

SME Strategy in Asia: Interactive Guidebook

I. Introduction

- **Purpose of the Guidebook**

II. Understanding SME Policy in Russia

- **Economic Overview of Russia**

III. Business Environment and Legal Framework for SMEs in Russia

- **The Role of SMEs in the Russian Economy**
- **Legal Framework for SMEs**
- **Government Support of SMEs**

IV. Step-by-Step Guide to Starting a Business

- **Business Registration Process**
- **Licensing and Regulatory Requirements**

V. Access to Finance and Investment Opportunities

VI. Market Entry Strategies

- **Finding Business Partners and Networks**
- **Import-Export Regulations**

VII. Case Studies and Success Stories

I. Introduction

•Purpose of the Guidebook

This electronic guidebook is designed to help newly emerging SME owners in CICA countries develop their businesses and navigate through relevant government policy measures. It offers opportunities to learn from the experiences and best practices of countries with similar levels of economic development. Through real-world examples and different approaches, the guide aims to equip business owners, policymakers, and other stakeholders with the tools and knowledge to overcome challenges and support the sustainable development of SMEs in their countries and across the CICA region.

II. Understanding SME Policy in Russia

•Economic Overview of Russia

In 2024, according to the Rosstat estimate, the growth rate of Russian GDP remained high, exceeding the level of 2023, amounting to 4.3%.

The industrial production index increased by 4.6% in 2024, which is higher than in 2023 (4.3%)¹.

The unemployment rate in 2024 dropped to a historic low level of 2.5% of the total workforce.

III. Business Environment and Legal Framework for SMEs in Russia

•The Role of SMEs in the Russian Economy

Small businesses play a vital role in Russia's economic system, employing millions of people and contributing to the development of local economies. They serve as a source of innovation, provide flexibility in the labor market, and complement the activities of large corporations.

The Russian government actively interacts with entrepreneurs, striving to create conditions under which small businesses can prosper and develop. State support also acts as a tool to help overcome the obstacles and challenges that representatives face.

As of March 2025, 6,665,754 SMEs are registered in the Russian Federation, of which 6,419,103 are microenterprises, 225,739 are small enterprises, 20,912

¹ <https://rosstat.gov.ru/folder/313/document/246950>

are medium enterprises. For the year 2024, the share of SMEs in total employment is 42%, in the national economy (GDP) – about 21.7%, in exports – about 17%².

Small enterprises specialize mainly in trade and agriculture. Medium enterprises are represented more in higher value-added sectors - manufacturing and construction. Other typical activities of SMEs include transport and shipping, real estate, production and distribution of electricity, gas and water, tourism, information and communication, medical services, education and professional, scientific and technical activities.

• Legal Framework for SMEs

The main federal document regulating SMEs in the Russian Federation is the Federal Law № 209 of 24.07.2007 "On the Development of Small and Medium-Sized Businesses in the Russian Federation". Under this Law, regional and local authorities are obliged to develop SMEs by allocating the necessary funds from their budgets. This support is centralized in nature, while each region can independently add supplementary business support programs from the regional budget.

In accordance with Article 4 of above-mentioned Federal Law SMEs include business entities, business partnerships, production cooperatives, consumer cooperatives, peasant (farm) households and individual entrepreneurs registered in accordance with the laws of the Russian Federation and meeting certain conditions.

These conditions include:

a) the average staffing number of employees for the previous calendar year must not exceed the following limits: up to 15 people – for microenterprises; up to 100 people – for small enterprises; up to 250 people – for medium enterprises; However, there are exceptions:

- the average staffing number of employees in clothing and footwear industry organizations for the previous calendar year: up to 15 people – for

² https://www.economy.gov.ru/material/news/rekordnyh_659_mln_dostiglo_chislo_malyh_i_srednih_predpriyatiy_v_rossii.html

microenterprises; up to 100 people – for small enterprises; up to 1,000 people – for medium enterprises;

