostok

Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 11*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Vladikavkaz Rain Sewage, Municipal Unitary Organization

Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 12. Obtain construction permit at City Administration represented by the Architecture Department

Time: 10 days
Cost: No cost
Comments: The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

Procedure 13. Notify the authorities of commencement of construction works at Inspection for construction supervision

Time: 1 day
Cost: No cost
Comments: A notification about the beginning of construction work is filed with enclosed construction permit, design documentation and construction schedule.

Procedure 14. Notify authorities of commencement of construction works at Architecture and Urban Development Department of Vladikavkaz City

Time: 1 day
Cost: No cost
Comments: A notification about the beginning of construction work is filed with enclosed construction permit, design documentation and construction schedule.

Procedure 15. Receive inspection during construction works at Vladikavkaz City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 16. Receive inspection during construction works at Vladikavkaz City Administration

Time: 1 day
Cost: No cost

Comments: This procedure can be completed simultaneously with previous procedures.
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 17. Receive inspection during construction works at Vladivostok City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 18. Receive inspection during construction works at Vladivostok City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 19. Receive inspection during construction works at Vladivostok City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 20. Receive inspection during construction works at Vladivostok City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 21. Receive inspection during construction works at Vladivostok City Administration

Time: 1 day
Cost: No cost
Comments: The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. Inspection frequency: once a month

Procedure 22. Conduct inspection during construction works at Vodokanal, Municipal Unitary Organization—water utility

Time: 11 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vodokanal MUE after checking the water supply and sanitation systems.

Procedure 23*. Conduct inspection during construction works at Vladivostok

Time: 11 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Vladivostok MUE after checking the water supply and sanitation systems.

Procedure 24*. Conduct inspection during construction works at YuTK—South Telecom, OJSC

Time: 3 days
Cost: RUB 5,000
Comments: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 25*. Conduct inspection during construction works at Vladivostok Rain Sewage, Municipal Unitary Organization

Time: 7 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit

Procedure 26. Obtain occupancy permit at Architecture and Urban Development Department of Vladivostok City

Time: 14 days
Cost: No cost
Comments: To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Department of Architecture and Urban Development.

Procedure 27. Obtain a technical passport of the building at Bureau of technical inventoryization

Time: 14 days
Cost: RUB 15,000
Comments: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it.

Procedure 28. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 25 days
Cost: RUB 15,000
Comments: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on applications, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 29. Sign agreement with the water utility at Vodokanal, Municipal Unitary Organization—water utility

Time: 13 days
Cost: RUB 300
Comments: Application is lodged with Vodokanal MUE, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).

DEALING WITH CONSTRUCTION PERMITS

Vladivostok, Primorsky Krai

Warehouse value: RUB 26,120,000 (US$ 844,063)

Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at any organization with permission from a self-regulating organization

Time: 20 days
Cost: RUB 50,000
Comments: Application is lodged with a company licensed for this type of work. Terms of reference and land plot titles are attached. The contractor’s staff come out, perform site work and develop a topographic plan/diagram. The customer receives approved topographic plan and report. A copy is sent to the Architecture Department.

Procedure 2*. Request geological survey of the land plot at any organization with permission from a self-regulating organization

Time: 20 days
Cost: RUB 290,000
Comments: The soil properties of the land allocated for the building foundation, are identified. An application is lodged with a special licensed company, documents for land are attached, and a standard assignment is filed. As a rule, it is ordered along with topographic survey from the same company. Borings are made in the section, where they examine soil, after which they issue a conclusion about its appropriateness for the foundation.

Procedure 3*. Obtain development plan of land plot (GPZU) at Urban Development and Architecture Department of Vladivostok

Time: 30 days
Cost: No cost
Comments: Application is submitted with land titles, all technical conditions, explanatory note describing design documentation, diagrams with architectural concepts and network layouts.

Procedure 4. Obtain technical conditions for electricity connection at Vladivostok enterprise of Electricity Grids—electricity utility

Time: 30 days
Cost: No cost
Comments: Building applies for the technical conditions for electricity connection.

Procedure 5*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Primvodokanal, Krai State Unitary Organization—water utility

Time: 14 days
Cost: RUB 61,961
Comments: Application for issuance of technical conditions is submitted with enclosed incorporation documents (notarized copies), documents confirming

* This procedure can be completed simultaneously with previous procedures.
the signee’s authority, land titles, situational plan at 1:2,000, topographic map of the plot at 1:500, master layout of the facility with its positioning, copy of the design explanatory note. Technical connection contract may be picked up immediately; one can determine the capacity within one year and pick up the technical connection contract later.

**Procedure 6.** Obtain technical conditions for telephone connection and sign agreement at Rostelekom, OJSC—Vostoktelekom, New Telephone Company, Beeline

- **Time:** 14 days
- **Cost:** RUB 22,500
- **Comments:** The application for technical conditions is submitted to any network company in accordance with a standard form indicating the characteristics, design concepts of the building in progress, number capacity, signee’s authorization documents and documents of the legal entity. Technical conditions are issued free of charge, only technical installation of the network is charged at about RUB 20,000-25,000. The work could be performed by the customer itself, subject to license availability.

**Procedure 7.** Obtain technical conditions from the City Facility Services at Territory Improvement Department of Vladivostok Municipality

- **Time:** 30 days
- **Cost:** No cost
- **Comments:** Application is submitted with draft design, land titles and legal entity’s documents.

**Procedure 8.** Obtain certificate of compliance of the project design from the water utility at Primvodokanal, Krai State Unitary Organization—water utility

- **Time:** 14 days
- **Cost:** No cost
- **Comments:** Design documentation and technical conditions are lodged with the water supply networks.

**Procedure 9.** Obtain certificate of compliance of the project design from the phone utility at Rostelekom, OJSC—Vostoktelekom, New Telephone Company, Beeline

- **Time:** 3 days
- **Cost:** No cost
- **Comments:** Design documentation and technical conditions are lodged with the telephone company.

**Procedure 10.** Obtain certificate of compliance of the project design from the heavy shower sewage utility at Territory Improvement Department of Vladivostok Municipality

- **Time:** 20 days
- **Cost:** No cost
- **Comments:** Design documentation and technical conditions are lodged with the landscaping department on special days and in special reception hours; the documents are checked, signed and stamped.

**Procedure 11.** Obtain construction permit at Urban Development and Architecture Department of Vladivostok

- **Time:** 10 days
- **Cost:** No cost
- **Comments:** Land plot title documentation, GPZU, documents of the legal entity, full design documentation, construction permit, occupancy permit, land survey and power of attorney are lodged with the BTI; a standard application is filed, the facility is measured; and technical and cadastral passports are prepared simultaneously.

**Procedure 12.** Notify the authorities of commencement of construction works at Gosstroynadzor—construction supervision

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** A notification is filed, no later than 7 days prior to the construction beginning with enclosed copies of the construction permit, explanatory note and construction schedule.

**Procedure 13.** Receive inspection during construction works at Gosstroynadzor—construction supervision

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. The procedure is not mandatory; however, if there is a warning, the project is placed under control. The board (commission) convenes every two months.

**Procedure 14.** Receive inspection during construction works at Gosstroynadzor—construction supervision

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. The procedure is not mandatory; however, if there is a warning, the project is placed under control. The board (commission) convenes every two months.

**Procedure 15.** Receive inspection during construction works at Gosstroynadzor—construction supervision

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. The procedure is not mandatory; however, if there is a warning, the project is placed under control. The board (commission) convenes every two months.

**Procedure 16.** Receive inspection during construction works at Gosstroynadzor—construction supervision

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The construction process is monitored by construction control agencies; construction progress documents, concealed work reports and work acceptance reports are inspected. The procedure is not mandatory; however, if there is a warning, the project is placed under control. The board (commission) convenes every two months.

**Procedure 17.** Receive inspection from the water utility at Primvodokanal, Krai State Unitary Organization—water utility

- **Time:** 14 days
- **Cost:** No cost

**Procedure 18.** Receive inspection from the water utility at Primvodokanal, Krai State Unitary Organization—water utility

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** An inspector of Vodokanal makes a field visit to inspect the system elements, compile work certificates, run tests and prepare an inspection certificate.

**Procedure 19.** Obtain clearance for connection from the water utility at Primvodokanal, Krai State Unitary Organization—water utility

- **Time:** 7 days
- **Cost:** No cost
- **Comments:** Based on the inspection report, BuildCo receives a signed and stamped permit for connection to water supply networks.

**Procedure 20.** Obtain compliance certificate of the building with the technical conditions from the phone utility at Organization which issued technical conditions

- **Time:** 7 days
- **Cost:** No cost
- **Comments:** The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

**Procedure 21.** Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Territory Improvement Department of Vladivostok Municipality

- **Time:** 14 days
- **Cost:** No cost
- **Comments:** The Department is informed about the completion of work with enclosed reports and technical conditions; a compliance certificate is issued.

**Procedure 22.** Obtain a technical passport of the building at Primorsk Krai State Unitary Organization of Technical inventory and Real Estate Appraisal or federal bureau of technical inventory

- **Time:** 30 days
- **Cost:** RUB 80,000
- **Comments:** Land plot title documentation, GPZU, documents of the legal entity, full design documentation, construction permit, occupancy permit, land survey and power of attorney are lodged with the BTI; a standard application is filed, the facility is measured; and technical and cadastral passports are prepared simultaneously.

**Procedure 23.** Obtain occupancy permit at Urban Development and Architecture Department of Vladivostok

- **Time:** 10 days
- **Cost:** No cost

* This procedure can be completed simultaneously with previous procedures.
Comments: Application is lodged in accordance with the established form, with a list of documents – in strict compliance with the UDC. The application is glued on a file folder, the file is delivered to the “single window”, and the permit may be picked up in 10 days.

Procedure 24. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreestr)

Time: 10 days
Cost: RUB 15,000
Comments: In order to register the building, BuildCo must submit company establishing documents, cadastral registration, and state fee payment voucher.

Procedure 25. Sign agreement with the water utility at Primvodokanal, Krai State Unitary Organization—water utility

Time: 7 days
Cost: No cost

Procedure 26. Sign agreement with the phone utility at New Telephone Company (NTK), Vostoktelekom, Interdaltelekom and others

Time: 1 day
Cost: No cost

DEALING WITH CONSTRUCTION PERMITS

Volgograd, Volgograd Oblast

Warehouse value: RUB 26,120,000 (US$ 844,063)
Data as of: November 2011

Procedure 1. Request a topographic survey of the land plot at any organization with permission from a self-regulating organization

Time: 30 days
Cost: RUB 10,000
Comments: BuildCo places an order for land survey at 1500/12,000,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries.

Procedure 2*. Request geological survey of the land plot at any organization with permission from a self-regulating organization

Time: 30 days
Cost: RUB 313,000
Comments: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

Procedure 3. Obtain development plan of land plot (GPZU) at Architecture Committee of Volgograd City

Time: 51 days
Cost: RUB 30,000
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and specifications. Draft design, specifications, incorporation documents and land lease agreement are required for its issuance. Though the UDC stipulates that the local authorities should prepare and approve GPZUs free of charge, in reality the Volgograd Administration requires that applicants submit prepared GPZUs, which are subsequently approved.


Time: 30 days
Cost: No cost
Comments: BuildCo applies for the technical conditions for electricity connection.

Procedure 5*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Volgograd Vodokanal, Municipal Unitary Organization—water utility

Time: 25 days
Cost: RUB 3,000
Comments: BuildCo obtains the technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Volgograd City Vodokanal MUE with full information about the facility. Connection fee is based on the Vodokanal tariffs and amounts to RUB 15,150.70 per m3 of water supply a day, and RUB 15,846.72 per m3 of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

Procedure 6*. Obtain technical conditions for telephone connection and sign agreement at YuTK - South Telecom, OJSC

Time: 20 days
Cost: No cost
Comments: BuildCo obtains technical specification for landline telephone connection and concludes a contract.

Procedure 7*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Municipal Facilities Department of Volgograd City

Time: 21 days
Cost: No cost
Comments: BuildCo obtains the technical conditions of connection to storm drain systems.

Procedure 8. Obtain certificate of compliance of the project design from the water utility at Volgograd Vodokanal, Municipal Unitary Organization—water utility

Time: 30 days
Cost: RUB 3,000
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

Procedure 9*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Municipal Facilities Department of Volgograd City

Time: 14 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

Procedure 10. Obtain construction permit at Urban Development and Architecture Committee of Volgograd City

Time: 18 days
Cost: No cost
Comments: The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

Procedure 11. Receive Laboratory results from Consumer Protection Agency at Rospotrebnadzor

Time: 50 days
Cost: RUB 100,000

Procedure 12. Obtain permit for construction works on external wiring at Volgograd Housing and Public Utilities, Municipal Organization, Division for Territory Improvement

Time: 10 days
Cost: No cost
Comments: To perform earthwork for engineering systems, BuildCo needs to obtain an appropriate permit from the administration or housing and utilities agency of the relevant district.

Procedure 13. Obtain a technical passport of the building at Bureau of technical inventoryization—municipal

Time: 30 days
Cost: RUB 91,000
Comments: A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Bureau of Technical Inventory Center, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

Procedure 14. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Volgograd Vodokanal, Municipal Unitary Organization—water utility

Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the

* This procedure can be completed simultaneously with previous procedures.
newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Volgograd City Vodokanal MUE after checking the water supply and sanitation systems.

Procedure 15*. Obtain compliance certificate of the building with the technical conditions from the phone utility at YuTK—South Telecom, OJSC

**Time:** 10 days  
**Cost:** RUB 600  
**Comments:** The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

Procedure 16*. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Municipal Facilities Department of Volgograd City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

Procedure 17. Obtain occupancy permit at Urban Development and Architecture Committee of Volgograd City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Committee for Urban Development and Architecture of the Volgograd City Administration.

Procedure 18. Sign agreement with water and sewage utility at Volgograd Vodokanal, Municipal Unitary Organization—water utility

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 19*. Sign agreement with the phone utility at YuTK—South Telecom, OJSC

**Time:** 10 days  
**Cost:** RUB 4,800  
**Comments:** Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 20*. Sign agreement with heavy shower sewage utility at Municipal Facilities Department of Volgograd City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

Procedure 21. Obtain cadastral passport of the building at Bureau of technical inventorization

**Time:** 27 days  
**Cost:** No cost [included into the technical passport cost]  
**Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

Procedure 22. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (rostreestr)

**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

Procedure 23. Sign agreement with the water utility at Volgograd Vodokanal, Municipal Unitary Organization—water utility

**Time:** 30 days  
**Cost:** No cost  
**Comments:** Application is lodged with City Vodokanal MUE, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).

