

Russia

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1 Pre-entry Tax Planning

1.1 In your jurisdiction, what pre-entry estate and gift tax planning can be undertaken?

Law on the estate and gift tax was abolished in 2005 and has not been applied since January 1, 2006. However, it should be noted that property acquired as inheritance or gifts is an economic benefit for a person and is subject to personal income tax. The Russian Tax Code exempts from taxation all types of income arising from inheritance and some types of gifts from natural persons. Gifts from persons other than natural persons are taxable (taking into account tax residency and source of origin, see question 2.3) if the threshold of 4,000 RUB is exceeded. Gifts in the form of real estate, vehicles, stocks and shares from persons other than close relatives are also subject to personal income tax. Therefore, establishing pre-entry gift tax planning in Russia could provide for receipt of gifts from close relatives (all types of gifts) and other natural persons (gifts except real estate, vehicles, stocks and shares). Considering the relatively low personal income tax rate for residents in Russia (13%), in some cases other gifts can be considered if the application of the gift tax rate in a country where the individual was tax resident before moving to Russia results in a higher tax liability.

1.2 In your jurisdiction, what pre-entry income and capital gains tax planning can be undertaken?

Russian income taxation is based on the concept of tax residence (see question 2.3). Tax residents are subject to income tax on their worldwide income. Therefore, any income from sources other than Russia (including undistributed profits of controlled foreign companies, see question 3.5) should be received before becoming resident in Russia in cases where the individual finds himself or herself in a more advantageous tax situation before his or her relocation.

Russian tax law provides for full relief of income earned from the sale of property owned by an individual for a period over three years (income from sale of shares is not exempted under this rule).

1.3 In your jurisdiction, can pre-entry planning be undertaken for any other taxes?

According to the Russian tax legislation (except personal income tax), individuals shall pay transport tax on vehicles registered in

Russia (tax rates are increased when the price of vehicles exceeds 3 million RUB) and tax on real estate located in Russia. Since these taxes are not affected by residence or relocation of a person, no special pre-entry planning shall be undertaken for these taxes.

2 Connection Factors

2.1 To what extent is domicile or habitual residence relevant in determining liability to taxation in your jurisdiction?

Domicile as a certain status that is used in some jurisdictions (e.g. UK) is not relevant in determining liability to taxation in Russia.

Habitual residence as a specific place where the individual usually resides and routinely returns to after visiting other places *per se* is not relevant in determining liability to taxation.

2.2 If domicile or habitual residence is relevant, how is it defined for taxation purposes?

Please see question 2.1 above.

2.3 To what extent is residence relevant in determining liability to taxation in your jurisdiction?

In Russia, tax liabilities are determined based on the concept of tax residence. The tax resident is subject to income tax on his worldwide income, whilst the natural person who is not a tax resident of Russia (non-resident) is subject to income tax on his income from sources in Russia. Tax residents are allowed to apply tax deductions and exemptions which are not applicable for non-residents. Also residential status affects the tax rate: the ordinary tax rate for tax residents is 13%, while for non-residents the rate is 30%.

2.4 If residence is relevant, how is it defined for taxation purposes?

The natural person shall be considered as 'tax resident' if he or she is physically present in Russia for 183 or more days during 12 consecutive months. The term of stay is not interrupted by periods of departure from the Russian Federation for short-term (less than six months) treatment or study.

2.5 To what extent is nationality relevant in determining liability to taxation in your jurisdiction?

Nationality is not relevant in determining the liability to taxation in Russia. The liability to taxation depends on the residential status of the individuals.

2.6 If nationality is relevant, how is it defined for taxation purposes?

Please see question 2.5 above.

2.7 What other connecting factors (if any) are relevant in determining a person's liability to tax in your jurisdiction?

There are no other connection factors which are relevant in determining a person's liability to tax in Russia.

3 General Taxation Regime

3.1 What gift or estate taxes apply that are relevant to persons becoming established in your jurisdiction?

Please see question 1.1 above.

