



GRATA
INTERNATIONAL

Supporting IT Companies in the EAEU





INTRODUCTION

All over the world, IT technologies represent a promising and rapidly developing business. The demand for ICT products and services is constantly growing, and in order to enter the international market, high requirements are set not only for future specialists, but also for the creation of digital platforms and solutions

According to analytical forecasts, by 2025, 20% of the industry's revenue growth will come from offers that combine digital services from previously unrelated industries. Inter-industry cooperation was largely driven by the global idea of digital transformation. The EEU Member States have done the following work to introduce digital innovations in almost all areas of public life:

- established e-government, which provides about 80% of government services remotely: e-government procurement, e-licensing, tax office, courtroom;
- work is in progress on the design of smart cities and parks, contributing to the decentralization of urban cluster management;
- healthcare system is being transformed by creating the possibility of using online health services;
- switching to remote operations, distant education and online courses is under way.

On the EEU territory, favorable conditions for the development of the ICT industry and IT business are created; unique sites and innovative parks with special legal regimes and tax benefits are being opened.

The article provides a brief overview of the features of government policies and current mechanisms for supporting the ICT industry in Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation.

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ABOUT GRATA INTERNATIONAL

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Economic sectors:

- Banking and finance
- Technology, media and telecommunications
- Industry and trade
- Construction and infrastructure
- Transport
- Pharmaceuticals and healthcare
- Oil and gas
- Mining industry

Specializations:

- Antitrust law
- Intellectual property
- Corporate law, mergers and acquisitions
- International trade and customs law, WTO law
- Real estate
- Project finance and public-private partnerships (PPP)
- Litigation practices
- Environmental law
- Protection of personal data and confidentiality
- Contract law
- Licenses and permits
- Tax law
- Subsoil use
- Restructuring and bankruptcy
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IT BUSINESS IN BELARUS



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Belarusian IT applications include Viber, Juno, MSQRD, offline Maps.me cards, online game "World of Tanks" and other world-renowned products.

IT business in Belarus consists of more than 500 companies, among which EPAM, Game Street, Exadel, Apalon, Aimatter and many others stand out.

Customers are the world's major companies from more than 67 countries, such as Bank of America, eBay, Sears, Abn-AMRO Bank, RBS, Sears, SAMSUNG, Deutsch bank and the like.

There is no doubt that certain indicators will have to be achieved before becoming an "IT country", for example, according to global trends, 20% of the world's population will be employed in the digital economy by 2035. In Belarus it is only 3% of the population.

However, the steps taken by the government to develop the IT industry have brought Belarusian developers to the international level.



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Establishment of the HTP

The High Technology Park (HTP) established in Belarus is one of the largest IT clusters in Central and Eastern Europe. The HTP began its work in 2005 with the adoption by the Decree of the President of Belarus No 12 "Park of High Technologies.

About half of the HTP resident companies (as of July 2020, 886 companies are HTP residents, and in 2019 - 454 resident companies) are companies with foreign capital, more than 52% of the companies were established by Belarusian investors.

The HTP applies an extraterritorial principle, within which it is possible to enjoy a special legal treatment anywhere in Belarus. A wide range of benefits and preferences in tax, accounting, foreign economic and migration spheres have provided a unique legal treatment for the Park, significantly reduced the costs of companies and facilitated their operational and economic activities.

