

# **LEAFLET FOR A PERSPECTIVE PLAN (BUSINESS PROJECT) FOR REGISTRATION AS A RESIDENT OF THE HIGH TECHNOLOGY PARK**

This leaflet contains mandatory requirements for writing a perspective plan (a business project), including the requirements for the name and informational content of its sections.

## ***General requirements for the perspective plan***

When developing a perspective plan, the following requirements must be met:

- specific measures for the implementation and development of types (a type) of activity in the field of high technologies are indicated;
- types and volumes of goods (works, services, property rights to intellectual property objects) supposed to be sold are indicated;
- the necessity of the sale of goods (work, services, property rights to intellectual property) is justified
- the expected revenue from the sale of goods (works, services, property rights to intellectual property) is indicated;
- a perspective plan (business project) is drawn up for 3 years;
- the information display period in the calculations is taken to be 1 year;
- calculations of the perspective plan (business project) are made in KGS or other foreign currency.

## ***1. The title page contains***

- name of the perspective plan (business project). The name should adequately (in essence) reflect the profile of the activities declared in the project;
- name of the legal entity (last name, first name of the individual entrepreneur), last name, first name, patronymic of the individual - applicant;
- information about the developer of the perspective plan (business project);
- signature of the head of the legal entity (certified by the seal) (individual entrepreneur), individual - applicant;
- requirements for confidentiality of the document.

A sample of the title page is attached (see Appendix 1).

## ***2. Contents***

The content page should include:

- names of the main sections and subsections of the perspective plan (business project);
- names of appendices;
- links to the pages of the perspective plan (business project).

The volume of the perspective plan (business project) should be no more than 20 pages + 2 pages of the application - legal entity passport, 2 pages - estimation of the number of employees.

The structure of the perspective plan (business project) includes the following sections:

1. Summary
2. Description of the legal entity, individual entrepreneur, and its development strategy
3. Description of goods (works, services, property rights to intellectual property) planned for release as a part of the project
4. Analysis of distribution channels
5. Current and planned output volumes of goods in physical and monetary terms

6. Project implementation plan
7. Investment plan and objects

### **3. Summary**

The Summary section should:

- reflect the main idea of the project, the strategic goals of participation in the activities of the High Technology Park;
- contain brief information and conclusions on the remaining sections of the perspective plan (business project), giving a clear idea of the activities planned by the applicant for implementation in the High Technology Park.

It is recommended to start writing the “Summary” section after filling the entire perspective plan (business project). The summary should not exceed 2-3 pages.

### **4. Description of the legal entity, individual entrepreneur and its development strategy**

In the description of the legal entity, individual entrepreneur, and its development strategy there should be:

- the history of creation reflected;
- the main achievements of the legal entity or individual entrepreneur indicated – previous successful projects of the production (development) of goods (works, services, intellectual property) in the field of new and high technologies, facts of state and public recognition of the importance of the applicant's activity - awards, bonuses, official ratings, including international ones;
- the characteristic of industrial and economic activity, its features;
- the characteristic of available fixed assets and technologies given - the stated information should give a clear idea of the applicant's material and technical resources necessary for the implementation of the perspective plan (business project), at least for its launch;
- substantiation of the feasibility of implementing the perspective plan (business project) taking into account applicant's personnel potential - information on the availability of the applicant's specialists who, based on their experience and qualifications, are able to implement the activities stipulated by the project (have deep knowledge in the corresponding subject area, academic degrees, international certificates, patents, or managers involved in the implementation of a number of similar successful projects) should be provided;
- a list of products (works, services, intellectual property) indicated - concise but sufficient for understanding economic activity carried out by the applicant, information is given on the goods (works, services, intellectual property) already released in the market, their functional purpose, consumer and sales characteristics, markets;
- main indicators of the financial and economic activities of the legal entity or individual entrepreneur<sup>1</sup> for the previous period are indicated. (*The break-even and profitability of the applicant's work for the previous period may be considered at the time of registration in the High Technology Park as one of the justifications for the feasibility of the applicant achieving the planned indicators of economic activity in the Park*);
- legal entity passport filled out;
- the development strategy of the applicant is indicated. When describing the strategy, answers to the following questions should be given:

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<sup>1</sup>The main indicators of financial and economic activity are indicated according to the balance sheet with its interpretation.

- 1) What are the main goals of perspective strategic development
- 2) What are the tasks of perspective strategic development
- 3) What will the activities of a legal entity in HTP give, what socio-economic goals will be achieved as a result of the legal entity entering the Park

The applicant's development strategy should reflect the main stages (measures) that ensure the development of the applicant and expansion (increase) of production, improvement of the quality of products (services) or the development of new goods (works, services, intellectual property), increase the export potential of the applicant. These may include:

- conducting research and development work;
- certification of production and certification of products in accordance with international quality systems and standards;
- introduction of new technologies (technological processes), allowing to switch to a qualitatively different level of production;
- "investments" in human potential - advanced training, ensuring that employees receive international and domestic certificates of the quality of their professional training, additional education of employees, creating new jobs and raising the level of employees' wages;
- marketing policy aimed at increasing the market share of goods (works, services, intellectual property) and their export;

The development strategy should clearly articulate the goals that the applicant sets, what achievements are pursued, and what activities are aimed at.