3.2 How and to what extent are persons who become established in your jurisdiction liable to income tax?

See question 2.3. Also, it should be noted that for foreign-sourced income, double tax treaties may provide for special rules (place of taxation, reduced rates, exemptions, etc.). Income tax paid abroad cannot be credited against tax liability in Russia unless the source of income is in a treaty country and this tax treaty provides for the elimination of double taxation.

3.3 What other direct taxes (if any) apply to persons who become established in your jurisdiction?

According to the Russian tax law, individuals shall pay transport tax on vehicles registered in Russia and tax on real estate located in Russia.

An individual may carry out business activities and income from such activities is subject to personal income tax at the rate of 13%. Income-related expenses supported by documents can reduce taxable income. In case of the absence of documents confirming expenses, a tax deduction of 20% of the total income can be applied.

Tax legislation also provides for special taxation regimes that can be used in case of receiving income from business activities – the so-called “simplified tax system” (STS), “patent tax system” (PTS) and “unified tax for particular types of activity” (“unified tax on imputed income”). These regimes substitute application of personal income tax with regard to income received from business activity.

Under STS there are two options of taxation: taxation of gross income at the rate of 6%; or taxation of income reduced by expenses at the basic rate of 15% (can be reduced by a constituent entity of the Russian Federation). The choice shall be made by the taxpayer in written form prior to the beginning of the tax period (calendar year). STS cannot be applied if the gross income exceeds 60 million RUB (approximately 1.5 million EUR) per one tax period.

PTS and “unified tax on imputed income” are similar and can be applied to certain types of activities listed in the Tax Code of Russia. PTS provides for taxation of imputed income at the rate of 6%; unified tax implies the payment of a fixed tax.

3.4 What indirect taxes (sales taxes/VAT and customs & excise duties) apply to persons becoming established in your jurisdiction?

There are no sales taxes in Russia but VAT is applied to the sale of goods, provision of works (rendering services) and importation of goods. The standard rate is 18% but certain transactions are subject to a 10% rate. The exportation of goods is taxed at a zero rate but subject to confirmation by documents, a list of which is provided by the Tax Code. In general VAT calculation rules in Russia are similar to the ones applied in the EU under the VAT Directive. VAT payable is defined as the difference between VAT invoiced to customers and VAT invoiced by suppliers.

Excise tax is paid on sale and importation of specific types of goods, a list of which is provided by the Tax Code.

Custom duties are paid regardless of tax residency and citizenship, as customs duties are connected with the movement of goods into the customs territory of the Russian Federation.

Importation of goods by individuals for personal use and importation of goods by individuals residing in Russia can be exempted from custom duties.

3.5 Are there any anti-avoidance taxation provisions that apply to the offshore arrangements of persons who have become established in your jurisdiction?

Starting from January 1, 2015, the Russian Tax Code contains special anti-avoidance taxation provisions that apply to the offshore arrangements of persons who have become established in Russia.

Current legislation provides for the application of controlled foreign companies rules; the beneficial ownership concept; determination of residency by a company's place of management; and taxation of indirect real estate sales.

Implementation of the new legislation provides the Russian tax authorities with legal mechanisms for taxing international corporate and private structures. Increased international exchange of information will allow the tax authorities to track down those structures and tax their Russian beneficial owners.

CFC rules

CFC rules include the obligation to notify about any ownership of a foreign company exceeding 10% or participation in foreign structures such as trusts, or control over a company/trust or similar structure.

Under CFC rules, undistributed profits of a controlled foreign company are deemed to be a profit of a taxpayer recognised as a controlling person of such controlled foreign company and shall be taken into account in determining his/her/its tax base.

Currently CFC rules provide for two ways to determine controlled foreign company's profits depending on whether there is a double tax treaty between Russia and the state of residence of the controlled foreign company and whether there is a statutory audit of financial statements in the state of residence of the controlled foreign company. If both conditions are met the controlled foreign company's profits are determined in accordance with its financial statements. If these conditions are not met, then the controlled foreign company's profits are determined in accordance with the Russian Tax Code.