Tax benefits	Other preferences
<p>Full exemption of companies from paying basic taxes and fees (0% rate):</p> <ul style="list-style-type: none"> • income tax for their core business, • offshore tax, • land tax, • real estate tax, • import customs duties and VAT. 	<p><u>Foreign economic activity</u> The residents of the park are not subject to the requirements of currency legislation.</p> <p>Residents are entitled to use electronic money issued by foreign companies, open accounts in foreign banks and make settlements on them without obtaining permission from the National Bank of the Republic of Belarus, buy foreign currency on the domestic market without restrictions on its use.</p>
<p>Reduced rate for certain taxes:</p> <ul style="list-style-type: none"> • income tax on park employees – 9% (instead of 13%), • contributions to the Social Welfare Fund are assessed only on the average salary in Belarus (approximately USD 150 per employee). • income tax is 0% on the sale of HTP resident's interests (shares) if the interests (shares) have been held continuously for at least 356 calendar days. • only 1% of the total revenue is paid by Park residents to the HTP Administration for the development of the IT infrastructure and ecosystem. 	<p><u>Accounting benefits</u> The procedure for processing primary accounting documents has been simplified. Residents can single-handedly prepare an accounting reference (primary accounting document), execute several homogeneous business operations performed in one month, with one primary accounting document.</p>
	<p><u>Migration benefits</u> The Park's residents are allowed to attract foreign labor without obtaining a permit, and there is no need for a HTP resident to obtain special permits for the right to work in relation to foreign citizens and stateless persons who do not have permits for permanent residence in Belarus.</p>

Stages of joining the HTP

The procedure for joining the Park is governed by the provisions of the Regulations on the HTP and the Park's guidelines for preparing the necessary document package. Four stages can be singled out:

1. Assessment of the business project's compliance with the activities permitted in the Park.
2. Preparation of a business project.
3. Drafting and submitting the document package to the HTP Administration.
 - Application in the prescribed form;
 - Business project that is proposed to be implemented as a HTP resident;
 - A copy of the certificate of state registration and the company's articles of association/ articles of incorporation.
 - Balance sheet and profit-and-loss statement for the current and previous years, which provides the basis for financial settlements in the business project;
 - Documentation in relation to the acting head i.e. the founder's decision on his/her appointment, employment contract, order concerning acceptance for employment and copy of the passport;
 - In relation to crypto projects, an additional external audit report including a legal one may be required.
4. Document review by the HTP Administration. A decision to register the applicant as a HTP resident or refusal to register.

The HTP Administration reviews the submitted documents within 1 month. The consideration period may be extended by no more than 10 calendar days to conduct a scientific and technical expert review if a candidate is required to provide explanations and answers to some clarifying questions about the business project.

New horizons for HTP residents

Until 2018, the main areas of activity of the HTP residents were the analysis, design and software of information systems. The decree of the President of the Republic of Belarus No 8 "Development of the Digital Economy", which entered into force on March 28, 2018, expanded the list of permitted activities in the Park to 38 and continued until January 1, 2049 the special legal and tax treatment for the HTP.

Now in the HTP it is possible to develop cloud computing technologies, aviation and space technologies, Fintech, neural networks, medical and biotechnology advertising, marketing and promotion, marketplaces, IoT, Publishing, Blockchain and ensuing relationships, business process outsourcing, animation, graphics, audio, e-sports and educational activities.

One of the main goals of Decree No 8 was to create conditions for the introduction of blockchain technology into the Belarusian economy. Therefore, in the Park, residents have the right to carry out the cryptocurrency exchange activities and cryptocurrency exchange transactions, mine, create their own digital signs (tokens), as well as perform any other activity with digital signs.

At the same time:

- in respect of legal entities, that deal with cryptocurrencies, until 2023, the income tax rate is 0% and VAT is 0;
- in relation to individuals engaged in cryptocurrencies - until January 1, 2023, mining activities, acquisition/alienation/exchange of tokens are not recognized as personal income taxable items in respect of individuals.

Decree No 8 regulates the use of the institutions of English law as experimental legal institutions, previously not used in the national legislation.

Now, HTP residents may enjoy:

- Entry into a convertible loan agreement.
- Granting an option to enter into an agreement, option contract.
- Closing and/or execution of transactions through a smart contract.
- Entry into an agreement on compensation for property losses.
- A non-competitive agreement with employees.
- Unlimited amount of penalty.