DEALING WITH CONSTRUCTION PERMITS

**Voronezh, Voronezh Oblast**

Warehouse value: RUB 26,120,000 (US$ 844,063)  
Data as of: November 2011

Procedure 1. Obtain technical passport at State Unitary Organization “Voronezhoehtechinventorization”

**Time:** 30 days  
**Cost:** RUB 1,000 [RUB 1,000; expedited: RUB 2,000]  
**Comments:** To obtain a GPZU, BuildCo needs to provide a certificate stating that there are no buildings and structures on the land plot.

Procedure 2*. Request a topographic survey of the land plot at Design organization with permission from a self-regulating organization

**Time:** 20 days  
**Cost:** RUB 25,000  
**Comments:** BuildCo places an order for a land survey at 1:500/1,200/1:500 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

Procedure 3*. Request geological survey of the land plot at Geologia, LLC

**Time:** 30 days  
**Cost:** RUB 30,000  
**Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work; in particular, on the number of holes to be drilled in the plot area.

Procedure 4*. Obtain expect conclusion certifying absence of historic buildings on the land plot at Inspection for Monuments Protection

**Time:** 18 days  
**Cost:** RUB 5,200  
**Comments:** The inspectorate prepares an expert conclusion that there are no objects listed in the Uniform Cultural Heritage Register (register of historic and cultural monuments) within the land plot perimeter. This conclusion is required for obtaining the GPZU.

Procedure 5. Obtain clearance from the Department of Culture at Department of Culture of Voronezh City

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Based on the expert conclusion of the Monument Protection Inspectorate, the Voronezh Oblast Department of Culture issues a certificate required issuance of a land development plan (GPZU).

Procedure 6. Obtain drawings of the land development plan at Chief Architect Office of Voronezh City

**Time:** 60 days  
**Cost:** RUB 25,000  
**Comments:** As specified in the list of documents required for issuance of a construction permit, the applicant should obtain a drawing of the land development plan. Although the Department of Urban Development and Architecture is listed as one of possible providers, in fact the Department of Architecture and Urban Development would only accept documents drafted by the Department. The time largely depends on the workload of the limited professional staff.

Procedure 7. Obtain technical conditions for electricity connection at Voronezh Network Company, OJSC

**Time:** 18 days  
**Cost:** No cost  
**Comments:** BuildCo applies for the technical conditions for electricity connection.

Procedure 8*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Voronezh Vodokanal, Municipal Unitary Organization—water utility

**Time:** 18 days

* This procedure can be completed simultaneously with previous procedures.
Procedure 9*. Obtain technical conditions for telephone connection and sign agreement at Rostelekom, JSC; Voronezhsvyazinform, OJSC

Time: 17 days
Cost: No cost
Comments: BuildCo obtains the technical specification for landline telephone connection and concludes a contract.

Procedure 10*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Gorkomkhoz, Municipal Unitary Organization

Time: 6 days
Cost: No cost
Comments: BuildCo obtains the technical conditions of connection to storm drain systems. The applicant submits a request to Gorkomkhoz MUE with full information about the facility. No fee is charged for connection; thought the developer should, as a rule, perform partial upgrade of the network. The scope of work is determined on a case-by-case basis.

Procedure 11. Obtain development plan of land plot (GPZU) at Municipal Urban Development and Architecture Department

Time: 10 days
Cost: No cost
Comments: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions. All documents that have been collected earlier, are required.

Procedure 12. Obtain certificate of compliance of the project design from the water utility at Voronezh Vodokanal, Municipal Unitary Organization—water utility

Time: 3 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance. Once a week officials of network companies come to the Department of Urban Development and Architecture to receive visitors, inter alia, for construction design clearance. Questions, if any, are resolved by the technical department of the relevant organization on the case-by-case basis; if there are no questions, the designed is approved in the presence of the visitor.

Procedure 13*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom, JSC, Voronezhsvyaz

Time: 3 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance. Once a week officials of network companies come to the Department of Urban Development and Architecture to receive visitors, inter alia, for construction design clearance. Questions, if any, are resolved by the technical department of the relevant organization on the case-by-case basis; if there are no questions, the designed is approved in the presence of the visitor.

Procedure 14*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Heavy shower sewage utility

Time: 3 days
Cost: No cost
Comments: The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance. Once a week officials of network companies come to the Department of Urban Development and Architecture to receive visitors, inter alia, for construction design clearance. Questions, if any, are resolved by the technical department of the relevant organization on the case-by-case basis; if there are no questions, the designed is approved in the presence of the visitor.

Procedure 15. Obtain clearance from Consumer Protection Agency at Rospotrebnadzor

Time: 18 days
Cost: RUB 6,800
Comments: RosPotrebNadzor checks for compliance with sanitary, environmental, noise, soil contamination standards and issues a clearance. The clearance is required for all construction permits in Voronezh.

Procedure 16. Obtain clearance of project design communication lines at Division of Underground Communications of Office of Chief Architect of Urban Development and Architecture Department

Time: 1 day
Cost: No cost
Comments: In addition to clearance from the technical specification entities, one should collect approvals from the Underground Communications Unit of the Department of Architecture and Urban Development under the Principal Architect’s Office.

Procedure 17. Obtain clearance of project design from the Department of Architecture at Office of Chief Architect of Department of Urban Development and Architecture

Time: 35 days
Cost: No cost
Comments: Building façade and façade color scheme clearance with the Principal City Artist. The artist receives visitors no more than for 3 hours, once a week, with appointments made in advance; the reception may be often terminated earlier than the established time. As a result, the applicant may have to come there several times before he/she can be received by the Principal Artist. Upon his clearance, the Principal Artist will forward the materials to the Principal Architect for approval.

Procedure 18. Obtain construction permit at Municipal Urban Development and Architecture Department

Time: 30 days
Cost: No cost
Comments: Before starting construction, BuildCo needs to obtain a construction permit. Its absence entails a penalty, according to Clause 1 of Article 9.5 of the Administrative Offense Code. Besides, in accordance with Article 222 of the Russian Federal Civil Code, such property may be considered by a court as unauthorized construction, and may be subject to removal at the expense of the building entity. To obtain a construction permit, BuildCo should lodge an application with the Construction and Land Issues Department, with the following documents attached: land titles, land development design documentation materials. The construction permit issuance procedure is governed by the municipal regulation on provision of the municipal service of development and issuance of permits for construction, renovation and major repairs of permanent structures.

Procedure 19. Request connection to the water and sewage utility at Voronezh Vodokanal, Municipal Unitary Organization—water utility

Time: 1 day
Cost: No cost

Procedure 20. Receive inspection from the water utility at Voronezh Vodokanal, Municipal Unitary Organization—water utility

Time: 14 days
Cost: No cost

Procedure 21. Connect to water and sewage services at Voronezh Vodokanal, Municipal Unitary Organization—water utility

Time: 2 days
Cost: RUB 67,500

Procedure 22. Obtain compliance certificate of the building with the water utility at Voronezh Vodokanal, Municipal Unitary Organization—water utility

Time: 10 days
Cost: No cost
Comments: According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Voronezh Vodokanal MUE after checking the water supply and sanitation systems.

Procedure 23. Connect to telephone services at Rostelekom, OJSC

Time: 7 days
Cost: RUB 1,000
Comments: Network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

* This procedure can be completed simultaneously with previous procedures.
**Procedure 24**. Obtain compliance certificate of the building with the phone utility at Rostelekom, OJSC  
**Time**: 7 days  
**Cost**: No cost  
**Comments**: The telephone company is notified about completion of work, with enclosed reports, which serves as a basis for issuance of technical conditions.

**Procedure 25. Connect to sewage services at Gorkomkhоз, Municipal Unitary Organization**  
**Time**: 10 days  
**Cost**: No cost

**Procedure 26**. Obtain compliance certificate of the building with the heavy shower sewage utility at Gorkomkhоз, Municipal Unitary Organization  
**Time**: 14 days  
**Cost**: No cost  
**Comments**: Gorkomkhоз MUE is notified about the work completion with attached certificates, based on which a certificate of compliance with technical conditions is issued.

**Procedure 27. Obtain a technical passport of the building at State Unitary Organization “Voronezholtbtechinventorization”**  
**Time**: 30 days  
**Cost**: RUB 50,000  
**Comments**: A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from Voronezholtbtechinventorization, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

**Procedure 28. Obtain occupancy permit at Municipal Urban Development and Architecture Department**  
**Time**: 10 days  
**Cost**: No cost  
**Comments**: To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the Voronezh City Department of Architecture and Urban Development.

**Procedure 29. Obtain cadastral passport of the building at State Unitary Organization “Voronezholtbtechinventorization”**  
**Time**: 10 days  
**Cost**: No cost [Included into the technical passport cost]  
**Comments**: After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

**Procedure 30. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Roststressr)**  
**Time**: 30 days  
**Cost**: RUB 15,000  
**Comments**: Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

**Procedure 31. Sign agreement with the water utility at Voronezh Vodokanal, Municipal Unitary Organization—water utility**  
**Time**: 14 days  
**Cost**: No cost  
**Comments**: Application is lodged with Voronezh Vodokanal MUE, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).

### DEALING WITH CONSTRUCTION PERMITS

#### Vyborg, Leningrad Oblast

| Warehouse value: RUB 26,120,000 (US$ 844,063) | Data as of: November 2011 |

**Procedure 1. Obtain development plan of land plot (GPZU) at Committee on Management of Municipal Property and Urban Development of Vyborg Municipal Raion of Leningrad Oblast**  
**Time**: 30 days  
**Cost**: No cost  
**Comments**: The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Land development plans are prepared for built-up land plots, land plots allocated for construction/renovation of permanent structures. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project.

**Procedure 2. Request a topographic survey of the land plot at Karta, LLC, geodesic company with permission from a self-regulating organization**  
**Time**: 35 days  
**Cost**: RUB 65,030  
**Comments**: BuildCo places an order for land survey at 1:500/1:2,000/1:5000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized SRO, licensed for engineering/geodesic operations. The applicant submits the following documents: 1) Application/contract; 2) Land plot title (cadastral plan) and land boundaries.

**Procedure 3. Request geological survey of the land plot at Oblastgeoproystroi, LLC (member of a self-regulating organization)**  
**Time**: 60 days  
**Cost**: RUB 750,000 [3 borings]  
**Comments**: BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 4. Obtain technical conditions for electricity connection at Vyborg City Electricity Systems—electricity utility**  
**Time**: 30 days  
**Cost**: No cost  
**Comments**: BuildCo applies for the technical conditions for electricity connection.

**Procedure 5. Obtain technical conditions for connecting to water and sewage services and sign agreement at Vyborg Vodokanal, OJSC—water utility**  
**Time**: 2 days  
**Cost**: No cost  
**Comments**: BuildCo obtains the technical conditions of connection to water supply and sanitation systems. The applicant lodges with Vodokanal the following document package with Vodokanal application for technical conditions of the facility connection to water supply and sanitation network; copies of land title; information about the boundaries of the land plot, where permanent structure construction or renovation is planned (copy of duly approved land plot boundary plan); facility layout and land plot topographical layout at 1:500, with all existing surface and underground communications and structures (cleared by maintenance organizations).

**Procedure 6. Obtain technical conditions for telephone connection and sign agreement at Rostelekom, OJSC**  
**Time**: 14 days  
**Cost**: No cost

**Procedure 7. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Vyborg Vodokanal OJSC—water utility, Vyborg Municipality**  
**Time**: 14 days  
**Cost**: RUB 19,050  
**Comments**: BuildCo obtains the technical conditions of connection to water supply and sanitation systems. The applicant submits the following document package to Vyborg Vodokanal MUE application and legal documents for the land plot (cadastral passport, draft design and design estimates). Connection fee is based on the Vyborg District tariffs.

**Procedure 8. Obtain construction permit at Committee on Management of Municipal Property of Vyborg City, Committee of State Construction Supervision and State Expertise of Leningrad Oblast via autonomous organization “Department of State Expertise of Leningrad Oblast”**  
**Time**: 10 days  
**Cost**: No cost  
**Comments**: The project construction permit is a basis for architectural plan implementation, issued to the customer/developer by executive authorities of Russian Federal constituents, or by

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* This procedure can be completed simultaneously with previous procedures.
local self-government agencies. One should compile a package of documents required for the permit. Application for construction permit should be lodged. Construction permits are issued by the Architecture and Urban Development Unit of the Vyborg Municipal Unitary Enterprise. The list of documents, time and cost are regulated by the Russian Federal Urban Development Code. Officially, the document issuance time is followed, though in reality it can be picked up on the following day only, as the document is prepared by the close of business time.

**Procedure 9. Notify the authorities of commencement of construction works at Committee for State Construction Supervision and State Expertise of Leningrad Oblast, Department of State Expertise of Leningrad Oblast**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The construction company should inform about the beginning of construction work. Before starting construction work, the developer should notify the Leningrad Oblast State Expertise about the construction work beginning date, 10 days prior to the scheduled beginning of the construction work. The notification should be submitted along with construction documentation, construction permit, work schedule and a list of responsible persons.

**Procedure 10. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Vyborg Vodokanal OJSC—water utility**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** As required by the UDC, in order to obtain an occupational permit, the developer should provide a confirmation of the facility compliance with the technical conditions. For that purpose, the developer should send a letter to the agency that issued the specification and receives a certificate of compliance with the technical conditions.

**Procedure 11. Obtain compliance certificate of the building with the technical conditions from the phone utility at Rostelekom, OJSC**

**Time:** 30 days  
**Cost:** No cost

**Procedure 12. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility at Vyborg Vodokanal OJSC—water utility**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** The developer should provide a confirmation of compliance of the newly built property with the technical conditions. For that purpose, the developer sends a letter to the organization that issued the specifications and obtains an certificate of compliance with technical conditions.

**Procedure 13. Obtain a technical passport of the building at Bureau of technical inventory—regional and municipal**

**Time:** 30 days  
**Cost:** RUB 35,000  
**Comments:** The technical passport shows the actual parameters of the newly built property. To obtain the certificate, the applicant provides an application along with the building design, incorporation documents, mailing address, construction permit, cadastral land certificate and land lease agreement or title. The technical passport issuance tariffs are set by the agency itself, and this information is not, as a rule, easily available.