3.6 Is there any general anti-avoidance or anti-abuse rule to counteract tax advantages?

The Russian Tax Code does not contain such rule, but a rule was introduced by the high courts.

The Constitutional Court of Russia proposed to evaluate the actions of a taxpayer on the basis of the presumption of good faith.

The Supreme Court of Russia proposed to use the criterion of unjustified tax benefit. This criterion is based on doctrines of “business purpose”, “substance over form” and “due diligence”.

Tax benefit cannot be considered as just if:

- operations are accounted not in accordance with their actual economic rationale or if there are no reasonable economic or other circumstances for their accounting;
- the tax benefit is received by a taxpayer not in connection with the actual conduct of the business or other economic activities; or
- a taxpayer failed to act with due care and diligence where he should have known about the violations committed by the counterparty, in particular, because of an interdependency or affiliation with the counterparty.

4 Taxation Issues on Inward Investment

4.1 What liabilities are there to tax on the acquisition, holding or disposal of, or receipt of income from investments in your jurisdiction?

The acquisition of securities by a Russian tax resident (see question 2.3) may have tax implications if a material benefit (the difference between the market value of securities and actual costs borne by the taxpayer for their purchase) is received.

The acquisition of property, other than securities, does not have tax implications, except for acquisition from related parties (in the latter case a material benefit also may arise).

Income received from investments (such as dividends, interest), as well as from disposal of investment tools, is taxed on the date of actual receipt of such income at a rate of 13%. Income received from the disposal of investment tools can be reduced by the costs borne by the taxpayer in connection with their purchase.

Income received from the disposal of securities which are not traded in the organised securities market is exempt from tax if they have been owned by the taxpayer for over five years.

4.2 What taxes are there on the importation of assets into your jurisdiction, including excise taxes?

Importation of goods is subject to VAT, excise (on some goods, e.g. cars and motorcycles) and custom duties. As mentioned above, exemptions are available for goods imported for private use only.

4.3 Are there any particular tax issues in relation to the purchase of residential properties?

The purchase of residential properties is not a taxable item *per se*. However, the ownership of the person shall be registered by a relevant authority and this registration is made after payment of state duty, the amount of which is insignificant (less than 30 EUR for individuals and 400 EUR for legal persons).

5 Taxation of Corporate Vehicles

5.1 What is the test for a corporation to be taxable in your jurisdiction?

Russian resident companies (corporations incorporated under Russian legislation and some others) are subject to profit tax in Russia on their worldwide income.

Foreign corporations, i.e. corporations incorporated under laws of foreign countries (not Russia), shall be subject to taxation in case of derivation of profits from business activities carried on through a permanent establishment in Russia (PE). Also some types of profits derived from sources in Russia but not related to business activities carried on through PE (passive income) shall be taxed in Russia.

Under new anti-avoidance taxation provisions (see question 3.5) the definition of a Russian resident company for tax purposes is extended to foreign companies which have Russia as a place of actual management, and also to foreign companies, which are treated as Russian tax residents in accordance with international tax agreements. Russia can be treated as the place of management of a foreign company if:

- principal management is usually undertaken from Russia; and
- key officers of the company perform their activities out of Russia.

5.2 What are the main tax liabilities payable by a corporation which is subject to tax in your jurisdiction?

The main tax liabilities payable by a corporation are:

- Profit tax. As said above (see question 5.1) the amount of tax liabilities depends on tax residence status of the corporation; general tax rate is 20%.
- Value added tax. Generally, VAT applies to the value of goods, works, services, or property rights supplied in Russia. The standard VAT rate is 18% in Russia. The same VAT rates apply to goods imports into Russia.
- Property tax. The maximum property tax rate is 2.2% (if the tax base is determined on the basis of the annual book value of fixed assets recorded on the taxpayer’s balance sheet) or 2% (if the tax base is determined in accordance with the base market value), and regional legislative bodies have the right to reduce these rates.
- Transport tax. The tax rate depends on the type of the vehicle and engine capacity.
- Land tax. The maximum land tax rate is 1.5%.