An HTP resident has the right, by agreement between the parties, to provide in contracts between themselves and (or) with third parties any amount of penalty, both higher and lower than the one established by law.

In general, according to western investors, the technical and business level of Belarusian IT projects is not inferior to similar projects from the Baltic States and on average exceeds the level of their eastern counterparts. The Government plans that 2.5 million Belarusians will work in the digital economy by 2035. The salary of an average specialist involved in this area will be about \$3,000, while the salary of the rest of the Belarusians will be about \$1,000.



IT BUSINESS IN KAZAKHSTAN



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The growing economy of Kazakhstan presents a great potential demand for IT products and services. Over the last few years, the country has seen an active growth in number of Internet providers and its users.

The largest IT companies in the Kazakhstan market are: Yandex, Aviata, Tickets.kz Documentolog, Glovo, inDirver, Wolt, Ticketon, Logicom, Accenture, Asia-Soft, EPAM and many others.

Also, one of the largest start-up IT projects in Kazakhstan is the “Chocofamily Holding”, which offers e-commerce services and other IT solutions for business in various fields.

The Government of the Republic of Kazakhstan has developed the State Program “Digital Kazakhstan”. In 2018, the Astana Hub International Technopark of IT startups was created in the Republic of Kazakhstan. In accordance with the Law of the Republic of Kazakhstan “On Informatization” dated November 24, 2015 (hereinafter - the “Law on Informatization”), the functions of the international technological park “Astana Hub” (hereinafter - the “Technopark”) include:

- provision of acceleration and technological business incubation services to Technopark members;
- provision of services for marketing and other events for Technopark members;
- provision of services for consulting, informational, analytical, educational events to promote Technopark members;
- cooperation with international organizations and foreign partners in order to attract information, educational and financial resources to promote Technopark members, study international experience and exchange knowledge;
- search for potential investors for the implementation of industrial and innovative ICT projects of Technopark members;
- sending invitations, applications for foreigners and stateless persons to obtain visas for training under the Technopark programs;
- attracting non-residents and residents of the Republic of Kazakhstan to participate in the Technopark;
- registration of Technopark members and issuance of relevant supporting documents;
- provision of housing and creation of living conditions for persons undergoing acceleration in the Technopark.

Technopark member requirements

To register as a member in the Technopark, an applicant should meet the following requirements:

- be a legal entity;
- have no branches at the time of application submission, nor any other separate units with the exception of representative offices;
- not to belong to any organizations implementing an investment priority project in accordance with Article 284 of the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015, as well as a strategic investment project under investment contracts entered into before January 1, 2015;
- not to be a legal entity in which fifty percent or more of the shares (interest in the charter capital) are directly or indirectly owned by the state, national holding companies, and national companies or their subsidiaries;
- not to be a subsoil user or a member of the special economic zone;
- not to be a payer of excisable goods in accordance with 461 of the Code of the Republic of Kazakhstan "Taxes and other Mandatory Payments to the Budget (Tax Code)" dated December 25, 2017 (hereinafter the Tax Code).

Special Economic Zone "Park of Innovative Technologies"

In addition, it is worth noting another IT industry development zone in the Republic of Kazakhstan, the Special Economic Zone "Park of Innovative Technologies" (hereinafter "SEZ PIT"). SEZ PIT was established in accordance with the Decree of the President of the Republic of Kazakhstan dated August 18, 2003 "Creation of the Special Economic Zone "Information Technology Park". SEZ PIT is located on the territory of the Alatau settlement of the Medeu district of the city of Almaty and the adjacent areas of the Almaty region.

The SEZ PIT was created for the following purposes:

1. to promote technology development in the following areas:
 - information technologies;
 - technologies in telecommunications and communications;
 - electronics and instrumentation;
 - renewable energy sources, resource saving and efficient environmental management;
 - technologies in the sphere of creation and use of materials for various purposes;
 - technologies in oil and gas production, transportation and processing.
2. to make sure that the economy of the Republic of Kazakhstan can be integrated into the global economic relations;
3. to create highly efficient, hi-tech and competitive production facilities, develop new products and attract investments.