#### ***5. Description of goods (works, services, property rights to intellectual property) planned for release as part of the project***

In this section, it is necessary to provide information on technologies, goods (works, services, intellectual property) that the applicant will develop (produce) in the High Technology Park:

- name (content, purpose);
- scope of application;
- main characteristics (consumer, sales and functional characteristics);
- compliance of products or production with international (national) quality standards. You must inform about the availability of certificates in the field of ISO and CMMI quality, other international technical standards, or about the implementation of product certification programs and certification of production for compliance with standards, if such certification is carried out by the applicant or preparation is underway.
- the presence of patents, licenses (own, the use of others' under license agreements). It is necessary to provide information about the applicant's objects of intellectual property<sup>2</sup>, patents for an invention, industrial design, product, utility model.

*For reference:*

*In the "product" model, the applicant produces and sells a finished product (technology) that has specific consumer properties;*

*In the "outsourcing (custom) model", the applicant renders a service for the development of intellectual property, scientific and technical products for a particular customer according to the requirements (assignment) formulated by him.*

- scientific and technical level of goods (works, services, intellectual property), the novelty of technical and technological solutions, their consumer properties. Do they improve existing analogues, what are their advantages - functional, consumer, price advantages, etc.

*For reference: in accordance with the classification used in assessing the novelty of technologies, technologies are divided into: unique (unparalleled), breakthrough, and*

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<sup>2</sup> For IT-companies

*analogous (technologies that improve the quality characteristics (parameters) of existing analogues - in other words, superior to analogues, but not improving).*

- Increasing the export of new and high technologies is one of the priorities for the creation and operation of the High Technology Park. In this section of the perspective plan (business project), it is necessary to indicate measures related to export development (if such measures are planned, and the applicant intends to carry out export-oriented activities). It is advisable to provide information on contracts and pre-contract agreements with potential foreign customers (consumers), on partnership agreements with foreign companies that will facilitate the promotion of products (services) in foreign markets.

In the perspective plan (business project), it is necessary to indicate measures for the development of the market for high-tech products of the Kyrgyz Republic.

Due to the fact that the implementation of the import substitution program is one of the state priorities, it is recommended to justify the possibilities of import substitution (if any), to characterize the competitiveness of the created technologies, goods (works, services, intellectual property) in the domestic market in comparison with foreign analogues - to present in the form of a table, information on comparing the characteristics of the software planned for development with analogues, reflecting its competitive advantages.

When describing the activity planned as a resident of the Park, the applicant, in addition to specific examples of high-tech products, must indicate the general characteristics of other prospective developments.

At the end of the section "Description of goods (works, services, property rights to intellectual property)" it is recommended to indicate what is the relevance (importance) of the implementation of the perspective plan (business project) for the development of new and high technologies - how the applicant's activities will contribute, what impact will it make to the achievement of High Technology Park's goals, as well as what socially significant tasks the applicant sets.

It is also recommended to reflect the issues of the projected use of profits derived from the preferential tax regime - for what purposes the applicant intends to use it.

## ***6. Analysis of distribution channels***

In the ***Analysis of distribution channels*** section, it is necessary to justify the volumes of production and sale of goods (works, services, intellectual property) declared in the perspective plan (business project), based on the analysis of distribution channels and the development of the applicant's marketing strategy.

The section should include:

- general characteristics of the markets where it is planned to sell goods (services) of the legal entity, the individual entrepreneur, an assessment of their market size;
- estimation of the share of the legal entity, the individual entrepreneur in different markets;
- market development dynamics and forecast of its future trends;
- main factors influencing market change;
- information about competitors (name, country of foundation), assessment of competitors' capabilities and basic data on their products - technical level, price, quality level
- advantages of the legal entity, individual entrepreneur over competitors.

It is recommended to justify the competitiveness of technology, goods (works, services, intellectual property objects), to assess the marketing opportunities in the domestic and foreign markets, taking into account the concluded and planned partnership agreements, pre-contract agreements, and contracts.

### ***7. Current and planned output volumes of goods in physical and monetary terms***

This section is made out in tabular form. The table form recommended for filling is given in Appendix 2

- sections of the table "Investment" and "Social Development" characterize the areas planned by the applicant for the use of the released financial resources due to state support measures

### ***8. Project implementation plan***

- indicates the duration of the perspective plan (business project)<sup>3</sup> (required)
- recommended to be formulated as a timeline or a project network graph

### ***9. Investment plan. Investment Objects***

In the perspective plan (business project), the applicant is recommended to reflect information about the sources of financing for the declared project, at what expense the project will be implemented in the first and subsequent years:

- own funds, including through reinvestment of profits for the development of production, transfer of property, shares, intangible assets;
- raising borrowed funds (external/internal loans, resources of banks, other financial organizations, funds from founders, private individuals), and also indicate whether it is planned to receive financing from the state budget.