5.3 How are branches of foreign corporations taxed in your jurisdiction?

Foreign corporations deriving income from business activities carried on through the branches constituting PE in Russia are subject to profit tax at 20% (except dividends and capital gains). Income derived by PE can be reduced by deductible costs incurred by that PE. Currently there is no special branch profit tax in Russia.

6 Tax Treaties

6.1 Has your jurisdiction entered into income tax and capital gains tax treaties and, if so, what is their impact?

Russia has entered into income tax and capital gains tax treaties with 80 countries. The principal purpose of these tax treaties is to eliminate double taxation by allocating the taxing jurisdiction between the contracting countries.

6.2 Do the income tax and capital gains tax treaties generally follow the OECD or another model?

Generally, these income tax and capital gains tax treaties follow the OECD model.

6.3 Has your jurisdiction entered into estate and gift tax treaties and, if so, what is their impact?

Currently Russia is not party to the tax treaties that only address estate and gift taxes. Issues related to taxation of inheritance or gift income are resolved in accordance with the provisions of the income tax treaties.

6.4 Do the estate or gift tax treaties generally follow the OECD or another model?

Please see question 6.3 above.

7 Succession Planning

7.1 What are the relevant private international law (conflict of law) rules on succession and wills, including tests of essential validity and formal validity in your jurisdiction?

The right of succession enforceable in Russia depends on the type of inherited property. Thus, the relationship involving the succession of the personal property is governed by the law of the country of the testator's latest place of residence. Russian law defines the place of residence (domicile) as the permanent or primary place of residence of a citizen. Thus, the place of residence of a citizen is characterised by the person's inhabitancy for a more or less extended time compared to the duration of residence in other places. The place of residence of a citizen is registered at the place of residence within the territory of the Russian Federation.

Succession of immovable property is governed by the law of the country in which the property is located. Succession of immovable property recorded in the Unified State Register of Rights of the Russian Federation is governed by Russian law.

In respect of changes in essential and formal validity of a will, the ability of a person to make and revoke a will and its form (act of revocation thereof) under Russian law is governed by the law of the country of the testator's place of residence as of the date of the will (act). In this case, so far as is material under Russian law the will (and its revocation) cannot be invalidated on the grounds of non-compliance with the form if it satisfies the requirements of the law of the place in which the will was made (or act of revocation thereof was carried out) or the requirements of Russian law. Russian

legislation provides for such procedure in respect of both personal and immovable property.

Conflict of law rules on succession in Russia are also provided for by regional international conventions and bilateral conventions on legal assistance in civil, family and criminal cases. The principles for determining the law applicable to the inheritance relationship, namely succession of personal property, power of testation and forms of testation under certain international conventions, differ from the principles stipulated in Russian domestic legislation. Succession of immovable property is governed by the law of the country in which such immovable property is located.

It should be noted that Russia is not a member of any universal international treaty on inheritance relationships.

7.2 Are there particular rules that apply to real estate held in your jurisdiction or elsewhere?

Given the particular importance of real estate as a legal object, Russian law provides for a special legal regime for immovable property. The main rules of this regime include obligatory state registration of real estate items, obligatory state registration of rights to immovable property, state registration of certain transactions involving immovable property, legal requirements to the execution of transactions involving immovable property (execution in written form, and mandatory certification by a notary – for certain transactions), special requirements for the execution of transactions involving immovable property, special time of prescription (the period of 15 years of open, continuous, and diligent possession), special procedure for the recognition of a title to ownerless immovable property and others.

The list of types of property classified as real estate in Russia is established by federal laws. The provisional list is set out in the Civil Code and includes land plots, subsoil plots, and all other objects inseparable from land, i.e. objects that cannot be moved without causing disproportionate damage to their intended purpose, including buildings, structures, construction in progress, as well as aircrafts and sea crafts, inland vessels, and space objects.