**Procedure 14. Obtain occupancy permit at Committee on Management of Municipal Property of Vyborg, Division of Architecture and Urban Development of KUMIG of Vyborg City**

**Time:** 10 days  
**Cost:** No cost  
**Comments:** Occupancy permit application is submitted with the following documents attached: land title, GPZU, construction permit, report of completed construction acceptance by the developer, documents certifying the facility compliance with technical conditions, diagram with the facility positioning within the land plot area.

**Procedure 15. Sign agreement with water and sewage utility at Vyborg Vodokanal OJSC—water utility**

**Time:** 1 day  
**Cost:** RUB 29,532  
**Comments:** This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

**Procedure 16. Sign agreement with the phone utility at Rostelekom, OJSC**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

**Procedure 17. Sign agreement with heavy shower sewage utility at Vyborg Vodokanal OJSC—water utility**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a legal act of recognition and confirmation of fulfillment of all binding regulatory requirements.

**Procedure 18. Obtain cadastral passport of the building at Bureau of technical inventory—regional and municipal**

**Time:** 20 days  
**Cost:** No cost [part of the cost of obtaining a technical passport]  
**Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

**Procedure 19. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreesr)**

**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by the Leningrad Oblast Department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

**Procedure 20. Sign agreement with the water utility at Vyborg Vodokanal OJSC—water utility**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** Connection to water supply networks is performed after issuance of a title to the newly built property. The applicant and Vyborg Vodokanal OJSC conclude a contract and sign an act establishing a boundary between internal and external networks.

**DEALING WITH CONSTRUCTION PERMITS**

**Yakutsk, Republic of Sakha — Yakutia**

Warehouse value: RUB 26,120,000 (US$ 844,063)  
Data as of: November 2011

**Procedure 1. Request a topographic survey of the land plot at any organization with permission from a self-regulating organization**

**Time:** 18 days  
**Cost:** RUB 116,000 [average Cost: RUB 15,000 per 100 m2]  
**Comments:** Application for topographic survey is lodged with one of licensed companies; an expert visit for approval purposes is requested. All approvals and clearances are handled by the contractor; the customer receives an approved topographic report already. The applicant shall provide the following documents: 1) application or contract, 2) legal documents for the land plot (cadastral plan) and plot boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 2. Request geological survey of the land plot at any organization with permission from a self-regulating organization**

**Time:** 14 days  
**Cost:** RUB 300,000  
**Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNiPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 3. Obtain development plan of land plot (GPZU) at Municipal Architecture and Urban Development Department**

**Time:** 32 days  
**Cost:** No cost  
**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. The procedure is governed by the administrative regulation of

* This procedure can be completed simultaneously with previous procedures.
the municipal function “Land Development Plan Issuance”. Development plans are drawn for land plots designated for construction and renovation of permanent structures. A land development plan is developed for a separate land plot that has been registered by the State, with established development rules in the Land Use Regulations, and subject to availability of a duly approved planning and border-setting project.

**Procedure 4. Obtain technical conditions for electricity connection and sign agreement at Yakutskenergo**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | BuildCo applies for the technical conditions for electricity connection. |

**Procedure 5*. Obtain technical conditions for water and sewage services and sign agreement at Vodokanal, OJSC—water utility**

| Time: | 30 days |
| Cost: | RUB 54,380 [estimate based on the following tariffs: water supply: RUB 31,386 per m3 of water, sanitation: RUB 11,262 per m3 x 24 working days + 1/36 x 11,262 x 24 working days] |
| Comments: | Application is lodged with the water supplier with attached consumption estimates and properties, and the land titles. Technical conditions of design and technical connection contract are provided based on document review. Water supply tariff: RUB 31,386 (w/o VAT) per m3/day; water disposal tariff: RUB 11,262 (w/o VAT) per m3/day. |

**Procedure 6*. Obtain technical conditions for telephone connection and sign agreement at Rostelekom**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | Application for technical conditions is lodged with a telephone company with a description of the required technical characteristics. The organization’s incorporation documents are provided. Payment is made according to the established tariffs at the time when the contract is concluded. |

**Procedure 7*. Obtain technical conditions from the City Facility Services at Service for City Facilities Management**

| Time: | 25 days |
| Cost: | No cost |
| Comments: | Application is lodged for technical conditions of storm drain, roads and passages (depending on the design specifics). |

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at Vodokanal, OJSC—water utility**

| Time: | 30 days |
| Cost: | No cost |
| Comments: | According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. The applicant submits technical conditions and design to the water supplier with a cover letter requesting to review the design. |

**Procedure 9. Obtain construction permit at Municipal Architecture and Urban Development Department**

| Time: | 10 days |
| Cost: | No cost |
| Comments: | Application is prepared, documents are filed and listed: GPZU (copy), collected technical conditions, land titles, draft design, design documents and estimates, designer license. The file folder is then submitted to the Architecture Department; a response should be received in 10 days (it could be sent to the “single window”, but they would often reject it). Single window is a novelty in utility service. It could be used for submission of documents, but that would extend the processing time, and the service is rarely used. |

**Procedure 10. Notify the authorities of commencement of construction works at Inspection for architecture supervision**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | A notification about the beginning of construction work is filed 10 days in advance, with enclosed permit for construction, design documents, construction schedule and plan of work. Although our project is not subject to review, construction contractors would always send a notification about the beginning of construction. |

**Procedure 11. Receive inspection during construction from Architecture Supervision**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | Inspections are usually conducted every two months. |

**Procedure 12. Receive inspection during construction from Architecture Supervision**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | Inspections are usually conducted every two months. |

**Procedure 13. Receive inspection during construction from Architecture Supervision**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | Inspections are usually conducted every two months. |

**Procedure 14. Receive inspection during construction from Architecture Supervision**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | Inspections are usually conducted every two months. |

**Procedure 15. Request connection to the water and sewage utility at Vodokanal, OJSC—water utility**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | The water supplier is informed about the completion of construction, and a request is lodged for network acceptance. |

**Procedure 16. Receive inspection from the water utility at Vodokanal, OJSC—water utility**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | Vodokanal expert checks the newly built water supply and sanitation systems with the technical conditions and tests the system elements for readiness to connection. |

**Procedure 17. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Vodokanal, OJSC—water utility**

| Time: | 10 days |
| Cost: | No cost |
| Comments: | A compliance report is compiled based on the inspection outcomes, then it is registered, cleared and attached to the package of documents for occupation permit request. |

**Procedure 18. Request connection to the heavy shower and sewage utility at Service for City Facilities Management**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | A work completion notification is filed, along with a request for a conclusion about the project readiness in terms of technical conditions of storm drain systems, roads, etc. |

**Procedure 19. Receive inspection from the City Facilities Management at Service for City Facilities Management**

| Time: | 1 day |
| Cost: | No cost |
| Comments: | An expert visits the site and checks the storm drain readiness and other technical conditions on amenities. A certificate of the facility readiness is issued based on the inspection outcomes. |

**Procedure 20. Obtain compliance certificate of the building with the technical conditions from the City Facilities Management at Service for City Facilities Management**

| Time: | 12 days |
| Cost: | No cost |
| Comments: | Based on a report of an expert of the municipal maintenance service, a certificate of compliance with technical conditions is prepared. |

**Procedure 21. Obtain a technical passport of the building at Bureau of technical inventoryization—federal or regional**

| Time: | 30 days |
| Cost: | RUB 45,500 |
| Comments: | Technical and cadastral passports are usually obtained at the same time, as the project is not complicated, and technical measurements are not required during the construction. An application is submitted to Rostechinventarizatsia, or the Regional Center for Technical Inventory, on their form, signed by the company CEO and accounting supervisor. The following documents should be enclosed with the application: land title documents, title holder’s incorporation documents, document proving the CEO authority to sign the contract, a copy of the development master plan, construction permit, design documentation, company card with address, etc. |

*This procedure can be completed simultaneously with previous procedures.*
banking information and other data, topographic survey, power of attorney to the name of the person who represents the organization. They would come to the site, make measurements and prepare the document.

**Procedure 22. Obtain occupancy permit at Municipal Architecture and Urban Development Department**

**Time:** 45 days  
**Cost:** No cost  
**Comments:** Application is submitted with all documents enclosed: GPZU; construction permit; photo of the building façade; commissioning reports confirming compliance with water, power supply, landscaping specifications; land title; engineering/technical support network layout. A list of documents is attached; the documents are numbered and bound. A conclusion is provided in 30 days. All observed deficiencies, if any, are mitigated and “no-comment” reports are compiled. The procedure is governed by the Regulation of the Yakutsk Okrug Administration No. 37-P, dated 26.03.2010 “On Approval of the Administrative Regulation on Provision of the Municipal Service of Occupancy Permit Issuance”.

**Procedure 23. Sign agreement with water and sewage utility at Vodokanal JSC—water utility**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** Application is submitted with enclosed report of the design compliance with the technical conditions and with the technical conditions attached as well. Connection report is signed.

**Procedure 24. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)**

**Time:** 10 days  
**Cost:** RUB 15,000  
**Comments:** Application is lodged with Rosreestr with enclosed cadastral passport, occupancy permit, land titles, document certifying the signee’s authority and passport.

**Procedure 25. Sign agreement with the water utility at Vodokanal JSC—water utility**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The following documents are lodged with Vodokanal OJSC: connection report, commissioning permit; after that the Contract Department drafts a water supply contract.

**Procedure 26*. Sign agreement with the phone utility at Rostelekom**

**Time:** 7 days  
**Cost:** RUB 15,000  
**Comments:** Application for connection is filed with an indication of the required quantity of numbers; technical conditions, internal wiring layout are attached, a contract is signed and an installation profession comes out to perform work on connection to the line. The connection cost is set forth in the price list for legal entities, posted at: http://www.telecom.sakha.ru/organizations/local_tariffs.

**Procedure 1. Request a topographic survey of the land plot at commercial organizations**

**Time:** 32 days  
**Cost:** RUB 30,000  
**Comments:** BuildCo places an order for land survey at 1:500/1:2,000/1:5,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadastral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 2*. Request geological survey of the land plot at commercial organizations**

**Time:** 42 days  
**Cost:** RUB 160,000  
**Comments:** BuildCo places an order for engineering/geodesic survey of the land plot to determine the soil composition and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geodesic surveys. The applicant submits the following documents: applicant, draft building design, designer’s assignment. The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 3. Obtain technical conditions for electricity connection at Yargorelektroset, OJSC**

**Time:** 22 days  
**Cost:** No cost  
**Comments:** BuildCo applies for the technical conditions for electricity connection.

**Procedure 4*. Obtain technical conditions for connecting to water and sewage services and sign agreement at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 26 days  
**Cost:** RUB 94,655  
**Comments:** The applicant submits a request to Yaroslavl Vodokanal OJSC with full information about the facility. Connection fee is based on the Vodokanal tariffs.

**Procedure 5*. Obtain technical conditions for telephone connection and sign agreement at Centrtelekom, OJSC**

**Time:** 25 days  
**Cost:** No cost  
**Comments:** BuildCo obtains technical specification for landline telephone connection and concludes a contract.

**Procedure 6*. Obtain technical conditions for connecting to the heavy shower sewage and sign agreement at Department of Municipal Facilities of Yaroslavl City**

**Time:** 22 days  
**Cost:** No cost  
**Comments:** BuildCo obtains the technical conditions of connection to storm drain systems.

**Procedure 7. Obtain development plan of land plot (GPZU) at Department of Architecture and Territorial Development of Yaroslavl City**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and technical conditions. The following documents should be attached to the standard form application (Page 13, Annex 11 to the Resolution of the Yaroslavl Mayor’s Office No. 4198 of December 4, 2009): 1) land titles; 2) cadastral excerpt for the land plot with flip angle coordinates. In accordance with Clause 17 of Article 17 of the UDC, it should be issued by the local self-government agencies free of charge, within 30 days. The process is carried out in accordance with the prescribed procedure.

**Procedure 8. Obtain certificate of compliance of the project design from the water utility at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 10 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the water supplier for clearance.

**Procedure 9*. Obtain certificate of compliance of the project design from the phone utility at Rostelekom, OJSC**

**Time:** 10 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the telephone company for clearance.

**Procedure 10*. Obtain certificate of compliance of the project design from the heavy shower sewage utility at Department of Municipal Facilities of Yaroslavl City**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** The final construction design, compliant to the prior technical conditions, is submitted to the organization for clearance.

**Procedure 11. Obtain construction permit at Architecture Department of Yaroslavl City Administration**

**Time:** 10 days  
**Cost:** No cost  
**Comments:** The procedure is performed in accordance with the established regulations. A

* This procedure can be completed simultaneously with previous procedures.
construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

**Procedure 12. Request connection to the water and sewage utility at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 11 days  
**Cost:** RUB 41,000  
**Comments:** A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the State Unitary Enterprise for Technical Inventory of Real Property in the Yaroslavl Oblast, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

**Procedure 13. Receive inspection from the water utility at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 9 days  
**Cost:** No cost  
**Comments:** Officials of Yaroslavl Vodokanal OJSC check the network readiness for connection and in feed.

**Procedure 14. Connect to water and sewage at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 2 days  
**Cost:** RUB 20,000  
**Comments:** The network connection report is signed upon completion of procedures related to physical connection of the internal lines to the main networks.

**Procedure 15. Obtain compliance certificate of the building with the technical conditions from the water and sewage utility at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit. This document is issued by Yaroslavl Vodokanal OJSC after checking the water supply and sanitation systems.

**Procedure 16. Obtain compliance certificate of the building with the technical conditions from the phone utility and sign agreement with the utility at Rostelekom, OJSC**

**Time:** 3 days  
**Cost:** RUB 4,000  
**Comments:** The telephone company is notified about completion of work with enclosed reports, which serves as a basis for issuance of technical conditions.

**Procedure 17. Obtain compliance certificate of the building with the technical conditions from the heavy shower sewage utility and sign agreement at Department of Municipal Facilities of Yaroslavl City and territorial administration**

**Time:** 7 days  
**Cost:** RUB 1,000  
**Comments:** According to the Urban Development Code, documentary evidence of compliance of the newly built warehouse with the technical conditions is mandatory for obtaining an occupancy permit.

**Procedure 18. Obtain a technical passport of the building at State Unitary Organization of Technical Inventory and Real Estate Appraisal of Yaroslavl Oblast**

**Time:** 30 days  
**Cost:** RUB 35,000  
**Comments:** A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the State Unitary Enterprise for Technical Inventory of Real Property in the Yaroslavl Oblast, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

**Procedure 19. Obtain occupancy permit at Department of Architecture and Territorial Development of Yaroslavl City**

**Time:** 9 days  
**Cost:** No cost  
**Comments:** To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the City Department of Architecture and Area Development.

