The Government of the Russian Federation hereby resolves:

1. To approve the enclosed Rules for Granting Budgetary Subsidies for the Implementation of Highly Effective Contracts on the Output and on the Delivery of Products, Including for the Export.

2. The Ministry of Economy of the Russian Federation shall be obliged:
   - to organize the holding of tenders on granting budgetary subsidies for the implementation of highly effective contracts on the output and on the delivery of products, including for the export;
   - to set up a commission for the holding of tenders on granting budgetary subsidies for the implementation of highly effective contracts on the output and on the delivery of products, including for the export; to approve the regulations on the said commission and to determine its composition.

3. The Ministry of Finance of the Russian Federation and the Ministry of Economy of the Russian Federation shall elaborate and approve the model agreement on granting budgetary subsidies, concluded between the Ministry of Finance of the Russian Federation and the organization, which has won the tender, mentioned in Item 2 of the present Decision.

Acting Chairman
of the Government
of the Russian Federation

S. Stepashin

Rules
on Granting Budgetary Subsidies for the Implementation
of Highly Effective Contracts on the Output and on
the Delivery of Products, Including for the Export
(approved by the Decision of the Government of
the Russian Federation No. 538 of May 15, 1999)

1. The present Rules shall define the procedure for granting, in conformity with Article 55 of the Federal Law on the Federal Budget for 1999, the budgetary funds for rendering support to the export of high-tech products in order to implement the contracts and, in conformity with Article 132 of this Law, the budgetary subsidies for the implementation of highly effective contracts on the output and on the delivery of products, including for the export (hereinafter in the text referred to as the contracts).

2. The budgetary funds, mentioned in Item 1 of the present Rules, shall be granted to the organizations, which have concluded the contracts, on the returnable, time-based and commercial principle, with the payment of an interest for the use of the funds in the amount of one-third of the refunding rate of the Central Bank of the Russian Federation, operating on the day of enforcement of the Federal Law on the Federal Budget for the corresponding year.

3. The tender of the contracts, submitted for consideration, shall be held by the Commission on Holding Tenders on Granting Budgetary Subsidies for the Implementation of Highly Effective Contracts on the Output and on the Delivery of Products, Including for the Export, set up under the Ministry of Economy of the Russian Federation.

4. The organization shall submit to the Ministry of Economy of the Russian Federation the following documents in three copies (if the export contracts come under consideration - then in four copies):
   1) an application for the participation in the tender (made out on the blank form of the organization), with an indication of the required amount of the budgetary funds, of the term of the use
and of the purpose, as well as of the supposed security;

Decision of the Government of the Russian Federation No. 731 of October 3, 2002 amended Subitem 2 of Item 4 of these Rules
See the previous text of the Subitem

2) the notarially certified copies of the constituent documents and of the document confirming the fact of making an entry on the legal entity to the Unified State Register of Legal Entities;
3) the accounting balance sheets of the organization and the Appendices to them (with an interpretation of the stale debit indebtedness) for two preceding years and for the past quarters of the current year, which shall bear the mark, made by the tax inspection;
4) a copy of the regulations on the internal accounting policy;
5) the excerpts from the banks, servicing the organization, on the movement of the funds on the currency and on the settlement accounts - for the last six months;
6) a reference note on the current indebtedness by the credits to the banks, with an indication of the purposes of the crediting, of the security, of the term of the payment of an interest and of the procedure for the repayment of the principal debt;
7) a reference note from the corresponding territorial bodies of the federal treasury, confirming the absence of a stale indebtedness by the funds, granted from the federal budget at an earlier date on the returnable principle, and by an interest on these funds, as well as a reference note on the absence of an indebtedness by the payments to the state social extra-budgetary funds;
8) the list of the principal buyers of the products and of the principal deliverers of raw materials on the contracts, submitted for the tender;
9) the copies of contracts on the purchase of raw materials and on the delivery of the products, financed at the expense of the requested budgetary funds;
10) a guarantee letter from the surety (the guarantor) - the subject of the Russian Federation;
11) the actual indices of the volume of the realized products, including for the export, for two preceding years (expressed in kind and in money) and for the past quarters of the current year by the given kind of products;
12) the technical and economic substantiation of the feasibility of allocating a budgetary subsidy in accordance with the Appendix;
13) letters of recommendation from the executive power bodies of the subjects of the Russian Federation and from the banks, servicing the organization;
14) a copy of the auditor's conclusion on the organization's activity by the results of the last accounting year;
15) the copies of the contracts, guaranteeing the sale of the products, earmarked for the output, and the payment for these within the term, fixed for the return of the granted funds, with the enclosure of a reference note on the buyers' solvency;
16) the notarially certified copies of the licenses and the permits, which are necessary for the organization to perform its activity.