The legal status of each type of immovable property has its own characteristics that are typical only of such type of property. First of all, the differences between the legal regimes consist in the types of ownership of such type of property, the bases for its emergence and termination of the rights thereto.

8 Trusts and Foundations

8.1 Are trusts recognised in your jurisdiction?

No, the Russian law system does not recognise trusts.

8.2 How are trusts taxed in your jurisdiction?

Although Russian law does not currently recognise trusts, one can receive economic benefits from trusts and this economic benefit is subject to income tax on a common basis.

8.3 How are trusts affected by succession and forced heirship rules in your jurisdiction?

Please see question 8.1 above.

8.4 Are foundations recognised in your jurisdiction?

Foundations are recognised in Russia as independent legal entities and belong to the category of non-profit organisations.

8.5 How are foundations taxed in your jurisdiction?

Foundations in Russia are subject to ordinary taxation, but special tax treatment, i.e. a simplified taxation system, may also apply. Incentives may also apply, including exemption from certain taxes in the foundation's pursuit of charitable activities.

8.6 How are foundations affected by succession and forced heirship rules in your jurisdiction?

In contrast to a series of foreign legal systems and rules for commercial corporations, Russian law does not provide for the succession of the rights of the founders of a foundation.

9 Matrimonial Issues

9.1 Are civil partnerships/same sex marriages permitted/recognised in your jurisdiction?

Russian Law recognises marriages only between a man and a woman based upon free and mutual assent.

9.2 What matrimonial property regimes are permitted/recognised in your jurisdiction?

The Russian Family Code uses community property regime as the default regime. Alternatively spouses may prefer switching to separate property regime, (popular in common law jurisdictions), or they can tailor their own pre- or post-nuptial agreements.

The community property is the property acquired during marriage, and essentially is property owned jointly by both spouses. It is subject to division upon divorce or death. Joint ownership also means that spouses use and dispose of their property on the basis of mutual consent. For example, in case of the sale of the real estate, which is owned jointly, both spouses have to sign the real estate sale agreement. Or the spouse who concludes the agreement must obtain the other spouse's consent certified by the public notary prior to signing. Otherwise, the latter spouse may subsequently claim in court that the sales contract is null and void as it was concluded and executed without assent.

Community property regime has some exceptions. Firstly, there is no joint ownership of any property acquired before marriage. Secondly, gifts and inheritances, received during marriage, become the property of the recipient. Thirdly, intellectual property rights belong only to the author, but not to his/her spouse. Finally, clothes, shoes and other things for personal use of each spouse belong only to that spouse (except for jewellery and luxury chattels).

As previously noted, the default matrimonial regime and its exceptions may be altered by a pre- or post-nuptial agreement.

9.3 Are pre-/post-marital agreements/marriage contracts permitted/recognised in your jurisdiction?

In Russia spouses may conclude pre- and post-nuptial agreements. Pre-nuptial agreements are valid following marriage registration.

Post-nuptial contracts may be signed at any time during the length of the marriage, including any divorce period. These agreements regulate only property relationships between spouses during their marriage and/or in case of divorce.

Pre- and post-nuptial agreements cannot limit spouses' legal capacity, or regulate non-property relationships, or their rights and obligations toward children. Nor can they waive the right of a spouse to seek court protection or receive spousal support. The above and other conditions, which deprive one of the spouses of their statutory rights, put him or her in a weakened position, or contradict public policy of Russia and are consequently rendered invalid and unenforceable.

9.4 What are the main principles which will apply in your jurisdiction in relation to financial provision on divorce?

In Russia, division of marital property is founded upon mutual assent of divorcing parties. If they cannot reach an acceptable agreement, any dispute will be settled in court. In both, amicable circumstances and those instances where a court intervenes, the result of marital property division depends on the marital property regime used by spouses (community, separate or another regime). (See questions 9.2 and 9.3.) In the process of property division, spousal shares are considered equal, unless otherwise agreed by the parties in their pre/post-nuptial agreement.