**Procedure 20. Obtain cadastral passport of the building at State Unitary Organization of Technical Inventory and Real Estate Appraisal of Yaroslavl Oblast**

**Time:** 8 days  
**Cost:** No cost  
**Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

**Procedure 21. Registration of the building at the Federal Service of State Registration, Cadastre and Cartography (Rostreesr)**

**Time:** 30 days  
**Cost:** RUB 15,000  
**Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

**Procedure 22. Sign agreement with the water utility at Yaroslavlvodokanal, OJSC—water utility**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** An agreement is lodged with Yaroslavl Vodokanal OJSC, with enclosed receiving reports on all elements and establishing documents (contract concluded by the owner).

**DEALING WITH CONSTRUCTION PERMITS**

**Yekaterinburg, Sverdlovsk Oblast**

Warehouse value: RUB 26,120,000  
Data as of: November 2011

**Procedure 1. Request topographic survey at any specialized organization**

**Time:** 22 days  
**Cost:** RUB 3,716  
**Comments:** BuildCo places an order for land survey at 1:500/1,000,000 (for areas up to 1 ha, up to 10 ha, over 10 ha) by a specialized organization with an SRO license for geodesic operations. The applicant submits the following documents: 1) Application/contract. 2) Land plot title (cadstral plan) and land boundaries. A report is prepared as a result of the topographic survey with a layout of buildings and structures; underground, surface and above-surface communication lines; design elements; fencing, roads, etc.

**Procedure 2. Obtain technical conditions for electricity connection at Yekaterinburg Electricity Supply Network Company (JSC EESK), the Regional Energy Commission of Sverdlovsk Oblast**

**Time:** 68 days  
**Cost:** No cost  
**Comments:** BuildCo applies for the technical conditions for electricity connection.

**Procedure 3*. Obtain technical conditions and conclude agreement for connection to water and sewage services at Municipal Unitary Organization Vodokanal—water utility**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** Obtaining technical conditions of connection to water supply and sanitation systems. The applicant submits a request to Vodokanal MUE with full information about the facility (see www.vodokanalekb.ru). Connection fee is based on the Vodokanal tariffs and amounts to RUB 108,232.23 per m3 of water supply a day, and RUB 108,232.23 per m3 of water disposal a day. Payment for connection is made in accordance with a schedule attached to the agreement.

**Procedure 4*. Request technical conditions for a telephone connection at Uralssyazinform**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** BuildCo obtains technical specification for landline telephone connection and concludes a contract.

**Procedure 5*. Request engineering and geological survey at Any specialized organization**

**Time:** 25 days  
**Cost:** RUB 200,000  
**Comments:** BuildCo places an order for engineering/geo-survey and collect other data required for designing. The assignment should be performed by a specialized SRO, licensed for engineering/geo-survey. The applicant submits the following documents: applicant, draft building design, designer’s assignment.

* This procedure can be completed simultaneously with previous procedures.
The tests should be performed in accordance with the construction standards (SNIPs). The cost depends on the estimated scope of work, in particular, on the number of holes to be drilled in the plot area.

**Procedure 6. Obtain development plan of land plot (GPZU) at Department of Architecture, Urban Development and Land Relations Regulation of Yekaterinburg City**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The land development plan is a mandatory document submitted by the developer/customer to obtain official design appraisal, construction permit and building occupation permit. Development plans are drawn for land plots designated for construction and renovation of permanent structures. The document contains key land plot data: boundary coordinates, authorized use and specifications. In accordance with Clause 17 of Article 17 of the UDC, it should be issued by the local self-government agencies free of charge, within 30 days.

**Procedure 7. Obtain construction permit at Department of Architecture, Urban Development and Land Relations Regulation of Yekaterinburg City**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The procedure is performed in accordance with the established regulations. A construction permit application is submitted along with the following documents: 1) land title 2) land development plan 3) materials of the design documentation.

**Procedure 8. Notify the authorities of commencement of construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The developer should send a notification about the construction beginning date 10 days in advance. The following construction-related documents should be enclosed with the notification: construction permit, schedule, list of responsible persons.

**Procedure 9. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 10. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 11. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 12. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 13. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 14. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 15. Receive inspection during construction works at Gosarkhstroycontrol—construction supervision**
- **Time:** 1 day
- **Cost:** No cost
- **Comments:** The Inspectorate visits the construction site twice a month to inspect the log books.

**Procedure 16. Connect to water and sewage at Municipal Unitary Organization Vodokanal—water utility**
- **Time:** 30 days
- **Cost:** RUB 190,531
- **Comments:** The following documents are required for a submission with an application for a connection: 1) map specifying location of electrical installations 2) copy of the document confirming the ownership of the plot 3) proof of payment for connection fees 4) a certificate of connection approval by the building committee.

**Procedure 17. Connect to telephone services at Uralsvyazinform**
- **Time:** 20 days
- **Cost:** RUB 3,000

**Procedure 18. Obtain a technical passport of the building at Bureau of technical inventorization**
- **Time:** 10 days
- **Cost:** RUB 4,000
- **Comments:** A technical passport of a facility is required for obtaining an occupancy permit. It describes physical parameters of the built facility. The document is available from the Yekaterinburg Bureau of Technical Inventorization MUE, or any bureau of technical inventory. To obtain a technical passport, the applicant should submit an application and the building design, incorporation documents, construction permit, cadastral passport of the land and land lease agreement or title. Tariffs for issuing technical passports are established by the organization itself, and as a rule, they are not easily available.

**Procedure 19. Obtain occupancy permit at Department of Architecture, Urban Development and Land Relations Regulation of Yekaterinburg City**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** To obtain a permit for commissioning the facility, the applicant submits, in accordance with the Russian Federal Urban Development Code, all required documents to the City Department of Architecture and Area Development.

**Procedure 20. Obtain cadastral passport of the building at Bureau of technical inventorization**
- **Time:** 10 days
- **Cost:** RUB 1,000
- **Comments:** After an occupancy permit is obtained, the developer may proceed with cadastral registration of the facility and obtaining a cadastral passport for it. Generally, the cadastral passport is drawn by the same organization that had prepared the technical passport. The cadastral passport drafting cost is part of the technical passport drafting cost.

**Procedure 21. Registration of new building at Rosreestr at Registration chamber**
- **Time:** 30 days
- **Cost:** RUB 15,000
- **Comments:** Titles to the property built are registered in compliance with the Federal Law “On Real Property Rights Registration” by a department of the Federal Service for State Registration, Cadastre and Cartography based on an applications, cadastral passport, incorporation documents, occupancy permit and land titles.

**LIST OF PROCEDURES**

**GETTING ELECTRICITY**

**Irkutsk, Irkutsk Oblast**
**Data as of: November 2011**

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**
- **Time:** 25 days
- **Cost:** RUB 752,360 - [5,374 RUB*140 kW according to the decree of Tariff Committee of Irkutsk Oblast No. 4 from 04.04.2011]
- **Comments:** The following documents are required for a submission with an application for a connection: 1. Filled out application template for an electricity connection 2. Copy of the document confirming the ownership of the construction site and land plot 3. Map specifying location of electrical installations 4. Table with load calculations Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the connection and obtain approvals**
- **Time:** 80 days
- **Cost:** RUB 47,500 - Cost of the connection design

* This procedure can be completed simultaneously with previous procedures.
**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 19 days  
**Cost:** No cost  
**Comments:** Since it is assumed that the connection crosses a road before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 37 days  
**Cost:** RUB 951,180 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

**Time:** 12 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

**Time:** 18 days  
**Cost:** No cost  
**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

**Time:** 17 days  
**Cost:** No cost  
**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal the meter**

**Time:** 8 days  
**Cost:** RUB 8,000 - Cost of the meter inspection  
**Comments:** The utility inspects and seals the meter.

**Procedure 9. Conclude a supply contract and await supply of electricity**

**Time:** 19 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

## GETTING ELECTRICITY

- **Kaliningrad, Kaliningrad Oblast**  
  **Data as of:** November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

**Time:** 30 days  
**Cost:** RUB 1,582,700 (11,305 RUB*140 kW according to the decree from 28.01.2011 r. No. 04-01g/11)  
**Comments:** The following documents are required for submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
   Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the connection and obtain approvals**

**Time:** 90 days  
**Cost:** RUB 45,000 - Cost of the connection design  
**Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 35 days  
**Cost:** No cost  
**Comments:** Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 30 days  
**Cost:** RUB 300,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal the meter**

**Time:** 30 days  
**Cost:** RUB 40,000 - Cost of the meter inspection  
**Comments:** The supply utility inspects and seals the meter.

**Procedure 9. Conclude a supply contract and await supply of electricity**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

## GETTING ELECTRICITY

- **Kaluga, Kaluga Oblast**  
  **Data as of:** November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

**Time:** 30 days

*This procedure can be completed simultaneously with previous procedures.*
**Procedure 2.** External site inspection required for preparation of technical conditions

**Time:** 7 days  
**Cost:** No cost

**Comments:** The utility inspects the construction site. It is not required for a customer to be present during the inspection but in practice a customer or his representative is usually present during the inspection.

**Procedure 3.** Prepare design of the connection and obtain approvals

**Time:** 34 days  
**Cost:** RUB 32,500 - Cost of the connection design and required approvals

**Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 4.** Obtain excavation or right of way permits to lay cables across a road

**Time:** 5 days  
**Cost:** No cost

**Comments:** Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 5.** Complete connection works according to technical conditions

**Time:** 14 days  
**Cost:** RUB 225,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)

**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 6.** Receive an inspection of the completed works from the utility and obtain compliance documents

**Time:** 6 days  
**Cost:** No cost

**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 7.** Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents

**Time:** 7 days  
**Cost:** No cost

**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 8.** Receive an inspection and seal the meter

**Time:** 7 days  
**Cost:** RUB 662 - Cost of the meter inspection

**Comments:** The utility inspects and seals the meter.

**Procedure 9.** Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection

**Time:** 16 days  
**Cost:** No cost

**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 10.** Conclude a supply contract and await supply of electricity

**Time:** 30 days  
**Cost:** No cost

**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the electrical contractor to complete connection works according to technical conditions. The works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**GETTING ELECTRICITY**

<table>
<thead>
<tr>
<th>Kazan, Republic of Tatarstan</th>
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<td>Data as of: November 2011</td>
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**Procedure 1.** Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection

**Time:** 30 days  
**Cost:** RUB 1,736,280 [12,402 RUB*140 kW according to the decree of Tariff Committee of Republic of Tatarstan No. 6-1 from 01.02.2010]

**Comments:** The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2.** Prepare design of the connection and obtain approvals

**Time:** 60 days  
**Cost:** RUB 62,500 - Cost of the connection design

**Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3.** Obtain excavation or right of way permits to lay cables across a road

**Time:** 21 days  
**Cost:** No cost

**Comments:** Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4.** Complete connection works according to technical conditions

**Time:** 24 days  
**Cost:** RUB 1,050,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)

**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5.** Receive an inspection of the completed works from the utility and obtain compliance documents

**Time:** 9 days  
**Cost:** No cost

**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6.** Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents

**Time:** 7 days  
**Cost:** No cost

**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7.** Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection

**Time:** 18 days  
**Cost:** No cost

**Comments:** The distribution utility prepares a document describing the division of ownership and
GETTING ELECTRICITY

**Kemerovo, Kemerovo Oblast**

Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

Time: 30 days  
Cost: RUB 1,203,707 [-] 8,597.91 RUB*140 kW according to the decree of Regional Energy Committee of Kemerovo Region from February 7, 2011 N 5]  
Comments: The following documents are required for a submission with an application for a connection:  
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations  

Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design, obtain design approvals and complete connection works according to technical conditions**

Time: 186 days  
Cost: No cost  
Comments: After the connection contract is signed, the utility prepares a design of the connection, approves it at several organizations and receives permits (for example, for laying cables across a road) required for connection works. Then the utility completes all connection works according to the technical conditions and inspects the works. After the works are completed, the utility issues technical documentation on the connection.

**Procedure 3. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

Time: 18 days  
Cost: No cost  
Comments: The utility issues technical documents which specify tests and characteristics of the electrical installation. Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 11 days  
Cost: No cost  
Comments: The energy inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
1. Approved connection design  
2. technical documentation prepared by the electrical contractor  
3. information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 5. Receive an inspection and seal the meter**

Time: 7 days  
Cost: No cost  
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation. The utility inspects and seals the meter.

**Procedure 6. Conclude a supply contract and await supply of electricity**

Time: 7 days  
Cost: No cost  
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

Time: 10 days  
Cost: No cost  
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 4. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 11 days  
Cost: No cost  
Comments: The energy inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
1. Approved connection design  
2. technical documentation prepared by the electrical contractor  
3. information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 5. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 15 days  
Cost: No cost  
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 12 days  
Cost: No cost  
Comments: The energy inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
1. Approved connection design  
2. technical documentation prepared by the electrical contractor  
3. information on the customer’s plan for operation and maintenance of electrical installation.

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

Time: 10 days  
Cost: No cost  
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal the meter**

Time: 11 days  
Cost: No cost  
Comments: The utility inspects and seals the meter.

*This procedure can be completed simultaneously with previous procedures.*
**Procedure 9*. Conclude a supply contract and await supply of electricity**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

| Region | Moscow  
|--------|---|

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

**Time:** 30 days  
**Cost:** RUB 3,100,000 - Cost of materials and labor  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 2. Prepare design of the connection and obtain approvals**

**Time:** 91 days  
**Cost:** RUB 137,957 [985.41 RUB*140 kW according to the decree of Regional Tariff Committee of Kirov region from December 28, 2010 No. 48/5]  
**Comments:** The following documents are required for the preparation of a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection:

- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 33 days  
**Cost:** No cost  
**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

**Time:** 7 days  
**Cost:** No cost  
**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:

- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 8. Receive an inspection and seal the meter**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** The utility inspects and seals the meter.