- average staffing number of employees for the previous calendar year for public catering organizations and individual entrepreneurs: up to 15 people – for microenterprises; up to 100 people – for small enterprises; up to 1,500 people – for medium enterprises.

b) income received from entrepreneurial activity for the previous calendar year must not exceed the following limits: up to RUB 120 million – for microenterprises; up to RUB 800 million – for small enterprises; up to RUB 2 billion – for medium enterprises.

c) compliance with the requirements for the structure of the registered (share) capital of a legal entity (the share of large companies and foreign legal entities in the registered capital of SMEs is limited to 49% (it can reach 100% if the foreign founder is classified as an SME according to the criteria of the Russian Federation); the share of the Russian Federation, constituent entities of the Russian Federation, municipalities must not exceed 25%).

When a legal entity or an individual entrepreneur is considered valid for SME status Federal Tax Service of Russia includes it automatically in the Unified Register of Small and Medium Enterprises³.

•Government Support of SMEs

The Russian government has created a complex system of support for entrepreneurship, which has proven to be an effective tool for SME development.

Joint-stock company “Russian Small and Medium Business Corporation” (RSMB Corporation) is a federal development institution for small and medium enterprises support which has been operating since 2015⁴.

The controlling shareholder of RSMB Corporation is the Russian Federation represented by the Ministry of Economic Development of the Russian Federation.

RSMB Corporation provides financial and guarantee support to SMEs. Corporation implements the government preferential loan, guarantee programs,

³ <https://rmsp.nalog.ru/>

⁴ <https://corpmsp.ru/about/>

and provides “umbrella guarantees” to enable SMEs to obtain loans where there is a lack of collateral. RSMB Corporation facilitates industrial cooperation and distribution of SMEs with large private Russian and foreign companies as well as with retail chains. Through its subsidiary, SME Leasing, it offers preferential equipment leasing. Its other subsidiary SME Bank provides preferential loans under government programs and bank guarantees.

Support for small and medium-sized enterprises in industrial cooperation and distribution by RSMB Corporation includes:

- monitoring compliance with the government's 25% quota for large state-owned enterprises' procurements from SMEs;
- assistance in industrial cooperation with private Russian and foreign companies searching for suppliers of industrial products and providing them with comprehensive support;
- cooperation with the regions for organizing distribution of SME products in Russia's retail chains;
- implementation of the Farmer's Island project to facilitate the marketing of agricultural products.

RSMB Corporation provides efficient and tailored measures for SMEs in a one-stop-shop mode using the Digital platform МСП.РФ. The Digital platform МСП.РФ is the state platform created for entrepreneurs and those who are just planning to start their own business (there are more than 30 services available on the Digital Platform now and about 1 M users have been registered).

In order to receive feedback from entrepreneurs and to provide them with legal support for business 360° Service on the Digital platform МСП.РФ was created for effective interaction and prompt resolution of entrepreneurs' issues.

In addition, SME status entitles the company to a range of other benefits and support measures from the government.

Some of these include⁵:

- simplified accounting and reporting. Small enterprises may keep their accounts in a simplified manner. For example, they may not make provisions

⁵ <https://www.banki.ru/news/daytheme/?id=11005849>

for future expenditure, they may not apply certain accounting rules and they may record their income and expenditure on a cash basis. Accounting reports can also be simplified - usually only two forms: a balance sheet and a profit and loss account;

- reporting to the Federal State Statistics Service. Small enterprises are exempt from submitting a large number of statistical forms. They usually report every five years as part of a continuous statistical monitoring;

- tax benefits. Regional authorities have the right to set reduced tax rates for SMEs, for example on profit tax, property tax, land tax and transport tax;

- reduced rates of contribution to national insurance. Reduced rates of contribution apply to SMEs for payments to employees above the minimum wage: 10% for pension insurance, 5% for health insurance and 0% for social security insurance;

- cash transactions. Small enterprises may not set a cash limit. Sole traders may not issue cash receipts and cash payments and may not keep a cash book;

- deposit insurance. Funds in bank accounts and deposits of SMEs are subject to mandatory deposit insurance. If the bank in which the company (individual entrepreneur) keeps money goes bankrupt or loses its license, an SME can receive an insurance payout;

- preferential loans. SMEs can obtain loans at preferential rates for investment purposes, to replenish working capital, to refinance existing loans and to develop business activities.