In the Republic of Kazakhstan, amendments to various regulatory documents concerning the cryptocurrency implementation are under consideration. The cryptocurrency activities are expected to be implemented in the Astana International Financial Center (AIFC).

Currently, some activities related to cryptocurrency implementation are in progress at the legislative level.

The main activities, among others, on the territory of FEZ PIT are:

- design, development, implementation, pilot production and production of software, databases and hardware, as well as data center services, online services;
- creation, implementation and promotion of new technologies;
- carrying out research and development work to create and implement projects;
- production of text processing machines, copying and multiplying equipment, address machines, calculators, cash registers, marking machines, ticketing machines, production of other office machines and equipment, electronic computers and other equipment for processing information;
- production of electrical and radio elements, transmitting equipment, equipment for receiving, recording and reproducing sound and images;
- production of household electrical appliances;
- business incubation of projects implemented as part of the programs of state agencies to support industrial and innovative activities.



Benefits and preferences

Technopark	PIT SEZ
Tax benefits	
<ul style="list-style-type: none"> • Corporate income tax - 0%; • Individual income tax - 0%; • Value added tax - 0%; • Social tax for non-residents - 0%. 	<p>For all SEZ:</p> <ul style="list-style-type: none"> • exemption from corporate income tax (CIT) • exemption from land tax; • exemption from property tax; • exemption from value added tax (VAT) when selling goods in the FEZ that are completely consumed in the production process. <p>For participants of the SEZ "Park of Innovative Technologies" it is also provided:</p> <ul style="list-style-type: none"> • exemption from social tax for 5 years, provided that labor costs are at least 50% of annual income and 90% of labor costs are spent on residents of the Republic of Kazakhstan.
Other benefits	
<p>Simplified visa and work regimes for foreign participants of the Astana Hub international technology park:</p> <ul style="list-style-type: none"> • Foreign citizens, stateless persons who are employees of Astana Hub and their family members (spouse and their children under the age of 18) receive an entry visa valid for up to five years. • At the request of the Astana Hub International Technology Park, persons may extend their visas without leaving the Republic of Kazakhstan in accordance with the laws of the Republic of Kazakhstan. 	<ul style="list-style-type: none"> • The territory of the SEZ PIT is a part of the customs territory of the Republic of Kazakhstan, where the customs regime of the free customs zone operates and in accordance with the customs legislation of the Republic of Kazakhstan. The boundaries of the SEZ PIT along its perimeter are equipped with a special fence. • Simplified procedure for hiring foreign labor. • The issuance of permits for attracting foreign labor by local executive bodies is carried out in accordance with the legislation of the Republic of Kazakhstan, but in a simplified manner without seeking candidates in the domestic labor market. • Free land plot for up to 10 years. FEZ participants for up to 10 years are provided with a free land plot for project implementation.

IT BUSINESS IN KYRGYZSTAN



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Today, almost all states, who see the prospects for the development of the IT sector, follow the development of the ICT industry. By the Decree of the President of the Kyrgyz Republic No. 1 dated January 11, 2019, 2019 year was named the year of digitalization and regional development. In the same year, the Government of the Kyrgyz Republic allocated a platform for the High-Tech Park, that is a physical site, where residents can be located, create and prepare their own products.

A High Technology Park or HTP in Kyrgyzstan was established in 2013. The key objective is to support the development of the ICT software industry. Today, the HTP has about 100 resident companies and 726 employees. Most of the resident companies are foreign companies. 84% of services are exported to such countries as the USA, the Republic of Kazakhstan, the Russian Federation, Australia, Singapore, Kuwait, Ireland, the United Kingdom etc.

In June 2020, the HTP launched in Kyrgyzstan an initiative to develop artificial intelligence (AI Initiative) aimed at developing the country's AI ecosystem.