**Procedure 9. Conclude a supply contract and await supply of electricity**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

| Region | Moscow  
|--------|---|

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

**Time:** 30 days  
**Cost:** RUB 2,330,832  
**Comments:** The following documents are required for a submission with an application for a connection:

1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations

**Procedure 2. Prepare design of the connection and obtain approvals**

**Time:** 90 days  
**Cost:** RUB 240,000 - Cost of the design connection  
**Comments:** Once the technical conditions are ready, the customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 37 days  
**Cost:** RUB 3,100,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable or installation of a transformer and laying of 150 meters of medium voltage cable)  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

**Time:** 14 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection and seal the meter**

**Time:** 12 days  
**Cost:** RUB 10,000 - Cost of the meter inspection  
**Comments:** Energosbyt inspects and seals the meter.

**Procedure 7. Receive a customer profile from the distribution utility**

**Time:** 3 days  
**Cost:** No cost  
**Comments:** To obtain a customer profile form the customer visits the distribution utility. This profile is required for the preparation of a document describing the division of ownership and responsibilities for maintenance of the connection.

**Procedure 8. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

**Time:** 30 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

* This procedure can be completed simultaneously with previous procedures.
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer's plan for operation and maintenance of electrical installation

**Procedure 9. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

*Time:* 14 days  
*Cost:* No cost  
*Comments:* The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 10. Conclude a supply contract and await supply of electricity**

*Time:* 21 days  
*Cost:* No cost  
*Comments:* After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

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**GETTING ELECTRICITY**

_Murmansk, Murmansk Oblast_

_Data as of: November 2011_

**Procedure 1. Submit an application for an electricity connection to the utility and await an approved estimate of connection costs, technical conditions and a contract for a connection**

*Time:* 45 days  
*Cost:* RUB 570,500 - Average cost of an electricity connection for the assumed connection  
*Comments:* The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations  
For the assumed load (140 kW) the cost of connection is calculated on a case by case basis and approved at the Regional Energy Commission. Once the cost is approved and technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2*. External site inspection required for preparation of technical conditions**

*Time:* 1 day  
*Cost:* No cost

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**Procedure 3. Prepare design of the connection and obtain approvals**

*Time:* 120 days  
*Cost:* RUB 255,000 - Cost of the design connection  
*Comments:* Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and Planning of Murmansk, Committee on the Development of City Property and other organizations.

**Procedure 4. Obtain excavation or right of way permits to lay cables across a road**

*Time:* 30 days  
*Cost:* No cost  
*Comments:* Since it is assumed that the connection crosses a road before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 5. Complete connection works according to technical conditions**

*Time:* 30 days  
*Cost:* RUB 325,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)  
*Comments:* The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 6. Receive an inspection of the completed works from the utility and obtain compliance documents**

*Time:* 12 days  
*Cost:* No cost  
*Comments:* The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 7. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

*Time:* 35 days  
*Cost:* No cost  
*Comments:* Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer's plan for operation and maintenance of electrical installation

**Procedure 8. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

*Time:* 25 days  
*Cost:* No cost  
*Comments:* The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 9. Receive an inspection and seal the meter**

*Time:* 30 days  
*Cost:* RUB 1,237 - Cost of the meter inspection  
*Comments:* The utility inspects and seals the meter.

**Procedure 10*. Conclude a supply contract and await supply of electricity**

*Time:* 30 days  
*Cost:* No cost  
*Comments:* After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

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**GETTING ELECTRICITY**

_Novosibirsk, Novosibirsk Oblast_

_Data as of: November 2011_

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

*Time:* 15 days  
*Cost:* RUB 1,302,000 [ 9,300 RUB*140 kW according to the decree of the Tariff Department of Novosibirsk region from April 20, 2011 No. 44]  
*Comments:* The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations  
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the connection and obtain approvals**

*Time:* 82 days  
*Cost:* RUB 200,000 - Cost of the connection design and required approvals  
*Comments:* Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture, electricity supply company and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

*Time:* 6 days

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*This procedure can be completed simultaneously with previous procedures.*
Cost: No cost
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions
Time: 75 days
Cost: RUB 950,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents
Time: 7 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 30 days
Cost: RUB 50,000 - Cost of the inspection and permit for operation
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

Procedure 7. Receive a customer profile from the distribution utility
Time: 3 days
Cost: No cost
Comments: To obtain a customer profile form the customer visits the distribution utility. This profile is required for the preparation of a document describing the division of ownership and responsibilities for maintenance of the connection.

Procedure 8. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 35 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 9. Receive an inspection and seal the meter
Time: 8 days
Cost: No cost
Comments: The utility inspects and seals the meter.

Procedure 10*. Conclude a supply contract and await supply of electricity
Time: 17 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

GETTING ELECTRICITY

Omsk, Omsk Oblast

Data as of: November 2011

Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection
Time: 30 days
Cost: RUB 14,288 [102.06 RUB*140 kW according to the decree from April 26, 2011 N 79/20]
Comments: The following documents are required for a submission with an application for a connection:
1. Filled-out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design of the connection and obtain approvals
Time: 90 days
Cost: RUB 41,625 - Cost of the connection design
Comments: Once the technical conditions are ready the customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road
Time: 7 days
Cost: No cost
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions
Time: 11 days
Cost: RUB 258,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents
Time: 18 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 21 days
Cost: RUB 18,250 - Cost of the inspection and permit for operation
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 22 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter
Time: 14 days
Cost: RUB 1,400 - Cost of the meter inspection
Comments: The utility inspects and seals the meter.

Procedure 9. Conclude a supply contract and await supply of electricity
Time: 9 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

* This procedure can be completed simultaneously with previous procedures.
Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection
Time: 30 days
Cost: RUB 2,764,165 (10,338 RUB*140 kW*1.31 according to the decree of the Regional Energy Committee of Perm region from 28.12.2010 N 97)
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design, obtain design approvals and complete connection works according to technical conditions
Time: 215 days
Cost: No cost
Comments: After the connection contract is signed, the utility prepares a design of the connection, approves it at several organizations and receives permits (for example, for laying cables across a road) required for connection works. Then the utility completes all connection works according to the technical conditions and inspects the works. After the works are completed, the utility issues technical documentation on the connection.

Procedure 3. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 10 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 4. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 30 days
Cost: No cost
Comments: The Energy Inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

Procedure 5. Receive an inspection and seal the meter
Time: 2 days
Cost: No cost
Comments: The utility inspects and seals the meter.

Procedure 6. Conclude a supply contract and await supply of electricity
Time: 18 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 20 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter
Time: 15 days
Cost: RUB 10,600 - Cost of the inspection

Procedure 9. Conclude a supply contract and await supply of electricity
Time: 10 days
Cost: No cost
Comments: The distribution utility completes the works and issues a document certifying that the works were completed according to technical conditions.

Procedure 4. Complete connection works according to technical conditions
Time: 15 days
Cost: RUB 250,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents
Time: 10 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 3 days
Cost: No cost
Comments: The Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection
Time: 20 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter
Time: 15 days
Cost: RUB 552 - Cost of the meter inspection
Comments: The supply utility inspects and seals the meter.

Procedure 9. Conclude a supply contract and await supply of electricity
Time: 5 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract

* This procedure can be completed simultaneously with previous procedures.
is signed the supply utility sends an order to the
distribution utility to turn on the electricity.

**Procedure 10**. Inspection of the electricity
comparison by the Audit and Technical
Department
Time: 2 days
Cost: No cost
Comments: In order to conclude a supply contract it
is required to receive an inspection from the Audit and
Technical Department. The inspector checks whether
the electrical equipment is ready for a turn on.

**GETTING ELECTRICITY**

Rostov-on-Don, Rostov Oblast
Data as of: November 2011

**Procedure 1. Submit an application for an
electricity connection to the utility and
await technical conditions and a contract
for a connection**
Time: 30 days
Cost: RUB 351,398 [Average of option 1 - low voltage
cost 1.25 (location coefficient)* 397.248,6 RUB (item
C1) / 0.140 MW + 291.225 * 0.150 km
(item C3) + 50,000-100,000 RUB (average design
cost) and option 2 - medium voltage connection with
installation/reconstruction of a transformer - 1.25
(location coefficient)* 397.248,6 RUB (item
C1)/0.140 MW + 291.225 * 0.150 km (item C3) +
163,640 RUB (item C6) + 150,000-200,000 RUB
(average cost of the design including installation/
reconstruction of a transformer) according to the
decree of Regional Tariff Committee from 28.12.2010
No. 20/13 and 20/12]
Comments: The following documents are required for
a submission with an application for a connection:
1. Filled out application template for an electricity
connection
2. Copy of the document confirming the ownership of
the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility noti-
fies the customer and a connection contract is signed.

**Procedure 2. Prepare design, obtain design
approvals and complete connection works
according to technical conditions**
Time: 145 days
Cost: No cost
Comments: After the connection contract is signed, the
utility prepares a design of the connection, approves it at several organizations and receives
permits (for example, for laying cables across a
road) required for connection works. Then the utility
completes all connection works according to the
technical conditions and inspects the works. After
the works are completed, the utility issues technical
documentation on the connection.

**Procedure 3. Obtain a document
describing the division of ownership and
responsibilities for maintenance of the
connection and await physical connection**
Time: 15 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection

**Procedure 4. Receive an inspection of the
completed works from the Energy
Inspectorate and obtain compliance
documents**
Time: 15 days
Cost: No cost
Comments: Energy Inspectorate inspects completed
works and checks technical documentation prepared
by the utility. After the inspection the Energy
Inspectorate issues a permit for operation.
The following documents are required for preparation
of the operation permit:
- approved connection design
- technical documentation prepared by the electrical
contractor
- information on the customer’s plan for operation
and maintenance of electrical installation

**Procedure 5. Receive an inspection and seal
the meter**
Time: 5 days
Cost: RUB 1,500 - Cost of the meter inspection
Comments: The supply utility inspects and seals the
meter.

**Procedure 6. Conclude a supply contract
and await supply of electricity**
Time: 13 days
Cost: No cost
Comments: After all inspections are completed the
customer submits documents required for conclusion
of an electricity supply contract. After the contract
is signed the supply utility sends an order to the
distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

Saint-Petersburg
Data as of: November 2011

**Procedure 1. Submit an application for an
electricity connection to the utility and
await technical conditions and a contract
for a connection**
Time: 30 days
Cost: RUB 2,644,180 [18,887 RUB*140 kW according
to the decree of the Committee on Tariffs of Saint-
Petersburg No. 384 from 29.12.2010]
Comments: The following documents are required for
a submission with an application for a connection:
1. Filled out application template for an electricity
connection
2. Copy of the document confirming the ownership of
the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility noti-
fies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the
connection and obtain approvals
**
Time: 60 days
Cost: RUB 262,500 - Cost of the connection design
Comments: Once the technical conditions are ready a
customer hires a design company which prepares
design of the connection. After preparation of the
project the design company approves the design at
the utility, Department of Architecture, electricity
supply company and other organizations.

**Procedure 3. Obtain excavation or right of
way permits to lay cables across a road**
Time: 33 days
Cost: No cost
Comments: Since it is assumed that the connection
crosses a road, before connection works can start it
is required to obtain a permit for laying cables across
a road.

**Procedure 4. Complete connection works
according to technical conditions**
Time: 30 days
Cost: RUB 400,000 - Cost of materials and labor (the
connection involves laying 150 meters of low voltage

cable)
Comments: The customer hires an electrical
contractor to complete connection works accord-
ing to technical conditions. After the works are
completed the electrical contractor prepares technical
documents which specify tests and characteristics of
the electrical installation.

**Procedure 5. Receive an inspection of the
completed works from the Energy
Inspectorate and obtain compliance
documents**
Time: 7 days
Cost: No cost
Comments: The distribution utility inspects the
completed works and issues a document certifying
that the works were completed according to technical
conditions.

**Procedure 6. Receive an inspection of the
completed works from the Energy
Inspectorate and obtain compliance
documents**
Time: 23 days
Cost: No cost
Comments: Energy Inspectorate inspects completed
works and checks technical documentation prepared
by the electrical contractor. After the inspection the
Energy inspectorate issues a permit for operation.
The following documents are required for preparation
of the operation permit:
- approved connection design
- technical documentation prepared by the electrical
contractor
- information on the customer’s plan for operation
and maintenance of electrical installation

**Procedure 7. Obtain a document
describing the division of ownership and
responsibilities for maintenance of the
connection and await physical connection**
Time: 30 days
Cost: No cost
Comments: The distribution utility prepares a
document describing the division of ownership and
responsibilities for maintenance of the connection
and carries out activities related to the physical
connection of equipment. At this stage the customer
is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal
the meter**
Time: 21 days

* This procedure can be completed simultaneously with previous procedures.
Getting Electricity

Samara, Samara Oblast

Data as of: November 2011

Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection
Time: 30 days
Cost: RUB 3,534,860 (25,249 RUB*140 kW according to the decree of Department of Regulation and Oversight of Electricity Sector of Samara Region from 28.01.2011 No. 6)
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
   Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design, obtain design approvals and complete connection works according to technical conditions
Time: 170 days
Cost: No cost
Comments: After the connection contract is signed, the utility prepares a design of the connection, approves it at several organizations and receives permits (for example, for laying cables across a road) required for connection works. Then the utility completes all connection works according to the technical conditions and inspects the works. After the works are completed, the utility issues technical documentation on the connection.

Procedure 3. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 40 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 4. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 10 days

Cost: No cost
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation.

Procedure 5. Receive an inspection and seal the meter
Time: 30 days
Cost: RUB 940 - Cost of the meter inspection
Comments: The supply utility inspects and seals the meter.

Procedure 6. Conclude a supply contract and await supply of electricity
Time: 10 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

Getting Electricity

Saransk, Republic of Mordovia

Data as of: November 2011

Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection
Time: 15 days
Cost: RUB 22,932 [70.2 RUB*140 kW + 93.6 RUB *140 kW according to the decree No. 71 from 28.12.10]
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
   Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design of the connection and obtain approvals
Time: 35 days
Cost: RUB 62,500 - Cost of the connection design
Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road
Time: 7 days
Cost: No cost
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions
Time: 30 days
Cost: RUB 740,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents
Time: 7 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents
Time: 9 days
Cost: No cost
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation.

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection
Time: 9 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Conclude a supply contract
Time: 7 days
Cost: No cost
Comments: The customer submits the following documents to conclude a contract for supply of electricity:
1. Application for conclusion of a supply contract
2. Document certifying that the connection works were completed according to technical conditions
3. Document describing the division of ownership and responsibilities for maintenance of the connection
4. Copy of technical conditions
5. Permission to operate the installed electrical equipment

* This procedure can be completed simultaneously with previous procedures.
6. Copy of a document certifying ownership of property
7. Copy of legal entity registration certificate
8. Copy of a document certifying registration at the Tax Authority
9. Copy of a document with statistical/classification codes assigned to the legal entity
10. If using a bank account for electricity payments, copy of a document with details of the account
11. Copy of a passport
12. Information on the planned electricity consumption (monthly for every user) on a provided form.