Details of the investment plan are at the discretion of the applicant. It can be limited to the total amount, or the areas of investment can be specified in more detail: the acquisition of premises, fixed assets, equipment and technologies, hiring personnel and their training. The total amount of investments for each year should coincide with the "Investment" section in the table (see Appendix 2). An investment plan for applicants who have submitted the perspective plan (business project) for registration as HTP resident is drawn up for three years.

It is especially important to fill out the investment plan for newly created (registered on the eve of entry into the Park, who have not worked at least one financial year) legal entities (individual entrepreneurs), it is necessary to indicate information on the amount and sources of funds invested in the project, and the main directions for their use (rent/acquisition of premises, fixed assets, equipment and technologies, software products, licenses, hiring and training personnel). That is, it is necessary to show that the new organization (individual entrepreneur) has the minimum necessary amount of financial, material and labor resources in order to start its work in the Park.

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<sup>3</sup> It is necessary to distinguish the duration of the project from the period of economic planning. For legal entities (individual entrepreneurs) applying to become residents of the Park, the duration of the project is recommended to indicate the entire period of the special legal regime of HTP, and forecasting the activities of the resident in Section 7 to be implemented for a minimum period of three years.

**Sample title page of a business project**

Full name of legal entity (individual entrepreneur) – applicant

Perspective plan (Business project):

*The name of the project is indicated ...*

Developers of the Perspective Plan  
(business project):

Ivanov S.A.  
Ivanovsky V.M.

Director  
Company Name LLC

\_\_\_\_\_A.A. Bogdanov

L.S.

DD/MM/YYYY

Indicate document confidentiality requirements

**CURRENT AND PLANNED VOLUMES OF PRODUCT RELEASES IN NATURAL AND MONETARY TERMS<sup>4\*</sup>**

The planned results of financial and economic activity (the NAME OF THE APPLICANT is indicated) are presented in the table:

<b>Name of indicator</b>	<b>Units of measurement</b>	<b>1 year</b>	<b>2 year</b>	<b>3 year</b>
1	2	3	4	5
<b>VOLUMES OF PRODUCTION AND SALES</b>				
The annual volume of production and sale of goods (works, services, property rights to intellectual property) in value terms	KGS USD EUR			
Growth rate in % by 20__	%			
The annual volume of production and sale of goods (works, services, property rights to intellectual property) in value terms less VAT and other similar obligatory payments				
The annual volume of sales of goods (works, services, property rights to intellectual property) for export in value terms	KGS USD EUR			
Growth rates in % by 20__	%			
<b>PRODUCTION AND IMPLEMENTATION COSTS</b>				
The costs of the production and sale of goods (works, services, property rights to intellectual property), including:	KGS USD EUR			
wages	KGS USD EUR			
mandatory deductions for income tax and the State Social Fund	KGS USD EUR			
depreciation of fixed assets and intangible assets	KGS USD EUR			
rental of premises, utility and maintenance costs, communication services	KGS USD EUR			
employees' training costs	KGS USD EUR			
royalties	KGS USD EUR			
other expenses	KGS USD			

<sup>4\*</sup> For **non-residents** of the Park, indicators are stated for a specific business project, and not for the whole enterprise.

	EUR			
<b>WORKING EFFICIENCY</b>				
Profit from the sale of goods (works, services, property rights to intellectual property)	KGS USD EUR			
Profitability of sales of goods (works, services, property rights to intellectual property)	%			
Annual labor productivity (output per employee)	KGS USD EUR			
<b>INVESTMENT</b>				
Fixed investment including:	KGS USD EUR			
reinvestment of equity	KGS USD EUR			
raising borrowed funds	KGS USD EUR			
use of state budget funds	KGS USD EUR			
<b>SOCIAL DEVELOPMENT</b>				
Average number of persons listed as employed	people			
In % by 20__	%			
Number of newly created jobs	people			
Average monthly wage	KGS USD EUR			
In % by 20__	%			
<b>TAXES, FEES AND OTHER MANDATORY EXPENSES PAYABLE<sup>5</sup></b>				
TOTAL, including:	KGS			
income tax	KGS			
mandatory contributions to the State Social Fund	KGS			
other taxes, fees, payments	KGS			

<sup>5</sup> The applicant is obliged to include in the business projects submitted for registration as a resident of the High Technology Park the information on the amounts of taxes, fees and other payments to the budget, contributions to the Social Fund planned for payment from activities under the special legal regime of the High Technology Park.