The HTP is a zone with a special legal and tax regime applicable to HTP residents that carry out the following activities:

- development of software including analysis, design and programming of information systems, including those ready for implementation, analysis of information needs and problems of users, design, development, delivery and documentation of individual and/or ready-made software, including software that meets the orders of specific customers, adjustment of programs at the user's instruction;
- export of information technologies and software;
- creation and provision of interactive service centers.



The special regime in force in the HTP provides HTP-residents with exemption from taxes and insurance contribution benefits in accordance with the laws of the Kyrgyz Republic and is valid for 15 years from the date of establishment of the HTP.

<p>The special regime in force in the HTP provides HTP-residents with exemption from taxes and insurance contribution benefits in accordance with the laws of the Kyrgyz Republic and is valid for 15 years from the date of establishment of the HTP.</p>	<ol style="list-style-type: none">1. Income tax - 0%2. Sales tax - 0%3. VAT - 0%4. Income tax - 5% <p>For reference:</p> <ol style="list-style-type: none">5. HTP residents shall make a contribution to the Directorate in the amount of only 1% of the revenue for ecosystem maintenance.
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Registration as an HTP resident:

A legal entity or individual can be registered as a resident of the HTP (Foreign legal entities or individuals can also be registered as HTP residents) the income of which is at least 90% of income received as a result of the activities listed above.

Stages:

1. Submitting of an application to the HTP Directorate.
2. Initial registration of a resident for a period of 6 months, issuance of a certificate.

A legal entity or individual, that have received the appropriate opinion of the authorized administrative body of the HTP Directorate, are subject to initial registration as an HTP resident for a period of 6 months from the date of initial registration. HTP residents are issued a certificate.

3. Submission of a report on the resident activities. Registration not limited in time. Entry into an agreement with the HTP Directorate.

After 6 months from the date of initial registration a HTP resident submits a report. If the authorized administrative body of the HTP Directorate establishes the conformity of the activities carried out by the HTP resident during the initial registration period to the types indicated above, the HTP resident is subject to final registration as an HTP resident, and information about it is entered into the unified register of HTP residents.

The final registration is not limited in time and is attested by a certificate. An agreement is entered into between a HTP resident and the HTP management thus providing the basis for the legal relationships between them.

It is important to note that:

- in relation to HTP residents, the legislation of the Kyrgyz Republic is in effect in the part that does not contradict this Law on HTP;
- foreign legal entities or individuals may also be registered as HTP residents regardless of the place of actual stay and/or registration;
- after one year from the date of final registration, at least 80% of goods and services should be exported and/or at least 80% of the income of an HTP resident should be generated from the export of goods and services;
- HTP residents deduct in favor of the management in the amount of only 1% of the proceeds to maintain the ecosystem.

Due to the favorable conditions, that make it possible for members to reduce costs, there is an ever-growing interest in HTP in Kyrgyzstan from both domestic and foreign companies. For example, compared to 2018, the number of residents increased by 105% last year.

IT BUSINESS IN RUSSIA



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At the moment, one of the main areas of the IT industry market in the Russian Federation is the activities of **Data Centres** (data processing centres, data centres). Data Centre means a specialized site (building, premises) for placing server and communication equipment and connecting to Internet channels. In general terms, Data Centres can be divided into large (they have their own specially designed building as well as their own communication channels), medium (most often they rent the necessary space and communication channels) and small (accommodation in unsuitable premises).

The Russian entertainment and media industry, one of the fastest growing in Europe, continued its growth in 2018. The World Cup had a positive impact on the market. Overall, despite the increased competition from Asian and African markets, the position of the Russian media industry globally will remain stable. In 2023, its share of the world's total market expected to be 1.1%, and it will rank 14th in size.