Each region of Russia also has own regional institutions supporting SMEs in the form of autonomous non-profit organizations, development corporations, associations, trade unions, foundations and other civic associations that stimulate the work of SMEs.

Such institutions coordinate the interaction of SMEs with government bodies on issues of providing support measures to entrepreneurs, assist in solving system problems (various regulatory and administrative barriers, changes in national standards, etc.), provide loans for the implementation of projects aimed at introducing advanced technologies, creating new products or organizing import-

substituting production, provide grants and non-financial support to young and socially oriented entrepreneurs, and also organize the participation of SMEs in business missions and international exhibitions both in Russia and abroad.

IV. Step-by-Step Guide to Starting a Business

•Business Registration Process

Digital Platform МСП.РФ was developed by RSMB Corporation together with the Ministry of Economic Development of the Russian Federation, with the participation of entrepreneurs themselves, to help online (step-by-step), free of charge, in a "one-stop shop" mode to start business with government support. The "Start business online" service can help authorized users of the Platform to choose the legal form that best suits needs of the business and optimal taxation system.

During the process of submitting an application for state registration, the online platform issues an electronic signature, checks a set of documents, sends an online application to the Federal Tax Service of Russia, informs the entrepreneur of the status and sends registration documents.

The online assistant will help the entrepreneur at all stages of registering business.

Also, there are more than 400 so-called "My Business" centers operating in Russian regions, which provide support to SMEs, information, consulting, educational, property, and financial support, and provide comprehensive services to SMEs operating in the area of innovation and production modernization, as well as in the area of export of goods, works, and services⁶.

•Licensing and Regulatory Requirements

The licensing procedure is regulated by the Federal Law "On Licensing of Certain Types of Activities" dated 04.05.2011 N 99⁷.

Most SMEs can operate without a license by completing state registration and following general rules in accordance with other federal laws governing entrepreneurship in Russia in general, including: Federal Law No. 99 dated 04.05.2011 "On Licensing of Certain Types of Activities", Federal Law No. 129

⁶ https://economy.gov.ru/material/news/centry_moy_biznes_okazali_podderzhku_bolee_chem_613_tys_predprinimateley_i_samozanyatyh_v_2024_godu.html

⁷ https://www.consultant.ru/document/cons_doc_LAW_113658/

dated 08.08.2001 "On the State Registration of Legal Entities and Individual Entrepreneurs", Federal Law No. 294 dated 26.12.2008 "On the Protection of the Rights of Legal Entities and Individual Entrepreneurs in the Implementation of the State Control (Supervision) and Municipal Control", Federal Law No. 135 dated 26.07.2006 "On Protection of Competition" and others.

V. Access to Finance and Investment Opportunities

Preferential loans and bank guarantees are the two pillars of financial support.

A simplified method of obtaining a loan for SMEs with insufficient collateral is the "umbrella" mechanism, operated by RSMB Corporation with its own guarantee for the loan provided by a commercial bank (30 banks are accredited). The guarantee can be worth up to RUB 1 billion, up to 50% of the loan amount and for a period of up to 10 years.

Microfinance organizations (MFOs) (165 registered MFOs by March 2025) and regional guarantee organizations (RGOs), of which there are more than 90, also participate in the SME financing processes providing microloans and guarantees accordingly.

SMEs can also benefit from preferential leasing conditions by contacting SME Leasing.

Other SME financing programs are also being implemented. These include the Preferential Lending Program of the Ministry of Industry and Trade of the Russian Federation. It focuses on investment and working capital purposes for SMEs in the machine tool and robotics sectors. Companies can obtain a loan from the SME Bank at a preferential rate.