5. In the course of the preparations for the tender, the Ministry of Economy of the Russian Federation shall assess the financial situation of the organization in question and the solvency of the consumers of the products, and shall carry out an analysis of the current situation on the market of the products, proposed for the output, in the context of their competitiveness both on the external and on the internal market, and of the extent of their technological readiness.

6. The Commission shall hold the tender, proceeding from the correspondence of the proposed contract to the basic lines of the state economic and investment policy. The principal criterion for selecting the contracts shall be the index of the budgetary effectiveness, defined as the ratio of the increment of the summed up amount of the tax incomings and of the obligatory payments to the sum of the budgetary funds for the implementation of the contract.

7. Not admitted to taking part in the tender shall be the following organizations: those at the stage of reorganization, liquidation or bankruptcy, or those legally restricted in conformity with the legislation of the Russian Federation;
- those which have supplied some false information about themselves;
- those which have failed to present the necessary documents, and those which have committed violations of the demands, laid down by the present Rules;
- those with a stale indebtedness by the returnable funds, granted at the expense of the federal budget at an earlier date, and by the payment of an interest for the use of these funds upon the presentation of the federal treasury bodies of the Ministry of Finance of the Russian Federation.

8. By the results of the tender shall be formalized the protocol of the session of the Commission on the allocation or on the well-substantiated refusal to allocate the budgetary funds to the organization in question.

The Ministry of Economy of the Russian Federation shall forward to the Ministry of Finance of the Russian Federation the list of the subsidy receivers, approved by the Commission, together with the draft agreement on granting the budgetary funds, made out in accordance with the established form, in three copies, as well as the documents, which shall be submitted by the organization in conformity with Item 4 of the present Rules.

9. The Ministry of Finance of the Russian Federation shall conclude agreements on granting the budgetary funds with the organizations, which have emerged the tender winners. The funds shall be transferred to these organizations via the federal treasury bodies of the Ministry of Finance of the Russian Federation.

10. The Ministry of Finance of the Russian Federation, in coordination with the Ministry of Economy of the Russian Federation, shall grant the budgetary funds in conformity with the Decisions of the Government of the Russian Federation, adopted before the present Rules were put into operation.

Appendix to the Rules on Granting Budgetary Subsidies for the Implementation of Highly Effective Contracts on the Output and on the Delivery of Products, Including for the Export

Technical and Economic Substantiation of the Feasibility of Allocating a Budgetary Subsidy

1. Introductory Section

Name and legal address of the claimant organization
Surname, name and patronymic of the claimant organization's manager
Goal-oriented thrust of the budgetary subsidy
Term fixed for the return of the borrowed funds

The Introductory Section shall contain the following information:
- the programme for the output and for the realization of the contract products;
- the deliverers of the raw materials and of the products, financed at the expense of the requested subsidy (the name, the legal address and the bank requisites, as well as the terms, the volume of the deliveries and the cost of the raw materials and of the products);
- the existence and the utilization of the production capacities;
- the current situation on the internal and on the external market;
- the consumer properties of the contract products, ensuring their competitiveness on the internal and/or on the external market;
- the demand for the contract products (uniform all year round, or seasonal);
- the sales system of the contract products;
- the solvency of the buyers of the contract products;
- the size of and the term for the repayment of the debt liabilities by the budgetary subsidies and
by the payments to the budgets of all levels, as well as to the extra-budgetary funds.

