

Skolkovo Innovation Center: frequently asked questions

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Skolkovo Foundation
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Q: Why is Skolkovo being created?

- Is it another effort by the Russian government to **pretend** that Russia has changed **false!**
- Skolkovo is to become an **innovation hub** that will stimulate innovative entrepreneurship and disseminate entrepreneurial culture across the country to **integrate Russia into the global economy**:
 1. Fostering advancement of human capital in Russia by attracting foreign specialists and creating conditions for local **innovative talent development**
 2. Creating **globally competitive products** and services based on cutting-edge research
 3. Establishing **global innovative companies** in Russia

Q: Who is Skolkovo for?

- Skolkovo is a **tax-free offshore** for multinationals
- **It is not**
- Skolkovo is for **Russian and international students, researchers, educators, consultants, startups, venture capitalists, and, yes, multinationals**
- All of them will get **different statuses** that best fit their goals
- However, there will be **no workshops, factories** or similar production sites physically located in Skolkovo

Q: Who's in charge?

- Skolkovo is managed by the Russian government
- **NO!**
- The government provides **initial funding** and signals **credible commitment** to support the project in the future
- The project is managed by a non-government foundation with an **independent Board**, regulated by a **special law**
- The **Foundation is a doorkeeper**, while all Skolkovo units (such as the Skolkovo Institute of Technology) and residents are independent organizations
- Much of the real estate in Skolkovo will be built by private developers

Q: Who are the people making important decisions?

- President **Dmitry A. Medvedev** chairs the Board of Trustees
- Skolkovo Executive Board is chaired by **Craig Barrett and Victor Vekselberg**
- Members of the Executive Board include:
 - **Esko Aho**, Executive Vice President of Nokia Corporation
 - **Vagit Alekperov**, President of the Lukoil Oil Company
 - **Anatoly Alexandrov**, Rector of the Bauman Moscow State Technical University
 - **Martin Bouygues**, Co-Chairman of the French industrial group Bouygues
 - **John T. Chambers**, Chairman and Chief Executive Officer of the Cisco Systems, Inc
 - **Anatoly Chubais**, CEO of the Russian Corporation of Nanotechnologies (RUSNANO)
 - **Alexandr Galitsky**, Managing Partner of Almaz Capital Partners
 - **Mikhail Kovalchur**, President of the Russian Scientific Centre “Kurchatov Institute”
 - **Peter Löscher**, President and Chief Executive Officer of Siemens AG
 - **Vladimir Rashevsky**, Chairman and Chief Executive Officer of the Siberian Coal Energy Company (SUEK)
 - **Eric E. Schmidt**, Chairman and Chief Executive Officer of the Google Inc.
 - **Ratan Tata**, Chairman of Tata Son.

Five core principles are guiding the design of the operating model

- 1)** Skolkovo should be attractive for world-class talent, institutions and businesses
- 2)** Skolkovo ecosystem should become self-sustaining over time
- 3)** Foundation should strive to maximize private participation, stimulate competition and only assume responsibility for the activity if it can not be performed by private businesses
- 4)** Physical and network-based (virtual) components of Skolkovo should be developed simultaneously
- 5)** Conflicting functions should always have separate governance

Q: Are you going this alone?

- Skolkovo is conceived as **open** and **transparent** project.
- Partners include: RUSNANO, Russian Venture Company, MIT, Cisco, Boeing, Google, Siemens and others.

Our partners



Q: What is at the center of Skolkovo?

- **The Foundation**
- **NO!**
- We are about research-based innovation
- **Skolkovo Institute of Technology (SIT)** will become a major generator of innovation in Skolkovo
- **Technology clusters (energy, bio, IT, space, nuclear)** will engage in developing new technologies and products