The service infrastructure for SMEs support in Russia, along with state specialized development institutes, includes:

- 1) regional centers and agencies for entrepreneurship development;
- 2) state and municipal foundations for supporting entrepreneurship;
- 3) joint-stock investment foundations and closed-end mutual investment foundations that raise investments for SMEs;
- 4) business parks and organizations managing business parks;
- 5) marketing and educational-business centers;

6) industrial technology parks and management companies of industrial technology parks;

7) state foundations for the support of scientific, scientific-technical, and innovative activities operating in accordance with the laws of the Russian Federation;

8) microfinance organizations providing microloans to small and medium enterprises and (or) organizations that form the infrastructure for small and medium enterprises support (hereinafter referred to as microfinance organizations for entrepreneurial financing);

9) other entities.

Large companies launch accelerators, educational forums, organize project competitions, case championships and support student business incubators.

The Agency for Strategic Initiatives and RSMB Corporation are holding a federal competition called "Create OURS", in which young people aged 14-28 who want to start their own business or have recently started a business can compete for a grant of 1 million rubles and receive expert advice on attracting investment, promoting business in the media and selecting support measures.

The Innovation Support Fund implements a number of initiatives- "InnoShkolnik", "START", "UMNIK" and "Student Start-Ups" programs, which provide grants of up to 1 million rubles in areas such as digital technologies, new devices and smart production technologies, biotechnology, creative industries, medicine and health-saving technologies, and resource-saving energy.

VI. Market Entry Strategies

• Finding Business Partners and Networks

In order to find business partners and present own company and products it is convenient to use Industrial Cooperation and Distribution service of МСП.РФ Platform. Authorized users of the Platform may offer their products and services to potential customers and publish their requests to find suppliers of non-food, industrial and food products⁸.

Manufacturers of products may publish information on their companies,

⁸ <https://mcn.pф/services/support/filter/>

products and services, and offer them directly to potential customers.

For further assistance the entrepreneurs can contact the managers of the Service through the e-mail: b2b@corpmsp.ru.

• **Import-Export Regulations**

In addition to the main federal laws, Federal Law No. 164 of 08.12.2003 “On the Fundamentals of State Regulation of Foreign Trade Activities” also regulates export-import activities. The law defines the powers of the Russian Federation in the field of foreign trade activities in order to ensure favorable conditions for foreign trade activities, as well as to protect the economic and political interests of the Russian Federation.

JSC Russian Export Center (REC) is a state institute for supporting non-resource exports, REC conducts analytical work, offers services to exporters for insuring foreign trade transactions, helps to participate in international tenders, assists in finding foreign counterparties, consults on customs clearance of goods, and provides credit and guarantee support to businesses. The REC has also exclusive authority to issue Free Sale Certificate.

In 2022, the REC received a mandate to support the import of products necessary for the production of goods and the implementation of investment projects.

Assistance to Russian exporters in obtaining permission for processing in the customs territory, in order to be exempt from import customs duties and VAT in relation to foreign goods that are used in the production of exported products.

Export support centers provide support to small and medium-sized businesses at all stages of the export transaction: from basic consultations on foreign economic activity and training to finding a partner, organizing the participation of SMEs in business missions and international exhibitions both in Russia, both at home and abroad, assistance in placing SMEs on electronic trading platforms, in bringing products into compliance with mandatory requirements (standardization, certification, necessary permits) and in ensuring the protection of intellectual property abroad, including obtaining patents⁹.

⁹ <https://www.exportcenter.ru/>

Currently, there are 82 Export Support Centers operating in 82 constituent entities of the Russian Federation.

VII. Case Studies and Success Stories

A number of Russian SMEs have followed a successful development path and gained recognition in both local and international markets. Below are three notable examples from different sectors:

1. **EastAgro Don Ltd** - the first and only plant in Russia for comprehensive processing of Topinambur (Топинамбур), combining innovative technologies and environmentally friendly raw materials. The company not only produces functional ingredients but is also creating a new industry in the country's agricultural sector. **EastAgro Don** company received financial support from RSMB Corporation and SME Bank.

