

# Tax and legal

## Preliminary stage: formation and acquisition

**Problem:** Which form of entity to choose when entering Russian real estate market?

- **Response:** Russian legal entity vs. foreign company (with a branch or no presence in Russia), based on the specifics of your business
- **Solution:** Deloitte CIS can carry out an entity choice analysis and provide you with an expert advice in respect of options most suitable for your business in Russia

## Operations services

**Problem:** How to finance Russian real estate business? What would the tax impact be?

- **Response:** Various options are available. Each of them has its own tax implications that under certain circumstances can adversely affect your business
- **Solution:** Deloitte CIS offers services in designing tax efficient financing structures tailored to real estate projects in Russia. In doing so, we always provide a comprehensive advice on how to minimize potential tax implications and risks

**Problem:** Which taxes are applicable to business operations involving Russian real estate?

- **Response:** Depending on various factors, your business activities may be subject to Russian profit tax, VAT, property tax and land tax
- **Solution:** Deloitte CIS will identify tax saving opportunities for your business (e.g. tax effective structuring of business operations, application of government tax incentives) and explain whether and how you can take advantage of them.

**Problem:** How difficult is it to transfer employees from China to Russia and structure payments of their salary? Which problems are expected?

- **Response:** Russian legislation in this area is quite complex. You are most likely to deal with at least labor and civil law issues, immigration regulations, tax aspects of employing foreign individuals
- **Solution:** Deloitte CIS has an extensive expertise in dealing with foreign employees. We can provide you with a comprehensive legal and tax advice which would cover, among others, issues such as visas and work permits, structuring of cost recharges and salary payments

## Disposition of assets and exit strategies

**Problem:** What are the most tax effective ways to repatriate Russian earnings back to China? How to exit from Russia in a tax efficient manner upon project completion?

- **Response:** This would depend on the ownership structure of your business, which should be properly designed to minimize the tax impact. Many factors have to be considered and no universal way exists.
- **Solution:** Deloitte CIS offers services in designing tax efficient ownership structures tailored to business activities and client preferences. In doing so, we carry out an in-depth analysis of various tax factors and risks and present to the clients personalized solutions that in many cases are unique

## Other services

- Tax compliance for federal, regional and local tax returns
- Assistance in preparation of financial statements
- Structuring of corporate mergers and acquisitions
- Application of special vehicles provided by Russian legislation (e.g. real estate investment trusts etc.)
- Support during tax audits and litigations with the tax authorities

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## Engineering, procurement and construction (EPC) contracts