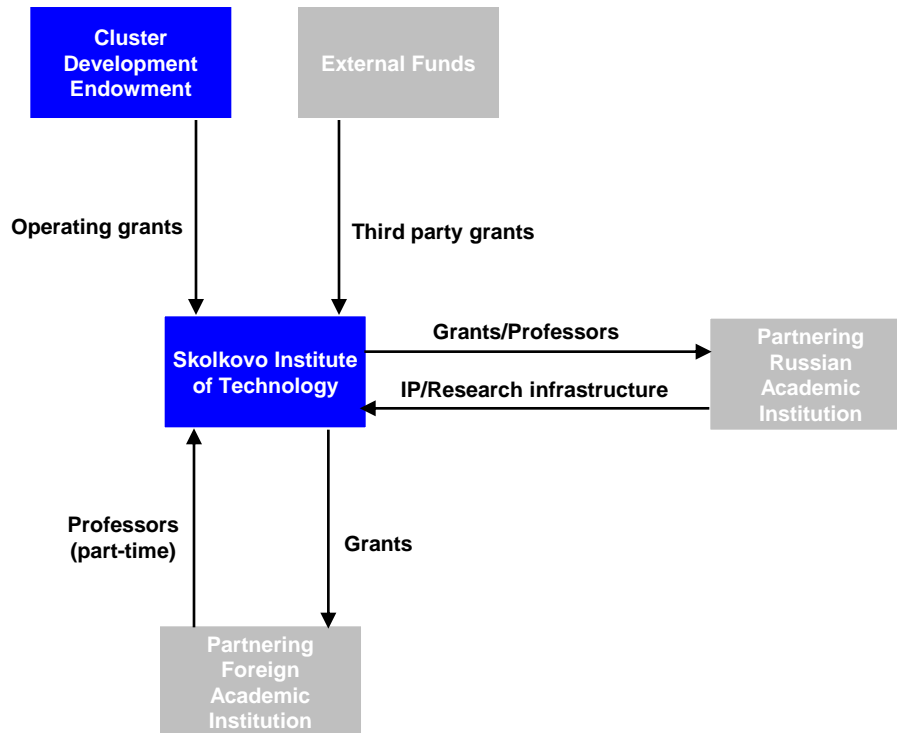
Q: What is SIT?

- Focus on **applied research** and development of technological expertise
- Attract **globally recognized, leading faculty** members to teach and conduct research at Skolkovo
- Become a **hub for sharing expertise** with leading research institutions both in and outside Russia
- Produce **IP** which can be **commercially developed in Russia**

Q: What is SIT?

- Develop a **graduate degree program** to train future technology experts
- Partner with other leading academic institutions to create a **world-class graduate program**
- Attract **top-tier graduate students** and help them transition into being **successful entrepreneurs** or industries upon graduation
- Support setting up **labs** in Skolkovo as well as network-based labs affiliated through partnerships agreements with other **academic institutions**

Q: What is SIT?



Network-based Skolkovo Institute of Technology

- Skolkovo Institute of Technology will sign agreement with chosen academic institutions in Russia and abroad to include some of their labs / professors in networked Skolkovo
- For foreign academic institutions, Skolkovo Institute of Technology will provide grants in return of the time their professors spend on Skolkovo causes as well as part of IP they generate during that time. For instance, at least 25% of their time professors have to work on Skolkovo subject or visit in Russia. This will ensure that Skolkovo Institute of Technology creates a network or international part-time research and teaching staff
- Professors (both Russian and foreign) will receive base salary for teaching and grants will finance research activities
- For Russian academic institutions, SIT will provide grants or/and visiting professors and in return it will be allowed to use the research infrastructure in these institutions and receive rights IP generated by visiting professors or funded by Skolkovo grants