**Procedure 9. Receive an inspection, seal the meter and electricity starts flowing**
- **Time:** 3 days
- **Cost:** No cost
- **Comments:** After the supply contract is signed, the supply utility sends a request to the distribution utility to turn on electricity. The installed meter is inspected and sealed and electricity starts flowing.

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**GETTING ELECTRICITY**

**Stavropol, Stavropol Kray**

Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**
- **Time:** 20 days
- **Cost:** RUB 1,358,473 (9,703 RUB*140 kW according to the decree of the Regional Tariff Committee of Stavropol Region from April 28, 2011 N 28/3)
- **Comments:** The following documents are required for a submission with an application for a connection:
  1. Filled out application template for an electricity connection
  2. Copy of the document confirming the ownership of the construction site and land plot
  3. Map specifying location of electrical installations
  4. Table with load calculations

Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. External site inspection required for preparation of technical conditions**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The utility inspects the construction site. It is not required for a customer to be present during the inspection but in practice a customer or his representative is usually present during the inspection.

**Procedure 3. Prepare design of the connection and obtain approvals**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** After all inspections are completed the utility notifies the customer and a connection contract is signed.

**Procedure 4. Receive an inspection and seal the meter**
- **Time:** 7 days
- **Cost:** RUB 1,482 - Cost of the meter inspection
- **Comments:** The utility inspects and seals the meter.

**Procedure 5. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**
- **Time:** 11 days
- **Cost:** No cost
- **Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the utility. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
  - approved connection design
  - technical documentation prepared by the electrical contractor
  - information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Conclude a supply contract and await supply of electricity**
- **Time:** 30 days
- **Cost:** No cost
- **Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

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**Surgut, Khanty-Mansiysk Autonomous Okrug – Yugra**

Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await an approved estimate of connection costs, technical conditions and a contract for a connection**
- **Time:** 22 days
- **Cost:** RUB 1,055,600 - Average cost of an electricity connection for the assumed connection
- **Comments:** The following documents are required for a submission with an application for a connection:
  1. Filled out application template for an electricity connection
  2. Copy of the document confirming the ownership of the construction site and land plot

**Procedure 2. External site inspection required for preparation of technical conditions**
- **Time:** 14 days
- **Cost:** No cost
- **Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Receive an inspection of the completed works from the utility and obtain compliance documents**
- **Time:** 30 days
- **Cost:** RUB 82,500 - Cost of the design connection
- **Comments:** After the inspection and ensuring the design connection is signed, the utility notifies the customer and an inspection is required to obtain a permit for laying cables across a road.

**Procedure 4. Obtain excavation or right of way permits to lay cables across a road**
- **Time:** 30 days
- **Cost:** RUB 1,150,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
- **Comments:** Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 5. Complete connection works according to technical conditions**
- **Time:** 30 days
- **Cost:** RUB 1,150,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
- **Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 6. Receive an inspection of the completed works from the utility and obtain compliance documents**
- **Time:** 30 days
- **Cost:** No cost
- **Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

*This procedure can be completed simultaneously with previous procedures.*
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 30 days
**Cost:** No cost

Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 40 days
**Cost:** RUB 1,000,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)

Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

**Time:** 15 days
**Cost:** No cost

Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

**Time:** 23 days
**Cost:** No cost

Comments: The Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

**Time:** 26 days
**Cost:** No cost

Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of City Property, electricity supply company and other organizations.

**Procedure 8. Obtain an inspection and seal the meter**

**Time:** 30 days
**Cost:** RUB 1,059 - Cost of the meter inspection

Comments: The supply utility inspects and seals the meter.

**Procedure 9*. Conclude a supply contract and await supply of electricity**

**Time:** 7 days
**Cost:** No cost

Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

**Tver, Tver Oblast**

Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

**Time:** 15 days
**Cost:** RUB 1,851,500 [13,225 RUB*140 kW according to the decree of the Regional Energy Committee of Tver Region No. 565 of October 24, 2011]

Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations

Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the connection and obtain approvals**

**Time:** 38 days
**Cost:** RUB 112,500 - Cost of the connection design

Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

**Time:** 14 days
**Cost:** No cost

Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

**Time:** 14 days
**Cost:** RUB 700,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)

Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are
completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

Time: 3 days  
Cost: No cost  
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 30 days  
Cost: No cost  
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

Time: 16 days  
Cost: No cost  
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal the meter**

Time: 30 days  
Cost: RUB 1,500 - Cost of the meter inspection  
Comments: The utility inspects and seals the meter.

**Procedure 9. Conclude a supply contract and await supply of electricity**

Time: 10 days  
Cost: No cost  
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the utility sends an order to the distribution utility to turn on the electricity.

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**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

Time: 15 days  
Cost: RUB 995,960 (~7,114 RUB*/140 kW according to tariff schedule of Ulyanovsk Electrical Network Company)  
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2. Prepare design of the connection and obtain approvals**

Time: 45 days  
Cost: RUB 62,500 - Cost of the connection design  
Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**

Time: 18 days  
Cost: No cost  
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**

Time: 24 days  
Cost: RUB 950,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)  
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**

Time: 10 days  
Cost: No cost  
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**

Time: 5 days  
Cost: No cost  
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**

Time: 30 days  
Cost: No cost  
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 8. Receive an inspection and seal the meter**

Time: 7 days  
Cost: No cost  
Comments: The utility inspection and seals the meter.

**Procedure 9. Conclude a supply contract and await supply of electricity**

Time: 10 days  
Cost: No cost  
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the utility sends an order to turn on the electricity.

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**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**

Time: 23 days  
Cost: RUB 567,832 (~4,055.94 RUB*140kW according to the decree from March 24, 2008 N 272)  
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

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* This procedure can be completed simultaneously with previous procedures.
Procedure 2. Prepare design of the connection and obtain approvals  
**Time:** 37 days  
**Cost:** RUB 35,000 - Cost of the design connection  
**Comments:** Once the technical conditions are ready a customer hires a a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road  
**Time:** 3 days  
**Cost:** No cost  
**Comments:** Since it is assumed that the connection crosses a road before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions  
**Time:** 30 days  
**Cost:** RUB 750,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents  
**Time:** 7 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents  
**Time:** 7 days  
**Cost:** No cost  
**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer’s plan for operation and maintenance of electrical installation.

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection  
**Time:** 11 days  
**Cost:** No cost  
**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter  
**Time:** 3 days  
**Cost:** RUB 300 - Cost of the meter inspection  
**Comments:** The utility inspects and seals the meter.

Procedure 9*. Conclude a supply contract and await supply of electricity  
**Time:** 7 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

Vladivostok, Primorsky Krai  
Data as of: November 2011

Procedure 1. Submit an application for an electricity connection to the utility and await an approved estimate of connection costs, technical conditions and a contract for a connection  
**Time:** 30 days  
**Cost:** RUB 541,128 - Average cost of an electricity connection for the assumed connection  
**Comments:** The following documents are required for a submission with an application for a connection:  
1. Filled out application template for an electricity connection  
2. Copy of the document confirming the ownership of the construction site and land plot  
3. Map specifying location of electrical installations  
4. Table with load calculations  

For the assumed load (140 kW) the cost of connection is calculated on a case by case basis and approved at the Regional Energy Commission. Once the cost is approved and technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design of the connection and obtain approvals  
**Time:** 110 days  
**Cost:** RUB 225,000 - Cost of the design connection  
**Comments:** Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road  
**Time:** 7 days  
**Cost:** No cost  
**Comments:** Since it is assumed that the connection crosses a road before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions  
**Time:** 60 days  
**Cost:** RUB 1,848,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)  
**Comments:** The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents  
**Time:** 6 days  
**Cost:** No cost  
**Comments:** The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents  
**Time:** 8 days  
**Cost:** No cost  
**Comments:** Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer’s plan for operation and maintenance of electrical installation.

Procedure 7. Receive an inspection and seal the meter  
**Time:** 6 days  
**Cost:** No cost  
**Comments:** The supply utility inspects and seals the meter.

Procedure 8. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection  
**Time:** 17 days  
**Cost:** No cost  
**Comments:** The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 9. Conclude a supply contract and await supply of electricity  
**Time:** 16 days  
**Cost:** No cost  
**Comments:** After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract

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* This procedure can be completed simultaneously with previous procedures.
is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

**Volgograd, Volgograd Oblast**
Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**
Time: 30 days
Cost: RUB 888,462 [6,346.16 RUB•140 kW according to the Decree of Volgograd Region No 34/5 from December 17, 2010 No. 34/3]
Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations
Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

**Procedure 2*. External site inspection required for preparation of technical conditions**
Time: 14 days
Cost: No cost
Comments: The utility inspects the construction site. It is not required for a customer to be present during the inspection but in practice a customer or his representative is usually present during the inspection.

**Procedure 3. Prepare design of the connection and obtain approvals**
Time: 76 days
Cost: RUB 225,000 - Cost of the connection design
Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 4. Obtain excavation or right of way permits to lay cables across a road**
Time: 7 days
Cost: No cost
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 5. Complete connection works according to technical conditions**
Time: 45 days
Cost: RUB 1,350,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 6. Receive an inspection of the completed works from the utility and obtain compliance documents**
Time: 10 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 7. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**
Time: 10 days
Cost: No cost
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

**Procedure 8. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection**
Time: 10 days
Cost: No cost
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

**Procedure 9. Receive an inspection and seal the meter**
Time: 7 days
Cost: RUB 3,000 - Cost of the meter inspection
Comments: The utility inspects and seals the meter.

**Procedure 10. Conclude a supply contract and await supply of electricity**
Time: 10 days
Cost: No cost
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

**GETTING ELECTRICITY**

**Voronezh, Voronezh Oblast**
Data as of: November 2011

**Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection**
Time: 18 days
Cost: RUB 1,596,140 [11,401 RUB•140 kW according to the decree of the Department of Tariff Regulation of Voronezh region from March 18, 2011 N 10/6]
* This procedure can be completed simultaneously with previous procedures.

**Procedure 2. Prepare design of the connection and obtain approvals**
Time: 50 days
Cost: RUB 72,500 - Cost of the connection design
Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

**Procedure 3. Obtain excavation or right of way permits to lay cables across a road**
Time: 19 days
Cost: No cost
Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

**Procedure 4. Complete connection works according to technical conditions**
Time: 30 days
Cost: RUB 900,000 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)
Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

**Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents**
Time: 7 days
Cost: No cost
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

**Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents**
Time: 30 days
Cost: No cost
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design

* This procedure can be completed simultaneously with previous procedures.
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

### Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 days</td>
<td>No cost</td>
<td>The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.</td>
</tr>
</tbody>
</table>

### Procedure 8. Receive an inspection and seal the meter

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 days</td>
<td>RUB 2,500 - Cost of the meter inspection</td>
<td>The utility inspects and seals the meter.</td>
</tr>
</tbody>
</table>

### Procedure 9. Conclude a supply contract and await supply of electricity

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 days</td>
<td>No cost</td>
<td>After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.</td>
</tr>
</tbody>
</table>

**GETTING ELECTRICITY**

**Vyborg, Leningrad Oblast**

**Data as of:** November 2011

### Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 days</td>
<td>RUB 2,069,760 - 14,784 RUB*140 kW according to the decree of the Regional Energy Committee of Republic of Sakha (Yakutia) from August 16, 2011 N 78</td>
<td>The following documents are required for submission with an application for a connection: Filled out application template for an electricity connection.</td>
</tr>
</tbody>
</table>

### Procedure 2. Prepare design, obtain design approvals and complete connection works according to technical conditions

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 days</td>
<td>RUB 250,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)</td>
<td>The distribution utility prepares a design of the connection, obtains approvals and complete connection works according to technical conditions.</td>
</tr>
</tbody>
</table>

### Procedure 3. Obtain excavation or right of way permits to lay cables across a road

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 days</td>
<td>No cost</td>
<td>Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.</td>
</tr>
</tbody>
</table>

### Procedure 4. Complete connection works according to technical conditions

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 days</td>
<td>RUB 250,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)</td>
<td>The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.</td>
</tr>
</tbody>
</table>

### Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 days</td>
<td>No cost</td>
<td>The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.</td>
</tr>
</tbody>
</table>

### Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 days</td>
<td>No cost</td>
<td>Energy Inspectorate inspectors complete works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit: approved connection design technical documentation prepared by the electrical contractor information on the customer’s plan for operation and maintenance of electrical installation</td>
</tr>
</tbody>
</table>

### Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 days</td>
<td>No cost</td>
<td>The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.</td>
</tr>
</tbody>
</table>

### Procedure 8. Receive an inspection and seal the meter

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 days</td>
<td>RUB 10,000 - Cost of the meter inspection</td>
<td>The supply utility inspects and seals the meter.</td>
</tr>
</tbody>
</table>

### Procedure 9*. Conclude a supply contract and await supply of electricity

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 days</td>
<td>No cost</td>
<td>After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.</td>
</tr>
</tbody>
</table>

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* This procedure can be completed simultaneously with previous procedures.
Procedure 1. Submit an application for an electricity connection to the utility and await technical conditions and a contract for a connection

Time: 22 days
Cost: RUB 1,610,000 - 11,500 RUB * 140 kW * 11.500 RUB according to the decree of the Department of Fuels, Energy and Regulation of Tariffs of Yaroslavl Oblast from 14.02.2011 No. 71

Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations

Once technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design of the connection and obtain approvals

Time: 58 days
Cost: RUB 80,000 - Cost of the connection design

Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road

Time: 7 days
Cost: No cost

Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions

Time: 20 days
Cost: RUB 435,000 - Cost of materials and labor (the connection involves laying 150 meters of low voltage cable)

Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents

Time: 10 days
Cost: No cost

Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents

Time: 9 days
Cost: No cost

Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:
- approved connection design
- technical documentation prepared by the electrical contractor
- information on the customer’s plan for operation and maintenance of electrical installation

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection

Time: 6 days
Cost: No cost

Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter

Time: 2 days
Cost: RUB 11,872 - Cost of the meter inspection

Comments: The utility inspects and seals the meter.

* This procedure can be completed simultaneously with previous procedures.