Key Advantages:

- Raw Materials: Topinambur is grown on 2,000 hectares in the Central Black Earth region, ensuring quality control "from field to product".
- Production capacity: The plant produces up to 5,000 tons of Topinambur - based ingredients annually. These prebiotic ingredients contain up to 70% native inulin — a key component for gastrointestinal health.
- Certification: Compliance with international standards is confirmed by ISO 22000:2018, FSSC 22000, and "Organic System" certifications.

Areas of Application:



- Food industry;
- Production of feed and preventive preparations for pets;
- Premixes for productive animals.

The use of EastAgro Don Ltd ingredients with high native inulin content not only enhances the nutritional value of products but also transforms them into functional health solutions. In the food industry, these additives enrich bakery products, dairy products, and dietary supplements, promoting better digestion and immune system strengthening. In animal feed, prebiotics improve nutrient

absorption, reduce disease risks, and enhance productivity in poultry and pig farming.

Export Expansion:

The plant's products have already gained international recognition. In May 2023, a strategic protocol was signed with China, allowing the import of EastAgro Don Ltd ingredients into the Chinese market. The company's plans are ambitious:

- Export Geography: China, EAEU countries, India, Vietnam, Iran, UAE, Turkey, Qatar, Egypt, Indonesia.
- Goals for 2024-2025: Entering the markets of Southeast Asia and the Middle East with a supply volume of over 3,000 tons per year.
- Infrastructure: Expanding production capacities and opening representative offices in key regions.

The company doesn't just process Topinambur—it creates a new standard for functional nutrition and veterinary products. Focus on quality, government support (including agreements at the level of the heads of Russia and China), and ambitious plans make EastAgro Don Ltd a key player in the global prebiotics market.

2. The story of **Moda CHE LLC** began in 2008 when they, along with a small team of fashion-loving enthusiasts, decided to bring something fresh and innovative to the industry¹⁰.

From the very beginning, their ambition was to make brands recognizable and popular not only domestically, but also internationally.

To achieve this goal, they consistently participated in fashion shows, exhibitions, and festivals such as Milan Fashion Week, EFU, Sochi Fashion Week, the Sheikh Zayed Heritage Festival in the UAE (Abu Dhabi), and even opened Moscow Fashion Week in partnership with an artist and a choreographer Mario Forelli.

They presented their work at exhibitions in Kazakhstan and Turkey, and participated in business missions to Uzbekistan and China, expanding our horizons and establishing new connections.

¹⁰ <https://sugarbrand.ru/index.php/ru/>

Their collections were showcased at the “Top Model Russia” and “Russian Beauty” competitions, reflecting their partnerships with the organizers of these prestigious events.

Currently, they are working on creating a unique show, which they are eager to present on the international stage. They plan to showcase their national and ethnic flavor with collections from Russian designers on the most beautiful and titled models of all ages, historical and modern trends in hairdressing, and talented musicians and artists of various genres, all interwoven into a unique, original narrative inspired by Russian fairy tales.”

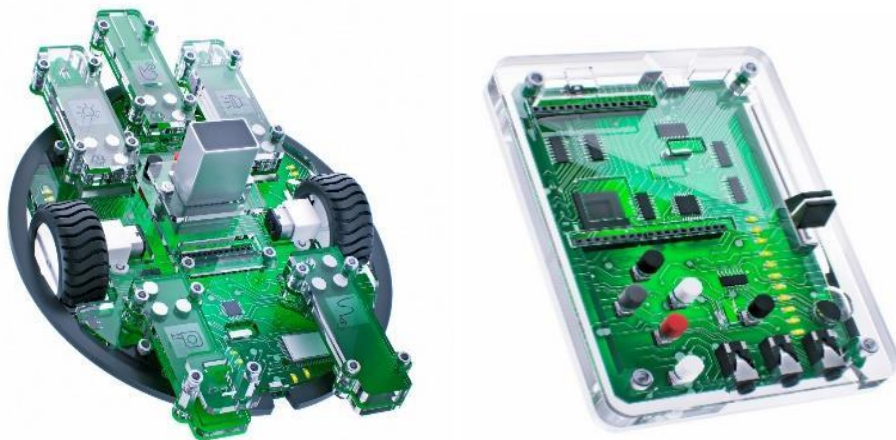
Their goal is to demonstrate that fashion can embody a piece of a nation’s history and culture.