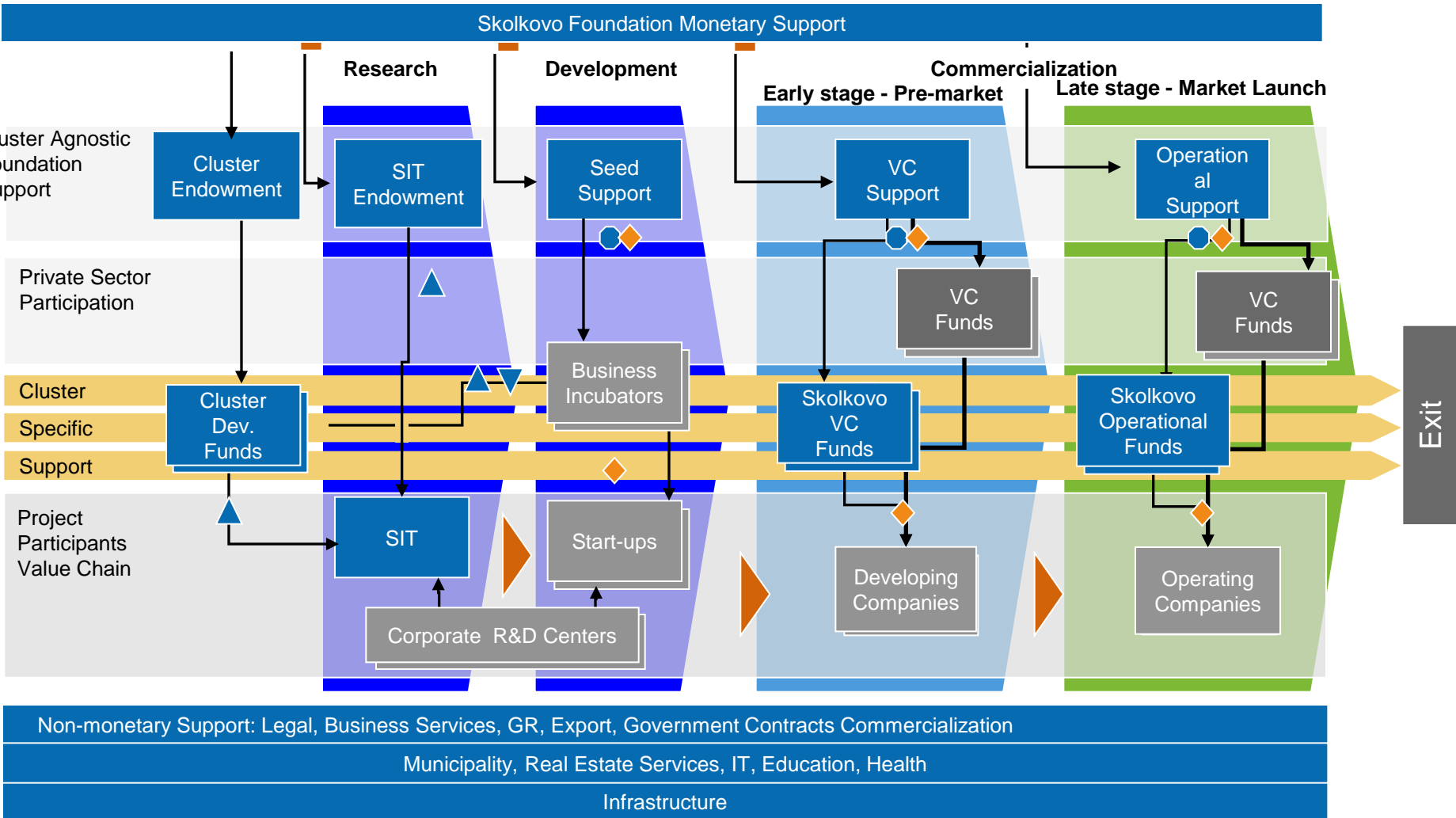
Q: So, it's all about technology and research?

- **there is more!**
- We will search for new **disruptive technologies** in Russia and beyond
- Help innovators in creating of **new products and services**
- Grow the environment conducive to the creation of **new businesses**
- Instruments of commercialization at Skolkovo:
 - Technology brokers
 - Patent offices
 - Consulting companies
 - Professional educators and mentoring
 - Rep offices in Russia and abroad
 - Market research
- Constant contact with funds and corporations via special **Investment Board**

Q: Is it different from other innovation centers?

- It's just another attempt to emulate Silicon Valley
- **NO!**
- Skolkovo is a **“lego” for innovators**
- It is being created in collaboration with researchers, universities, multinationals, venture capitalists, governments and all kinds of other entities **from all over the globe**. That makes it a unique example of **international social creative process** that will result in an environment most conducive to innovation and investment, education and entrepreneurship, **research and recreation**

Skolkovo will provide cluster agnostic and cluster specific support along the innovation value chain



- Grants
- Access to shared research infrastructure
- Skolkovo GP
- Private sector entities
- Equity
- Loans and equity capital (which could be converted to low interest loan)
- Skolkovo LP

Q: What is the deal for residents?

- **No VAT** for up to 10 years if profit is less than USD 10M/year and turnover is under USD 30M/year
- **No income tax** if profit is less than USD 10M/year and turnover is under USD 30M/year
- **Refund of import customs** duties and VAT expenses paid during import to the RF customs territory.
- **OECD tech regulations** apply

Q: Hasn't this been done before?

- It has. We had innovation centers in the Soviet Union
- **Yes, but...**
- **Innovation** culture, unlike infrastructure and buildings, **cannot come down from above**. We needed a **new class of entrepreneurs** who share the right values, which we didn't have in the 1990s. Once we bring them to Skolkovo, they will start **spreading their values across the country**.

Q:How large is Skolkovo?

- About a square mile?
- **Who cares**
- Skolkovo rules will be applied for entities **located anywhere** as long as they are registered in Skolkovo.
- We call it the **“virtual Skolkovo rule”**.