Procedure 9. Conclude a supply contract and await supply of electricity

Time: 12 days

Cost: No cost

Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

GETTING ELECTRICITY

Yaroslavl, Yaroslavl Oblast

Data as of: November 2011

Procedure 1. Submit an application for an electricity connection to the utility and await an approved estimate of connection costs, technical conditions, and a contract for a connection

Time: 68 days
Cost: RUB 370,000 - Average cost of an electricity connection for the assumed connection

Comments: The following documents are required for a submission with an application for a connection:
1. Filled out application template for an electricity connection
2. Copy of the document confirming the ownership of the construction site and land plot
3. Map specifying location of electrical installations
4. Table with load calculations

For the assumed load (140 kW) the cost of connection is calculated on a case by case basis and approved at the Regional Energy Commission. Once the cost is approved and technical conditions are ready, the utility notifies the customer and a connection contract is signed.

Procedure 2. Prepare design of the connection and obtain approvals

Time: 134 days
Cost: RUB 145,000 - Cost of the design connection

Comments: Once the technical conditions are ready a customer hires a design company which prepares design of the connection. After preparation of the project the design company approves the design at the utility, Department of Architecture and other organizations.

Procedure 3. Obtain excavation or right of way permits to lay cables across a road

Time: 30 days
Cost: No cost

Comments: Since it is assumed that the connection crosses a road, before connection works can start it is required to obtain a permit for laying cables across a road.

Procedure 4. Complete connection works according to technical conditions

Time: 90 days
Cost: RUB 689,444 - Cost of materials and labor (installation of a transformer and laying of 150 meters of medium voltage cable)

Comments: The customer hires an electrical contractor to complete connection works according to technical conditions. After the works are completed the electrical contractor prepares technical documents which specify tests and characteristics of the electrical installation.

Procedure 5. Receive an inspection of the completed works from the utility and obtain compliance documents

Time: 7 days
Cost: No cost

Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the distribution utility to turn on the electricity.

* This procedure can be completed simultaneously with previous procedures.
Time: 4 days  
Cost: No cost  
Comments: The distribution utility inspects the completed works and issues a document certifying that the works were completed according to technical conditions.

Procedure 6*. Receive an inspection of the completed works from the Energy Inspectorate and obtain compliance documents  
Time: 15 days  
Cost: No cost  
Comments: Energy Inspectorate inspects completed works and checks technical documentation prepared by the electrical contractor. After the inspection the Energy inspectorate issues a permit for operation. The following documents are required for preparation of the operation permit:  
- approved connection design  
- technical documentation prepared by the electrical contractor  
- information on the customer’s plan for operation and maintenance of electrical installation

Check the documents for completeness and submit them for approval by the electrical inspector. After the inspection is completed the Energy Inspectorate issues a permit for operation.

Procedure 7. Obtain a document describing the division of ownership and responsibilities for maintenance of the connection and await physical connection  
Time: 10 days  
Cost: No cost  
Comments: The distribution utility prepares a document describing the division of ownership and responsibilities for maintenance of the connection and carries out activities related to the physical connection of equipment. At this stage the customer is required to sign several technical documents.

Procedure 8. Receive an inspection and seal the meter  
Time: 2 days  
Cost: No cost  
Comments: The utility inspects and seals the meter.

Procedure 9. Conclude a supply contract and await supply of electricity  
Time: 10 days  
Cost: No cost  
Comments: After all inspections are completed the customer submits documents required for conclusion of an electricity supply contract. After the contract is signed the supply utility sends an order to the customer to sign the deal and are obtained from the Federal Tax Service.

LIST OF PROCEDURES

REGISTERING PROPERTY

Irkutsk, Irkutsk Oblast

Property value: RUB 15,333,527 (US$ 495,500)  
Data as of: November 2011

Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions  
Time: 4 days  
Cost: RUB 400 - RUB 200 for each excerpt (land and building)

Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service  
Time: 1 day  
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)  
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography  
Time: 30 days  
Cost: RUB 45,000 - RUB 15,000 for a building, and RUB 15,000 for a land plot, and RUB 15,000 for a real estate agreement  
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:  
- Purchase agreement.  
- Cadastral passport of the building (if necessary).  
- Cadastral passport of the land plot (if necessary).  
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.  
- Document confirming the identity of the applicant.  
- Corporate documents of the legal entity.  
- Documents confirming the state registration of the legal entity.  
- Application from the legal entity on the state registration of real estate rights and transactions  
- Seller’s title for the real estate.  
- Document confirming payment of state duties. In practice, in addition to registration fees for the building and the land plot, the agreement is also registered with a cost of 15,000 rubles.

REGISTERING PROPERTY

Kaliningrad, Kaliningrad Oblast

Property value: RUB 15,333,527 (US$ 495,500)  
Data as of: November 2011

Procedure 1. Seller obtains a cadastral passport for a building in the Bureau of Technical Inventory  
Time: 15 days  
Cost: RUB 49,500  
Comments: Since March 2010 (No. 122-FZ, article 33, p. 10) the requirement to submit a cadastral passport of the building was abolished if documents describing the real estate (such as technical passport for the building) were filed in Rosreestr. To get a new cadastral passport it is sometimes necessary to have technical inventorization. In practice, a cadastral passport for a building is obtained.

Procedure 2*. Seller obtains a cadastral passport for the land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)  
Time: 5 days  
Cost: RUB 600  
Comments: Since March 1, 2010 (No. 122-FZ, article 19, p. 1) a request to submit a cadastral passport of the land plot was abolished in case if a cadastral passport of the land plot has been filed in Rosreestr, but it is still done in practice.

Procedure 3*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions  
Time: 4 days  
Cost: RUB 400 - RUB 200 for each excerpt (land and building)  
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 4*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service  
Time: 1 day  
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)  
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography  
Time: 12 days  
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:  
- Purchase agreement.  
- Cadastral passport of the building (if necessary).  
- Cadastral passport of the land plot (if necessary).  
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.  
- Document confirming the identity of the applicant.  
- Corporate documents of the legal entity.  
- Documents confirming the state registration of the legal entity.  
- Application from the legal entity on the state registration of real estate rights and transactions  
- Seller’s title for the real estate.  
- Document confirming payment of state duties.

Kaluga, Kaluga Oblast

Property value: RUB 15,333,527 (US$ 495,500)  
Data as of: November 2011

Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions  
Time: 5 days  
Cost: RUB 400 - RUB 200 for each excerpt (land and building)  
Comments: Since March 1, 2010 (No. 122-FZ, article 19, p. 1) a request to submit a cadastral passport of the land plot was abolished in case if a cadastral passport of the land plot has been filed in Rosreestr, but it is still done in practice.
**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

- **Time**: 2 days
- **Cost**: RUB 800 - RUB 400 for each excerpt (expedited rate)
- **Comments**: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

- **Time**: 30 days
- **Cost**: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot
- **Comments**: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:
  a) Purchase agreement.
  b) Cadastral passport of the building (if necessary).
  c) Cadastral passport of the land plot (if necessary).
  d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
  e) Document confirming the identity of the applicant.
  f) Corporate documents of the legal entity.
  g) Documents confirming the state registration of the legal entity.
  h) Application from the legal entity on the state registration of real estate rights and transactions.
  i) Seller’s title for the real estate.
  j) Document confirming payment of state duties.

**REGISTRATION PROPERTY**

**Kazan, Republic of Tatarstan**

- **Property value**: RUB 15,333,527 (US$ 495,500)
- **Data as of**: November 2011

**Procedure 1. Seller obtains a cadastral passport for a building in the Bureau of Technical Inventory**

- **Time**: 14 days
- **Cost**: RUB 900

**Procedure 2*. Seller obtains a cadastral passport for the land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)**

- **Time**: 14 days
- **Cost**: RUB 600

**Procedure 3*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

- **Time**: 1 day
- **Cost**: RUB 400 - RUB 200 for each excerpt (land and building)
- **Comments**: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 4*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

- **Time**: 2 days
- **Cost**: RUB 800 - RUB 400 for each excerpt (expedited rate)
- **Comments**: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

- **Time**: 30 days
- **Cost**: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot
- **Comments**: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:
  a) Purchase agreement.
  b) Cadastral passport of the building (if necessary).
  c) Cadastral passport of the land plot (if necessary).
  d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
  e) Document confirming the identity of the applicant.
  f) Corporate documents of the legal entity.
  g) Documents confirming the state registration of the legal entity.
  h) Application from the legal entity on the state registration of real estate rights and transactions.
  i) Seller’s title for the real estate.
  j) Document confirming payment of state duties.

**REGISTRATION PROPERTY**

**Khabarovsk, Khabarovsk Kray**

- **Property value**: RUB 15,333,527 (US$ 495,500)
- **Data as of**: November 2011

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

- **Time**: 3 days
- **Cost**: RUB 400 - RUB 200 for each excerpt (land and building)
- **Comments**: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

- **Time**: 10 days
- **Cost**: RUB 45,000 - RUB 15,000 for a building, and RUB 15,000 for a land plot, and RUB 15,000 for a real estate agreement
- **Comments**: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:
  a) Purchase agreement.
  b) Cadastral passport of the building (if necessary).

*This procedure can be completed simultaneously with previous procedures.*
c) Cadastral passport of the land plot (if necessary).

d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.

e) Document confirming the identity of the applicant.

f) Corporate documents of the legal entity.

g) Documents confirming the state registration of the legal entity.

h) Application from the legal entity on the state registration of real estate rights and transactions.

i) Seller’s title for the real estate.

ej) Document confirming payment of state duties.

REGISTRATION PROPERTY

**Kirov, Kirov Oblast**

Property value: RUB 15,333,527 (US$ 495,500)

Data as of: November 2011

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 5 days

**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)

**Comments:** The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

**Time:** 2 days

**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate)

**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3*. Seller and buyer notarize their corporate documents**

**Time:** 1 day

**Cost:** RUB 1,000 - RUB 500 for each charter

**Comments:** In accordance with federal law (N122-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

**Procedure 4. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days

**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

**Comments:** The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

a) Purchase agreement.

b) Cadastral passport of the building (if necessary).

c) Cadastral passport of the land plot (if necessary).

d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.

e) Document confirming the identity of the applicant.

f) Corporate documents of the legal entity.

g) Documents confirming the state registration of the legal entity.

h) Application from the legal entity on the state registration of real estate rights and transactions.

i) Seller’s title for the real estate.

j) Document confirming payment of state duties.

**DOING BUSINESS IN RUSSIA 2012**

- Costs and times are estimates and may vary.
- The FAS must be notified about the purchase of real estate property by the buyer if the aggregate assets value, according to the latest financial statements of the buyer and the seller, or their aggregate proceeds from the sale of products (works, services) for the calendar year preceding the year of acquisition of real estate property or other actions, exceeds two hundred million rubles (currently approximately US$5.6 mln); and, at the same time, the aggregate assets’ value according to the latest financial statements of the seller (group of the seller) exceeds thirty million rubles (currently approximately US$0.8 mln).

The antimonopoly permission is not necessary for the state registration of the transfer of title to the property in Procedure 6, but its absence may lead to recognizing the transaction as void.

**NOTE:** Due to the recent changes in the Russian antimonopoly legislation, such would normally apply to major transactions and would not be necessary for small and medium transactions such as the one described in this case study. It would take about one month and cost the equivalent of 100 minimum wages.

The documentation shall include:

a) Application (standard form)

b) Other documents specified in the governmental regulations.

**Procedure 2: Seller obtains the extracts from the Unified State Register of Real Estate Property**

**Time:** 7 days

**Cost:** RUB 600

**Comments:** A non-encumbrance certificate on the property must be obtained from the Unified State Register of Real Estate Property maintained by the State Registration Department of Rights to the Real Estate Property. The cost of the extract is RUB 100 for individuals and RUB 300 for legal entities.

**Procedure 3: Obtain an extract from the Unified State Register of Legal Entities containing the information about the seller**

**Time:** 7 days

**Cost:** RUB 400

**Comments:** Legal entities must obtain extracts from the Unified State Register of Legal Entities. Although Russian legislation does not establish the term of validity for the extracts, in practice most state authorities accept the extracts issued not earlier than 30 days before their submission to the respective state authority.

**Procedure 4: Notarization of corporate documents by seller and buyer**

**Time:** 2 days

**Cost:** RUB 500

**Comments:** The seller should obtain notarized copies of the certificate on state registration of ownership title on the building as well as the certificate of ownership. The buyer and seller should obtain notarized copies of the certificate of LLC state registration, the charter, the foundation agreement, the certificate on individual taxpayer numbers, and the informational letter of State Committee on Statistics. Notarization costs about 500 RUR for each document (RUB 10 per page) with a state notary, whatever rates are established by a private notary.

The documentation shall include:

a) Certificate on state registration of ownership title

*This procedure can be completed simultaneously with previous procedures.*
title to the building and certificate on state registration of ownership title to the land plot (Obtained in Procedure 3).

b) Certificate of LLC state registration, the charter, the foundation agreement, the certificate on individual number of a taxpayer, and the informational letter of state commissi
tee on statistics (must be in possession of the buyer and seller).

Procedure 5: Apply for state registration of title transfer in the Unified State Register of Rights to Real Estate

Time: 30 days
Cost: RUB 30,000
Comments: Starting from 30 December 2008, state registration is carried out by the Federal Service of State Registration, Cadastre and Cartography (Rosreestr) and its departments in the constituent territories of the Russian Federation where the respective real estate property is located. In addition to the documents obtained in accordance with procedures 1-3, duly authorized representatives of the seller and the buyer must submit to the Moscow department of Rosreestr:

a) Applications (standard form);
b) Payment order(s) confirming payment of the state registration duty by the buyer;
c) Title documents and ownership certificates of the seller in respect of each property;
d) Corporate approvals of the sale and purchase transaction (if necessary in accordance with the Russian law and corporate documents of the parties);
e) 3 originals of the executed sale and purchase agreement.

State registration of the title transfer will include the following actions of Rosreestr:

a) Receipt of the documents from the parties;
b) Legal due diligence of the documents and of the validity of the transaction;
c) Determination of absence of contradictions between rights to be state registered and rights that have already been registered well as any other grounds for refusal or suspension of state registration;
d) Making of entries in the Unified State Register of Rights to Real Estate and Transactions Therewith;
and
e) Placing of registration stamps on the sale and purchase agreement and issue of ownership certificates.

The statutory term of state registration of any right and transaction is one month from date of the application and documents submission to Rosreestr. Departments of Rosreestr in different regions may issue orders establishing shorter terms of state registration of rights and transactions with certain property. In Moscow the term of state registration of title transfer is one month for non-residential property and 12 days for residential property.

