



ProsperoScope

Prospects, comments, solutions

Introduction

In continuation of our previous issue dated **16 September 2015**, we would like to inform you that on 22 December 2015, Governmental Order № 1365 of 12 December 2015 “On the procedure of submission by individuals – currency control residents of notifications on the movement of funds on accounts (deposits) opened in banks located outside of Russia” was published (hereafter – the Order). The Order specifies the procedure for reporting the movement of funds on individuals’ bank accounts (deposits) opened with banks outside of Russia (hereinafter – foreign bank accounts). The accepted amendments significantly simplify the reporting requirements and clarify several issues with regards to joint foreign bank accounts, and foreign accounts that were closed in 2015.

30 December 2015

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Reporting procedure

Reporting period: From 1 January to 31 December of the reporting year, starting from 2015. The Order states that, should a foreign bank account be closed during the reporting period, the notification on the movement of funds should be submitted for the period starting from 1 January of the reporting year to the date the account was closed. Similarly, if a foreign bank account was opened after 1 January of the reporting year, then the notification on the movement of funds should be submitted for the period from the date the account was opened to 31 December of that reporting period.

Submission deadline: On or prior to 1 June of the year following the reporting year. Should a foreign bank account be closed during the reporting period, a notification on the closure of that account should be submitted alongside the movement of funds notification, with the exception of bank accounts closed in 2015. Notifications on the movement of funds on these accounts should be submitted on or prior to 1 June 2016.

Joint foreign bank accounts: Notifications on movement of funds on joint foreign bank accounts have to be submitted by each individual co-owner of the account who is a Russian currency control resident. In case a joint foreign bank account is opened by individuals – Russian currency

control residents and individuals who are not Russian currency control residents, only the residents are obligated to submit the notification.

Methods for submitting notifications:

- 1) Electronic form via an individual taxpayer account (secured by electronic signature of the taxpayer);
- 2) Hard paper copy submission to the local Russian tax inspectorate (personally or via a representative);
- 3) Via mail with return receipt requested.

Information required: personal details of the individual – Russian currency control resident, bank information, foreign bank account details, currency of the account, opening and closing balance for the reporting period, as well as the total credited and debited amounts. An individual – currency control resident has the right, but not an obligation, to enclose supporting documents with the notification on the movement of funds. The tax authorities have the right to request supporting documents and information regarding currency transactions made, and the opening and use of foreign bank accounts.

Attached please find the finalized notification form (currently in Russian).

Administrative liability

Individuals who fail to correctly report on the movement of funds on foreign bank accounts will be subject to administrative liability. An individual – Russian currency control resident will be subject to a fine of up to RUB 20,000 for incorrect/ late submission or failure to submit notification on the movement of funds on foreign bank accounts.

Contacts

We sincerely hope this information is useful and interesting. If you have any questions, please feel free to contact us.

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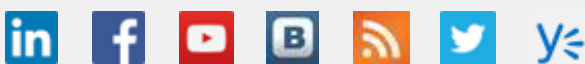
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