

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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6 September 2016

Official website of the Russian State Duma

[http://asozd2.duma.gov.ru/addwork/scans.nsf/ID/D93B6A89720B7CB743258025005DC908/\\$File/1166026-6.PDF?OpenElement](http://asozd2.duma.gov.ru/addwork/scans.nsf/ID/D93B6A89720B7CB743258025005DC908/$File/1166026-6.PDF?OpenElement)

Draft law aimed at preventing violations of foreign exchange regulations

Draft Law No. 1166026-6 has been introduced to the Russian State Duma for consideration. The draft law proposes to enable authorised banks to refuse to perform foreign exchange operations for clients if they do not comply with the requirements of Russian foreign exchange legislation.

The draft law also proposes to specify the administrative penalties for carrying out illegal foreign exchange operations and for violating laws related to the repatriation of funds, including additional penalties for officials in the form of disqualification from six months to three years for repeat violations.

Please note that in accordance with the effective Russian legislation, if all required documents justifying foreign exchange operations are in place, an authorised bank may only refuse to carry out the operations if there are suspicions that the operations are aimed at laundering the proceeds of crime or financing terrorism.

5 September 2016

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<http://www.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=160241>

Clarifications on taxation of dividends paid out through depository to foreign repo buyer if beneficial owner of dividends is Russian company

In this letter, the Russian Ministry of Finance clarifies issues related to the taxation of dividends paid out through a depository to a foreign company acting as a repo buyer that owns shares on the date of the pay-out of the dividends if the beneficial owner of the dividends is a Russian entity.

According to the Ministry, in this situation, the provisions of sub-item 1, item 4, Article 7 of the Russian Tax Code apply and tax is not withheld from the dividends of the foreign company.

At the same time, the depository acts as a tax agent in relation to the dividends received by the Russian beneficial owner and withholds tax at the rate envisaged under sub-item 2, item 3, Article 3 of the Russian Tax Code (13 percent).

Thus, the Ministry confirmed that the beneficial owner of the dividends from shares subject to a repo deal is a repo seller, not a repo buyer.
Russian Ministry of Finance Letter No. 03-03-06/2/49659 of 25 August 2016

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