REGISTRATION PROPERTY

<table>
<thead>
<tr>
<th>Murmansk, Murmansk Oblast</th>
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<tbody>
<tr>
<td>Property value: RUB 15,333,527 (US$ 495,500)</td>
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<tr>
<td>Data as of: November 2011</td>
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</tbody>
</table>

Procedure 1. Seller obtains a cadastral passport for the land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)

Time: 5 days
Cost: RUB 600
Comments: Since March 1, 2010 (No. 122-FZ, article 19, p. 1) a request to submit a cadastral passport of the land plot was abolished in case if a cadastral passport of the land plot has been filed in Rosreestr, but it is still done in practice.

Procedure 2*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions

Time: 1 day
Cost: RUB 400 - RUB 200 for each excerpt (land and building)
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 3*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 2 days
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 4*. Seller and buyer notarize their corporate documents

Time: 1 day
Cost: RUB 1,000 - RUB 500 for each charter
Comments: In accordance with federal law (N122-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

a) Purchase agreement.
b) Cadastral passport of the building (if necessary).
c) Cadastral passport of the land plot (if necessary).
d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
e) Document confirming the identity of the applicant.

Procedure 5*: Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

* This procedure can be completed simultaneously with previous procedures.
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of the building and the land plot.

**REGISTERING PROPERTY**

<table>
<thead>
<tr>
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<td>Perm, Perm Kray</td>
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**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

Time: 5 days  
Cost: RUB 400 - RUB 200 for each excerpt (land and building)  
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2. Seller obtains excerpts for the Federal Service of State Registration, Cadastre and Cartography**

Time: 2 days  
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)  
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and land plot at the Federal Service of State Registration, Cadastre and Cartography**

Time: 30 days  
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of the building and the land plot.

**REGISTERING PROPERTY**

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<tr>
<td>Omsk, Omsk Oblast</td>
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**Procedure 1. Seller obtains excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

Time: 1 day  
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)  
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 4. Register the transfer of rights for the building and land plot at the Federal Service of State Registration, Cadastre and Cartography**

Time: 30 days  
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of the building and the land plot.
- Seller’s title for the real estate.
- Document confirming payment of state duties.

**REGISTERING PROPERTY**

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**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

Time: 6 days  
Cost: RUB 400 - RUB 200 for each excerpt (land and building)  
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

Time: 2 days  
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)  
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and land plot at the Federal Service of State Registration, Cadastre and Cartography**

Time: 30 days  
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of the building and the land plot.
- Seller’s title for the real estate.
- Document confirming payment of state duties.

**REGISTERING PROPERTY**

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<tbody>
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<td>Petrozavodsk, Republic of Karelia</td>
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*This procedure can be completed simultaneously with previous procedures.*
**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days  
**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
**Comments:** The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.  
- Cadastral passport of the building (if necessary).  
- Cadastral passport of the land plot (if necessary).  
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.  
- Document confirming the identity of the applicant.  
- Corporate documents of the legal entity.  
- Documents confirming the state registration of the legal entity.  
- Application from the legal entity on the state registration of real estate rights and transactions.  
- Seller's title for the real estate.  
- Document confirming payment of state duties.

**REGISTERING PROPERTY**

**Saint-Petersburg**

*Property value: RUB 15,333,527 (US$ 495,500)*  
*Data as of: November 2011*

**Procedure 1. Seller obtains excerpts for the building and land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)**

**Time:** 14 days  
**Cost:** RUB 600  
**Comments:** Since March 1, 2010 (No. 122-FZ, article 19, p. 1) a request to submit a cadastral passport of the land plot was abolished in case if a cadastral passport of the land plot has been filed in Rosreestr, but it is still done in practice.

**Procedure 2*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 1 day  
**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)  
**Comments:** The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 3*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

**Time:** 1 day  
**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate; regular cost RUB 200 and 5 days)  
**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 4*. Seller and buyer notarize their corporate documents**

**Time:** 1 day  
**Cost:** RUB 1,000 - RUB 500 for each charter  
**Comments:** In accordance with federal law (N122-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

**Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days  
**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
**Comments:** In accordance with federal law (N122-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

**Procedure 3*. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days  
**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
**Comments:** The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.  
- Cadastral passport of the building (if necessary).  
- Cadastral passport of the land plot (if necessary).  
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.  
- Document confirming the identity of the applicant.  
- Corporate documents of the legal entity.  
- Documents confirming the state registration of the legal entity.  
- Application from the legal entity on the state registration of real estate rights and transactions.  
- Seller’s title for the real estate.  
- Document confirming payment of state duties.

**REGISTERING PROPERTY**

**Samara, Samara Oblast**

*Property value: RUB 15,333,527 (US$ 495,500)*  
*Data as of: November 2011*

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 5 days  
**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)  
**Comments:** The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

**Time:** 2 days  
**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate)  
**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days  
**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot  
**Comments:** The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.  
- Cadastral passport of the building (if necessary).  
- Cadastral passport of the land plot (if necessary).  
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.  
- Document confirming the identity of the applicant.  
- Corporate documents of the legal entity.  
- Documents confirming the state registration of the legal entity.  
- Application from the legal entity on the state registration of real estate rights and transactions.  
- Seller’s title for the real estate.  
- Document confirming payment of state duties.

* This procedure can be completed simultaneously with previous procedures.
d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.

e) Document confirming the identity of the applicant.

f) Corporate documents of the legal entity.

g) Documents confirming the state registration of the legal entity.

h) Application from the legal entity on the state registration of real estate rights and transactions.

i) Seller’s title for the real estate.

j) Document confirming payment of state duties.

REGISTRATION PROPERTY

Stavropol, Stavropol Kray

Property value: RUB 15,333,527 (US$ 495,500)

Data as of: November 2011

Procedure 1. Seller obtains a cadastral passport for the land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)

Time: 1 day

Cost: RUB 400

Procedure 2*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions

Time: 14 days

Cost: RUB 600

Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 3*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 30 days

Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

Procedure 4. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 14 days

Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days

Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

Property: RUB 15,333,527 (US$ 495,500)

Data as of: November 2011

Procedure 1. Seller obtains a cadastral passport for the land plot at the Federal Service of State Registration, Cadastre and Cartography (Rosreestr)

Time: 3 days

Cost: RUB 600

Comments: Since March 1, 2010 (No. 122-FZ, article 19, p. 1) a request to submit a cadastral passport of the land plot was abolished in case if a cadastral passport of the land plot has been filed in Rosreestr, but it is still done in practice.

Procedure 2*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions

Time: 5 days

Cost: RUB 400 - RUB 200 for each excerpt (land and building)

Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 3*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 1 day

Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)

Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 4*. Seller and buyer notarize their corporate documents

Time: 1 day

Cost: RUB 1,000 - RUB 500 for each charter

Comments: In accordance with federal law (N112-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

Procedure 5. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days

Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

Property: RUB 15,333,527 (US$ 495,500)

Data as of: November 2011

* This procedure can be completed simultaneously with previous procedures.
i) Seller’s title for the real estate.
j) Document confirming payment of state duties.

**REGISTERING PROPERTY**

**Tver, Tver Oblast**

Property value: RUB 15,333,527 (US$ 495,500)
Data as of: November 2011

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

Time: 5 days
Cost: RUB 400 - RUB 200 for each excerpt (land and building)

Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

Time: 3 days
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)

Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- a) Purchase agreement.
- b) Cadastral passport of the building (if necessary).
- c) Cadastral passport of the land plot (if necessary).
- d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- e) Document confirming the identity of the applicant.
- f) Corporate documents of the legal entity.
- g) Documents confirming the state registration of the legal entity.
- h) Application from the legal entity on the state registration of real estate rights and transactions.
- i) Seller’s title for the real estate.
- j) Document confirming payment of state duties.

**REGISTERING PROPERTY**

**Vladivostok, Primorsky Krai**

Property value: RUB 15,333,527 (US$ 495,500)
Data as of: November 2011

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

Time: 1 day
Cost: RUB 400 - RUB 200 for each excerpt (land and building)

Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

Time: 3 days
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)

Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- a) Purchase agreement.
- b) Cadastral passport of the building (if necessary).
- c) Cadastral passport of the land plot (if necessary).
- d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- e) Document confirming the identity of the applicant.
- f) Corporate documents of the legal entity.
- g) Documents confirming the state registration of the legal entity.
- h) Application from the legal entity on the state registration of real estate rights and transactions.
- i) Seller’s title for the real estate.
- j) Document confirming payment of state duties.

*This procedure can be completed simultaneously with previous procedures.*
building and a land plot the following documents must be provided:

a) Purchase agreement.
b) Cadastral passport of the building (if necessary).
c) Cadastral passport of the land plot (if necessary).
d) Documents confirming the authority of the applicant to act on behalf of the legal entity without power of attorney.
e) Document confirming the identity of the applicant.
f) Corporate documents of the legal entity.
g) Documents confirming the state registration of the legal entity.
h) Application from the legal entity on the state registration of real estate rights and transactions.
i) Seller’s title for the real estate.
j) Document confirming payment of state duties.

**REGISTERING PROPERTY**

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<tr>
<th>Volgograd, Volgograd Oblast</th>
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<tr>
<td>Property value: RUB 15,333,527 (US$ 495,500)</td>
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<td>Data as of: November 2011</td>
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**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 3 days

**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)

**Comments:** The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

**Time:** 2 days

**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate)

**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 30 days

**Cost:** RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot

**Comments:** The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

a) Purchase agreement.
b) Cadastral passport of the building (if necessary).
c) Cadastral passport of the land plot (if necessary).
d) Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
e) Document confirming the identity of the applicant.
f) Corporate documents of the legal entity.
g) Documents confirming the state registration of the legal entity.
h) Application from the legal entity on the state registration of real estate rights and transactions.
i) Seller’s title for the real estate.
j) Document confirming payment of state duties.

**REGISTERING PROPERTY**

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<thead>
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<th>Voronezh, Voronezh Oblast</th>
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<tr>
<td>Property value: RUB 15,333,527 (US$ 495,500)</td>
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<td>Data as of: November 2011</td>
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</table>

**Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 5 days

**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)

**Comments:** The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

**Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service**

**Time:** 2 days

**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate)

**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography**

**Time:** 3 days

**Cost:** RUB 800 - RUB 400 for each excerpt (expedited rate)

**Comments:** Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

**REGISTERING PROPERTY**

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<tr>
<th>Yakutsk, Republic of Sakha – Yakutia</th>
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<tr>
<td>Property value: RUB 15,333,527 (US$ 495,500)</td>
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<td>Data as of: November 2011</td>
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</tbody>
</table>

**Procedure 1. Seller obtains a cadastral passport for a building in the Bureau of Technical Inventory**

**Time:** 30 days

**Cost:** RUB 30,000

**Comments:** Since March 2010 (No. 122-FZ, article 33, p. 10) the requirement to submit a cadastral passport of the building was abolished if documents describing the real estate (such as technical passport for the building) were filed in Rosreestr. To get a new cadastral passport it is sometimes necessary to have technical inventory. In practice, a cadastral passport for a building is obtained.

**Procedure 2*. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions**

**Time:** 1 day

**Cost:** RUB 400 - RUB 200 for each excerpt (land and building)

* This procedure can be completed simultaneously with previous procedures.
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 3*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 1 day
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 4. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of real estate rights and transactions.
- Seller’s title for the real estate.
- Document confirming payment of state duties.

REGISTERING PROPERTY

Yaroslavl, Yaroslavl Oblast
Property value: RUB 15,333,527 (US$ 495,500)
Data as of: November 2011

Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions

Time: 5 days
Cost: RUB 400 - RUB 200 for each excerpt (land and building)
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 7 days
Cost: No cost (free for legal entities)
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 3. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days
Cost: RUB 30,000 - 15,000 for a building and RUB 15,000 for a land plot
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of real estate rights and transactions.
- Seller’s title for the real estate.
- Document confirming payment of state duties.

In Yaroslavl excerpts from the Unified State Register of Legal Entities can be submitted to Rosreestr after the application has been submitted. Therefore applicants in Yaroslavl obtain the excerpts from the Unified State Register of Legal Entities free of charge during 5 work days.

REGISTERING PROPERTY

Yekaterinburg, Sverdlovsk Oblast
Property value: none (US$ 0)
Data as of: November 2011

Procedure 1. Seller obtains excerpts for the building and land plot from the Unified State Register of Real Estate Rights and Transactions

Time: 5 days
Cost: RUB 400 - RUB 200 for each excerpt (land and building)
Comments: The excerpt is used by the buyer to confirm rights and encumbrances for a real estate object.

Procedure 2*. Obtain excerpts from the Unified State Register of Legal Entities with information about seller and buyer at the Federal Tax Service

Time: 2 days
Cost: RUB 800 - RUB 400 for each excerpt (expedited rate)
Comments: Excerpts confirm the right of parties to sign the deal and are obtained from the Federal Tax Service which manages the Unified State Register of Legal Entities.

Procedure 3*. Seller and buyer notarize their corporate documents

Time: 1 day
Cost: RUB 1,000 - RUB 500 for each charter
Comments: In accordance with federal law (N122-FZ, article 16) for state registration of real estate rights, originals of corporate documents or notarized copies must be submitted. In practice applicants sometimes provide originals or sometimes notarized copies of corporate documents.

Procedure 4. Register the transfer of rights for the building and the land plot at the Federal Service of State Registration, Cadastre and Cartography

Time: 30 days
Cost: RUB 30,000 - RUB 15,000 for a building and RUB 15,000 for a land plot
Comments: The Rosreestr has been in operation since March 2009. To register the transfer of rights for a building and a land plot the following documents must be provided:

- Purchase agreement.
- Cadastral passport of the building (if necessary).
- Cadastral passport of the land plot (if necessary).
- Documents confirming the authority of the applicant to act on behalf of the legal entities without power of attorney.
- Document confirming the identity of the applicant.
- Corporate documents of the legal entity.
- Documents confirming the state registration of the legal entity.
- Application from the legal entity on the state registration of real estate rights and transactions.
- Seller’s title for the real estate.
- Document confirming payment of state duties.

In Yaroslavl excerpts from the Unified State Register of Legal Entities can be submitted to Rosreestr after the application has been submitted. Therefore applicants in Yaroslavl obtain the excerpts from the Unified State Register of Legal Entities free of charge during 5 work days.

* This procedure can be completed simultaneously with previous procedures.
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