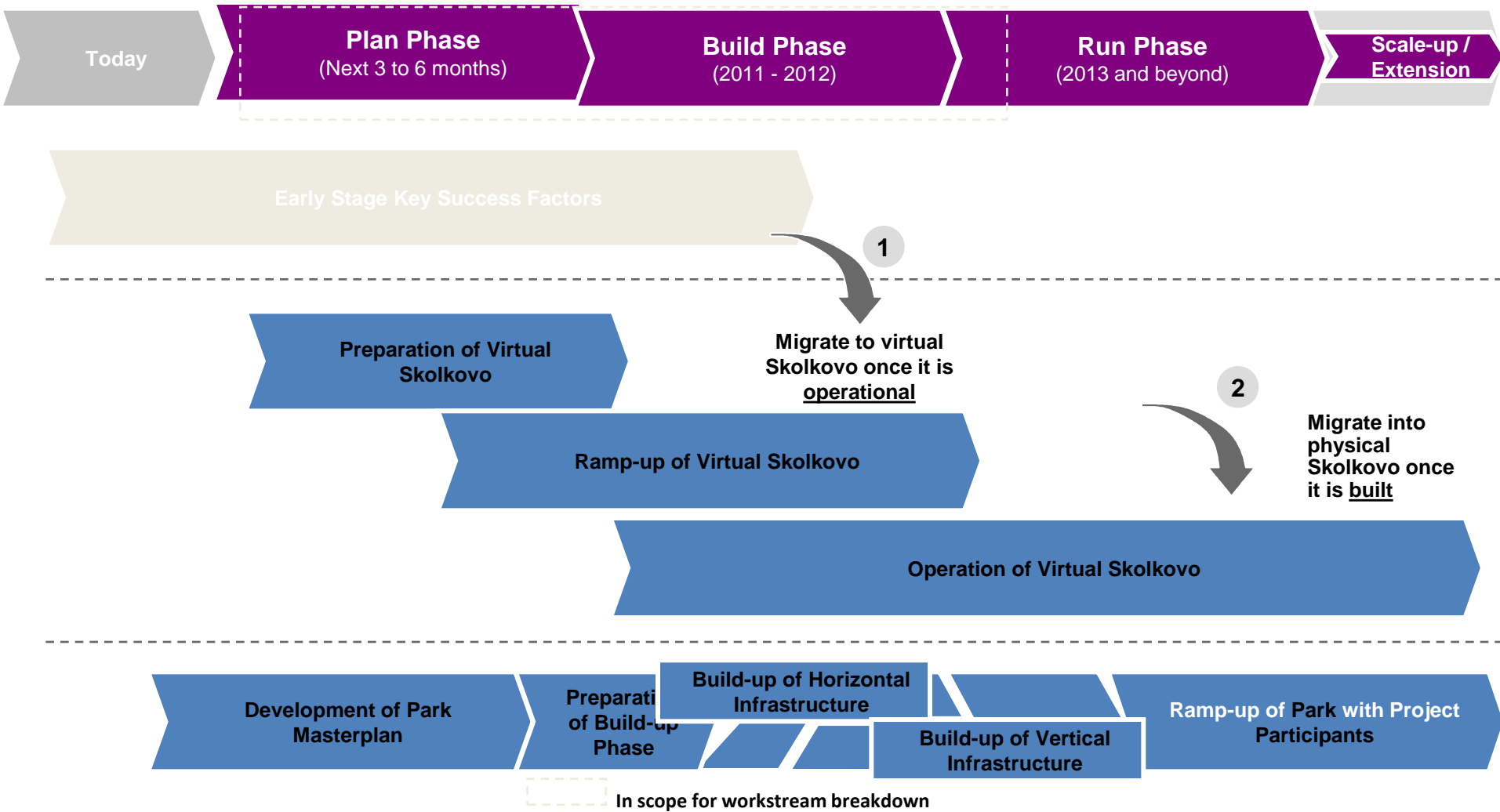
Q: When are you going to start?

- Once we build everything
- **NO!**
- Like we said, the most important thing about Skolkovo is collaboration. That is why **Skolkovo starts as soon as collaboration does.**
- We will foster this process by awarding **“virtual Skolkovo residents”** statuses.

Q: what are your plans for the near future?

- Special law – September 2010 - **DONE**
- Approval of the business model – October 2010
- Opening representative offices in the Silicon Valley and Boston- **November, 2010**
- First companies get registered as residents – **January 2011**
- Conceptual founding of **Skolkovo Institute of technology (SIT)**- February 2011
- Campus construction – 2011-2015

The Skolkovo development master plan...



Thank you!

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