2. Characteristics of the Contract

The characteristics of the contract shall supply the following information:
- the dynamics of the output and of the sale of the contract products in 1997-1999 (Table 1);
- the programme for the output and for the sale of the contract products (Table 2);
- the outlays on the output and on the sale of the contract products (Table 3);
- the requirements of the circulating assets (Table 4);
- the budgetary effectiveness as a result of the implementation of the contract (Table 5).

Table 1

<table>
<thead>
<tr>
<th>Dynamics of the Output and of the Sale of the Contract Products in 1997-1999</th>
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</tbody>
</table>

1. Commodity resources - total

including:

the residuals of the unrealized products at the year start

the output of the products

2. Realized products - total

including on the internal
3. Residuals of the unrealized products at the year end

Table 2

<table>
<thead>
<tr>
<th>Indices</th>
<th>Unit of measurement</th>
<th>Total by the contract</th>
<th>Including by the month</th>
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<tbody>
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<td></td>
<td></td>
<td>1st</td>
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</table>

Programme for the Output and for the Sale of the Contract Products

(Thousand roubles)

Volume of the output:
- as expressed in kind
- as expressed by the cost

Volume of the sale
- as expressed in kind
- total
  - including:
    - on the internal market
    - on the external market

Price of the realization per the product unit:
- on the internal market
- on the external market (in the foreign currency*)

Receipts from the realization of the products on the external market - total
- including:
  - the excises
  - the duties
Total earnings from the realization of the products

including:

- the value added tax
- the excises
- the duties

* The official exchange rate of the foreign currency shall be indicated as of the date of realizing the product.

Table 3

Outlays on the Output and on the Sale of the Contract Products

(thousand roubles)

<table>
<thead>
<tr>
<th>Indices</th>
<th>Total</th>
<th>including by the month</th>
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<tbody>
<tr>
<td></td>
<td>by the</td>
<td></td>
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<tr>
<td>contract</td>
<td>1st</td>
<td>2nd</td>
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</tbody>
</table>

The outlays on the output and on the sale of the products - total

including:

a) the material outlays

of these:

- raw and other materials
- purchased completing units and semi-finished products
- the works and the services of the outside organizations
- fuel
- power

b) the outlays on the remuneration of labour

c) the deductions for the social needs
d) the depreciation of the fixed assets
e) the other outlays
of these:
- the taxes, included into the primary cost of the products
- the deductions into the extra-budgetary funds

Table 4

Requirements of the Circulating Assets (thousand roubles)

<table>
<thead>
<tr>
<th>Requirements per cycle of production</th>
<th>Requirements per contract</th>
<th>Requirements per day</th>
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</thead>
<tbody>
<tr>
<td>------------------------------------</td>
<td>--------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Raw materials, basic and auxiliary materials*
2. Purchased semi-finished products and completing units*
3. Fuel
4. Power
5. Work in progress

Total

For information: the cycle of the production - _________ days
the periodicity of the receipts - _________ days

* With an interpretation by the most important kinds of the material and technical resources.

Table 5

Budgetary Effectiveness as a Result of the Implementation of the Contract (thousand roubles)

<table>
<thead>
<tr>
<th>Total</th>
<th>Including by the month</th>
</tr>
</thead>
<tbody>
<tr>
<td>by the contract</td>
<td>1st</td>
</tr>
</tbody>
</table>

1. Amount of the budgetary funds
2. Incomings of the money into the budget and into the extra-budgetary funds - total including:

a) the payments into the budget:
   - the value-added tax
   - the excises
   - the income tax
   - the tax on profit
   - the other taxes

b) the deductions for the social needs:
   - to the Pension Fund
   - to the Social Insurance Fund
   - to the Fund of Employment
   - to the Fund of Obligatory Medical Insurance

c) the return of the interest on the budgetary subsidy

3. Budgetary effectiveness
   (line 2: line 1 x 100)