The total volume of the Russian entertainment and media industry in 2018 was US\$21.7 billion, i.e. by 10% more than the previous year. Based on the 2019 figures, the market volume is forecasted to reach US\$ 23.6 billion. In the forecast period up to 2023, the market is expected to grow at an average annual rate of 6.4% (4.3% worldwide); and the total volume of the Russian media industry is expected to exceed almost US\$30.5 billion.

Benefits for IT business in Russia

1. **Transactions, the involve the transfer of rights to IT-related intellectual property and their licensing, are exempt from VAT.**

In accordance with the Tax Code, exclusive rights to inventions (and other objects of patent law), computer programmers, databases, integrated circuit topologies and know-how are not taxable. The transfer of these rights on the basis of a license agreement is also tax exempt.

This means that you can sell your patents, databases and production secrets to other companies and also sell software or mobile applications without paying 18% of their value to the state.

At the same time, if, for example, a foreign company sells software or applications in the b2c sector it is not tax exempt. Thus, you get a serious competitive advantage, namely foreign companies will have to raise product prices by 18% and even by 20% in the near future.

2. Some IT company assets are not subject to depreciation rules.

Depreciation payments are part of the value of a company's or entrepreneur's assets by which the expense amount may be increased; both profit and profit tax on it can be reduced as well. The amount is determined as follows. The cost of an asset bought is divided by its lifetime set by the manufacturer.

Unlike other assets, the lifetime and therefore amount and duration of depreciation payments are set in advance, you may determine the lifetime for certain intangible assets [1] yourself (but this lifetime may not be less than two years).

These are all types of patents, as well as exclusive rights to integrated circuit topologies and audiovisual works. Thus, it is possible to determine for yourself how much to reduce taxes this year (within the value of an asset).

3. Expenditure on R&D for tax reporting can be increased by a factor of 1.5.

The abbreviation R&D stands for "research and development". A decree of the Government of the Russian Federation establishes a list of such works, the associated expenses of which in the reporting statements can be increased by 1.5 times relative to real expenses.

This list now contains several hundred types of jobs, many of which are in the IT field. For example, those are computer modeling of nanomaterials and the development of information security technologies. The idea behind the increased expenses is the same as in the case of depreciation, i.e. $\text{profit} = \text{income} - \text{expenses}$. When expenses increase, the related profits and taxes decrease. By the way, such an incentive was invented in England, and it is called Super Deduction there.

4. For IT companies, the amount of insurance premiums for employees is 14% and not 30% of the employee's wage level.

For companies, that operate in the IT sector, reduced insurance premium rates of 14% are applied in 2017-2023. The standard premium rate is 30%. Due to this, it is possible to increase the salaries actually paid to employees by 16%, which is an essential advantage.

In order for a company to reduce payments, it should meet three conditions:

1. to pass special accreditation in the Ministry of Telecom and Mass Communications;
2. the share of income from IT products should be at least 90% of the company's total income;
3. the company should have at least seven employees.

5. An IT company can become a resident of Skolkovo and receive a whole range of tax benefits.

You can submit an application on the Skolkovo Innovation Center website to recognize your company as a resident and receive the following benefits:

1. Exemption from VAT (except for the tax on goods imported into Russia);
2. Exemption from corporate income tax;
3. Exemption from corporate property tax;
4. Reduction of insurance premiums from 30% to 14% (and now to 7.6%);
5. Reimbursement of customs fees (except for excisable goods).

To receive these benefits, a company should apply the general taxation treatment. Skolkovo resident status is granted for ten years. If a company fails to submit the necessary documents to the tax authorities, or if its profits or revenues exceed the established limits, or if it loses its resident status, it will have to refund all unpaid taxes and pay a penalty (late fee).

