

Legislative Tracking



If you would like advice with regard to any of these issues, please do not hesitate to contact the Tax & Legal Department of Deloitte CIS at +7 (495) 787 06 00 (Moscow) or + 7 (812) 703 71 06 (St. Petersburg).

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9 August 2016

Official website of the U.S. Internal Revenue Service

<https://www.irs.gov/pub/irs-drop/a-16-27.pdf>

US Treasury regulates implementation of FATCA IGAs by partner jurisdictions

From January 2017, the US Internal Revenue Service will begin to update the list of jurisdictions which have signed (or agreed in substance) intergovernmental agreements (IGAs) with the USA to facilitate the implementation of the Foreign Account Tax Compliance Act (FATCA). Following the update, jurisdictions that have not yet brought an IGA into force may cease to be treated as if they have an IGA in effect if they, by 31 December 2016, fail to provide the Treasury with a detailed explanation of why the IGA has not yet been brought into force and a step-by-step plan that the jurisdiction intends to follow in order to sign the IGA (including the expected dates for achieving each step),

Based on the information received and the jurisdiction's prior course of conduct in connection with IGA discussions, the US Department of the Treasury will evaluate the resolve of jurisdictions to bring their IGAs into force. If a jurisdiction ceases to be treated as if it has an IGA in effect, the financial institutions of the jurisdiction will be obliged to enter into separate Foreign Financial Institution (FFI) Agreements (otherwise they may be subject to a 30-percent penalty withholding tax on certain sources of income in the USA).

The list of jurisdictions that may be subject to evaluation as mentioned above includes Kazakhstan, Ukraine and Armenia.

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Federal portal for draft regulations

<http://regulation.gov.ru/projects#npa=50628>

Auditors may be required to report auditee's deals or financial transactions aimed at money laundering

The Russian Federal Financial Monitoring Service (Rosfinmonitoring) is preparing a Draft Federal Law "On Amendments to Articles 7.1 and 7.3 of the Federal Law "On Combating Money Laundering and the Financing of Terrorism" and Article 13 of the Federal Law "On Auditing". Specifically, the draft proposes to oblige audit firms and private auditors to notify the authority of all cases when auditors have a reason to believe that some of their auditee's deals or financial transactions may have been or may be aimed at money laundering or the financing of terrorism.

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