

Russian Federation Government Relations

Below are two main areas of JSC FPC's interaction with state authorities in 2023:

- Allocation of subsidies to compensate in full the Company's shortfall in income from regulation of tariffs for carriage of passengers in third-class sleeping carriages and fourth-class seating carriages
- Indexation of tariffs in the regulated segment for 2024

As a result of joint work of FPC and the parent company with the Russian Ministry of Transport in early 2023, the amount of subsidies to compensate for losses in FPC's revenues from raiting third-class sleeping carriages and fourth-class seating carriages was increased from RUB 7.2 billion to RUB 8.4 billion through the redistribution of funds between long-distance carriers. For the first time since the beginning of carriage business of JSC FPC, the federal budget in 2023 provided for the stated amount of subsidies, which fully covers the Company's revenue losses from usage of third-class open sleeping carriages and fourth-class seating carriages.

JSC FPC also worked with the Ministry of Transport of Russia and the Federal Railway Transport Agency (Roszheldor) so that the latter allocate subsidies to JSC FPC for 2024–2026 to compensate losses in revenue from raiting third-class sleeping and fourth-class seating carriages (RUB 7 billion every year) and to offset service to/from the Kaliningrad Region (RUB 2.3 billion, RUB 2.5 billion and RUB 2.6 billion, respectively) in the full amount stated in the Company's budget request on the need for subsidies for the specified period.

In view of changes in the main parameters of the forecast of socio-economic development of the Russian Federation for 2024 and the planning period of 2025 and 2026, JSC FPC submitted proposals for the indexation of tariffs, charges and fees for the transportation of passengers, baggage and cargo luggage from 1 December 2023. Thus, FAS Order No. 751/23 dated 19 October 2023 approved the indexation of tariffs in the regulated segment of transportation for 2024 in the amount of 10.75%.

In addition, as part of the improvement of the Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail in cooperation with the Ministry of Transport of the Russian Federation, provisions important for the organisation of the transportation process were included, such as the list of identity documents on the basis of which a travel document (ticket) can be issued; the prohibition of the use of sound amplification devices in carriages (except for hearing aids and other individual devices (headphones)); the procedure for issuing tickets in case of replacement of a national identity document; regulatory enshrinement of the procedure for making changes to the passenger's personal data specified in the ticket (in cases where the passenger made mistakes when filling in the data on the website); and prohibition to detain minors under the age of 16.

The updated Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail came into force from 1 September 2023¹.

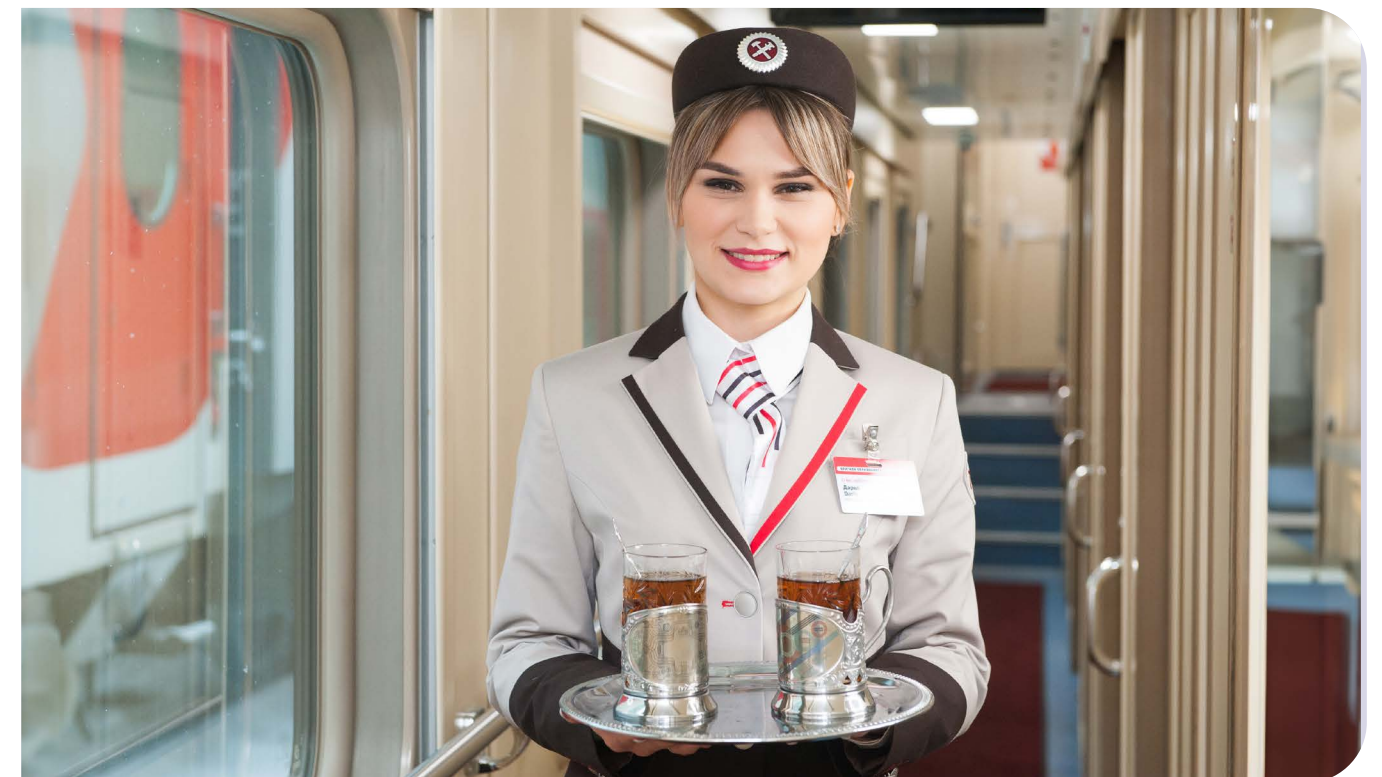
International Engagement

Cooperation with international organisations and foreign railways

Since 2022, the interaction with companies who are residents of friendly countries was rearranged to be bilateral with the purpose of cooperation within the framework of the Council on Railway Transport of the Commonwealth member states and the Organisation for Cooperation between Railways, which enabled the Company to successfully address operational and strategic issues of international passenger transportation.

40
international events
in 2023

During 2023, managers and specialists of JSC FPC participated in 40 international events, which considered issues related to regulatory and tariff regulation in international service, the use of passenger cars, transport safety, and other issues affecting FPC's operations.



¹ Approved by Order of the Ministry of Transport of Russia No. 352 dated 5 September 2022.