All of this is made possible by the professional community of creative individuals whom they engage in collaboration with our company.

Goals for 2025-2026 Project Geography: China, UAE, Saudi Arabia, Uzbekistan, Kazakhstan, and others. Scope of Application: Presenting the show at event-based activities: exhibitions, forums, and business missions; Presenting show-performances on theatrical and concert stages; Organizing fashion shows, beauty pageants, and fashion weeks. Duration: from 3 days to 3 months. Mission: Through culture and art, to strengthen relationships between countries and create unique shows for expanding horizons and fostering a holistic understanding of the world”.



3. **ROBBO** is a sovereign educational robotics platform for teaching children computer science, robotics, 3D prototyping based on free hardware and software¹¹.



The only platform in the world that trains future engineers and removes dependence on proprietary technologies and software, rather than developing users of foreign commercial products.

ROBBO CLASS is a STEM solution for existing educational institutions for children from 5 to 15+ years old, as well as university students.

ROBBO is a leadership project of the Agency for Strategic Initiatives (ASI Russia), National Technological Initiative Leadership Project (Russia), SKOLKOVO Russia Resident and Member of the National Technological Initiative Educational Clubs Movement.

In 2024, the company became a Resident of the Vorobyovy Gory Innovative Scientific and Technological Center at Moscow State University (Lomonosov Cluster), opened representative offices in MIPT and the Phys-Tech Lyceum of Moscow (the most significant leadership brands in technological education in Russia for many years).

The ROBBO company received financial support from RSMB Corporation and SME Bank. The ROBBO project was supported by the President of the Russian Federation Vladimir Vladimirovich Putin within the framework of the ASI Russia forum “Strong Ideas for New Times”.

¹¹ <https://robbo.ru/>

President Putin instructed to assist in the development of the ROBBO platform after a meeting with the company's founder Pavel Frolov in July 2022.



ROBBO Achievements:

- Winner of the St. Petersburg Government competition for "Best Innovative Project in the Industrial Sector";
- Winner of the St. Petersburg Government's "Exporter of the Year" competition in the "Breakthrough of the Year" category;
- Won the championship in the "Best Social Project of 2018" competition;
- Won the "Exporter of the Year 2021" competition;
- Winner of the prestigious international competition Google RISE (Roots in Science and Engineering);
- Won the FINLANDING business competition organized by the Finnish government;
- Won the Fukuoka Government Technology Project Competition in Japan;
- Winning the China Innovation Competition held in Jianye District, Nanjing in 2021(organized by the government of China);
- Selected as one of the "Top Ten European Education Projects in 2022" by "Educational Technology Insights" magazine;
- Won the "Worlddidac exceptional product 2023" issued by the 20th World WORLDDIDAC Award.

The company's top manager has been honored to become Worlddidac's consul in 2024, an elected position for two years that gives the company an advantage in

spreading its ideas and educational approaches to the community of educators and school managers around the world.

ROBBO key numbers:

- 100,000+ students globally;
- 43+ countries;
- 650+ schools and training centers ROBBO plans to enter Israel, Republic of Korea, Azerbaijan, Bahrain, Kazakhstan, Tajikistan, Bangladesh, Kyrgyzstan, Thailand, Türkiye, UAE, Egypt, Uzbekistan, India, Vietnam, Iran, Qatar. ROBBO now has offices and manufacturing in the Russian Federation, People's Republic of China.