6. Reduced tax burden for IT companies.

On June 23, 2020, the President of the Russian Federation made an appeal to citizens within the framework of which a proposal was put forward to reduce the tax burden for IT companies. As early as 31 July 2020, the related draft law was signed, and now the following tax treatment for IT business is established:



Benefits	Previous	Now
Insurance premium amount	14% for accredited IT companies, 90% of whose revenue comes from the sale of software and its development and support services	7.6% for accredited IT companies, 90% of whose revenues are generated by the sale of software and software development and support services, as well as cloud and data center services.
Income tax	20%	3% for accredited Russian IT companies
VAT	VAT exemption granting rights to use software on the basis of licensing agreements	VAT exempt granting of rights to use software included in the register of Russian software on the basis of licensing agreements, as well as the SaaS model

For individuals, the draft law provides for the opportunity to recognize themselves as Russian tax residents in 2020 on the basis of an application and a tax return on personal income tax. For this purpose, in 2020, you have to stay in the Russian Federation from 90 to 182 days inclusive.

Despite the fact that these innovations were proposed at the height of the crisis, the new rates will be valid indefinitely and are a long-term development strategy of the industry.

Largest data center operators independent of providers in Russia.

The customers of data centers independent of providers in Russia still rely on their management preferences when choosing services. The company head solely decides on the lease of a third-party data center or the construction of one of their own.

The largest operators dependent on data center providers in Russia.

To support its core business, any telecommunications operator needs process space to place equipment. Therefore, each telecommunications operator owns or leases some data center space. Data centers of telecommunication operators are called telehouse. Given below in the article are some examples of telecommunications companies that are known to own their own data centers (telehouses).

As a rule, operators provide their customers with the opportunity to place any equipment in a telehouse. The restrictions imposed in this case are determined by the specifics of this type of data centers:

- usually, the area of a telehouse is small;
- the telecommunications operator is not interested in providing customers with access to the services of other telecommunications operators;
- both design and construction of a telehouse are based on the telecommunication operator needs which may make it impossible to place some types of equipment in it.

The largest owners of own data centers in Russia.

The decision whether to build their own data center or use the services of an operator is made by companies based on several criteria, the main of which are as follows:

- availability of vacant space and electrical capacity to build their own data center;
- corporate computer security standards, which may prohibit third parties from hosting their own information systems;
- management's opinion.

In Russia, most large companies own their own data centers (the quality of which may be quite different), while the vast majority of small and medium-sized companies have their own server rooms. Corporate data centers are not designed to house the equipment of external customers, however, in some cases, they are provided with such an option.

The following are examples of companies that have built data centers providing the necessary level of reliability.



Largest data center operators independent of providers in Russia	The largest operators of data centers dependent on providers in Russia
<ul style="list-style-type: none"> • Stack Group • ISG (Integrated Service Group) • WideXS • Telehouse Caravan • IBS DataFort • KiaeHouse • DataDome • Filanco • DataLine • ISP review • CROS 	<ul style="list-style-type: none"> • Rostelecom • Golden Telecom, Veon Group of Companies • Macomnet • Sinterra • COMCOR (AKADO Telecom trademark holder) • Orange (Equant) • PeterStar (St. Petersburg) • Retn (Etel) (St. Petersburg)
The largest owners of individual data centers in Russia	
<ul style="list-style-type: none"> • Rambler • Yandex • Moscow Interbank Currency Exchange 	<ul style="list-style-type: none"> • RTS • Sberbank • Raiffeisenbank • Hydrometeorological center

The data center service market in Russia has been created since 2000 and is still in its infancy. At the moment, there is no regulatory framework for the market; there is no clarity as far as service grading is concerned; there is virtually no competition. This is major difference from the data center market in the USA and Europe, which began to take shape in the 1990s (10 years earlier than in Russia) and is now much better developed and well-regulated and standardized. However, even in the US, there is a lack of supply in the data center market.

To summarize, the impact of the current environment on the market should be noted.

Of course, the global pandemic and crisis reshape any plans. In this regard, some new data center projects will be frozen, and the projected extensions will not be implemented.

Local Knowledge for Global Business

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