



Support Services
to the Inward Investor

Our services

At Deloitte, we have developed a full range of professional services to assist investors in Russia at every stage, at every level, and in every industry

Russia can be a tough market to crack. Whether your company is simply looking to take control of its existing distribution chain, or considering a multi-million-dollar production facility, the difficulties cannot be underestimated

From the investor's perspective, a project of this kind is likely to involve a variety of technical specialists, professionals and senior management — in itself a co-ordination challenge. Factor in the diverse Russian advisory needs, as well as the peculiarities of the Russian business and legal environment, and the project timeline may start to look doubtful.

Take one example: a major multinational, intent on applying its highly successful China business model, brought the same model to Russia. Local professional advice was obtained from a variety of sources, but some was contradictory and significant changes had to be made to the model at a late stage.

The result: an eighteen month delay in completing the project, which not only impacted the payback period, but also allowed a competitor to move in and steal market share.

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Deloitte will address your needs from a **project** perspective — cutting across the different areas of our practice (tax, legal, audit and consulting) — to provide a co-ordinated service to investors. We can even provide a single point of contact for all our services. Our aim is to simplify your life in a highly complex tax and legal environment.



Exploiting market opportunities in Russia : from first steps to successful operations

Strategic Needs	Deloitte Service Offerings	Addressing the Issues
Strategic considerations	<ul style="list-style-type: none"> • Market entry & expansion • Business intelligence • Target identification • Financial & Tax Due diligence • Commercial Due Diligence • Forensic Due Diligence • Project management 	<p>What is the market for your company’s products or services? How do you need to adapt to local tastes and conditions? What is the competition doing? Do you need a local partner? If you aim to acquire an existing business, have you identified all the possible targets? What level and type of due diligence should you undertake? Going forward, what is your strategy: organic growth or acquisition? Are your plans and deadlines realistic?</p> <p>Deloitte can help you find answers to all these questions and be part of your commercial team throughout the decision-making and implementation process.</p>
Structuring the investment	<ul style="list-style-type: none"> • Choice of business entity • Formation & registration • Cross-border structuring • Adapting the business model 	<p>Russia is form orientated. Every step demands considerable paperwork. Flexibility is not a natural feature of the system. Extreme care needs to be taken over the design and implementation of an investment in order to avoid expensive ‘re-engineering’ later on. For example, your group’s business model — no doubt perfectly suited to other jurisdictions — may need to be critically re-examined. Russian tax rules and business practices can add considerable cost and bureaucracy to the model and alternatives may need to be considered. Nonetheless, commercial and tax efficiency can be designed into the structure.</p>
Location	<ul style="list-style-type: none"> • Markets and logistics • Business & tax incentives • Real estate advisory 	<p>For a manufacturer wanting to increase its Russian presence, taking over the importation and distribution of its goods from a Russian distributor is a typical first step. But how can this be done in a country where vast distances often demand the distributor’s ongoing involvement? The second step — a production facility — raises different questions. Is infrastructure available and suited to your needs? Are there any tax or other investment incentives which make one more region more attractive than another? And do the incentives really deliver much overall benefit?</p>
Getting people on the ground	<ul style="list-style-type: none"> • Visas & work permits • Employment structuring • Human capital consulting • Individual taxation 	<p>Having your own people “on the ground” is vital for many businesses, but Russian immigration rules can make this difficult to structure effectively. Local hire options are good — at least in Moscow and St Petersburg, but so are financial expectations. In fact, the human resources question is becoming as complex as any other in the investor’s implementation plan.</p>
Reporting	<ul style="list-style-type: none"> • Financial reporting • Management reporting • Technology Integration • Tax reporting • Outsourcing & payroll 	<p>A company’s financial and tax reporting are prescribed by local accounting standards that meet few management reporting objectives, so conversion to IAS or US GAAP will be essential. Your home country ERP system may require substantial adaptation or a parallel system may have to be utilised. Also, as a form-oriented environment, documentation needs to be carefully managed, not least to meet the onerous tax filing and tax audit requirements. Mistakes can be costly. The reporting function in Russia is one that needs significant attention and resources.</p>

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Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

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