The courts may be minded to step aside from the principle of equality of spousal shares. For instance, it may give a greater proportion of the marital property to the spouse who will care for the common minor children. Division of marital property means not only division of assets but also division of debts, which are allocated in respective ratio to spousal shares.

10 Immigration Issues

10.1 What restrictions or qualifications does your jurisdiction impose for entry into the country?

Restrictions on, or requirements for, the entry of a foreign citizen into the Russian Federation are dependent on many factors (including the purpose of such entry).

The general rule is that foreign nationals can travel to the Russian Federation and leave the Russian Federation if they hold a visa and valid identity documents recognised by the Russian Federation as such.

The Russian Federation has concluded treaties with a number of states, which facilitate mutual migration procedures for citizens, including introduction of a visa-free regime (the list of such agreements is available at: <http://www.mid.ru/>).

There are also exceptional cases when the rules for entry into the Russian Federation may be changed for participants in international events held in the Russian Federation (see, for example, the Federal Law # 108-FZ of June 7, 2013, on hosting 2017 FIFA Confederations Cup and 2018 FIFA World Cup).

Depending on the purpose of entry of a foreign citizen into the Russian Federation and the purpose of his stay in the Russian Federation, ordinary visas are divided into the following categories: private, business, tourist, study, employment, and humanitarian visas and visas for entry into the Russian Federation for the purpose of requesting asylum. Often the procedure and requirements for obtaining these visas differ significantly.

10.2 Does your jurisdiction have any investor and/or other special categories for entry?

The current Russian migration legislation does not provide for a special category of “investors”. Such persons may be subject to the rules applicable to business visas. However, the ongoing legislative activity is aimed at simplifying the conferment of Russian nationality for certain categories of persons, including investors.

Migration legislation places “highly qualified specialists” in special categories that relate to foreigners with expertise, skills or achievements in a particular field, if their terms of employment in the Russian Federation satisfy specific criteria (in particular, high wages). This category of persons and their family members are subject to a less strict migration regime (employment of highly qualified professionals is not limited by quotas, the migration registration is easier, etc.).

10.3 What are the requirements in your jurisdiction in order to qualify for nationality?

Russian citizenship is acquired by: birth; naturalisation procedure; restoration of Russian citizenship; or by other ways stipulated by Russian law or an international treaty to which Russia is a party.

There are both ordinary and simplified procedures for obtaining Russian citizenship.

The simplified procedure is only available to certain categories of persons (for example, minor children of Russian citizens, former USSR citizens, etc.).

For the purposes of conferment of citizenship of the Russian Federation in accordance with the standard procedure, a foreign citizen who is at least eighteen years old and who has legal capacity is entitled to apply for conferment of citizenship of the Russian Federation subject to certain conditions: such as continuous residence in the territory of the Russian Federation for a period of five years from the date of receipt of a residence permit prior to applying for conferment of Russian citizenship; a source of subsistence; renunciation of existing citizenship; obligations to respect the Constitution of the Russian Federation and the legislation of the Russian Federation; and command of the Russian language.

There may be exceptions in relation to the general procedure, like the shortening of the period of residence in the Russian Federation to one year (in the case of applying for citizenship). A foreign citizen awarded for meritorious services to the Russian Federation, may also be naturalised in the Russian Federation without complying with the requirements of the general procedure, on the basis of the Decree of the President of the Russian Federation.

10.4 Are there any taxation implications in obtaining nationality in your jurisdiction?

Nationality is not relevant in determining the liability to taxation in Russia. The liability to taxation depends on the residential status of the individuals.

10.5 Are there any special tax/immigration/citizenship programmes designed to attract foreigners to become resident in your jurisdiction?

Russia has designed a special programme (see Compatriots Programme, approved by the President’s decree # 637, dd. 22 June

2006) to help its compatriots and their family members, who have turned out to live abroad (e.g. due to USSR dissolution), to migrate back to Russia. The Compatriots Programme assists compatriots to acquire Russian citizenship under the simplified procedure.

There are also a few exceptions departing from the simplified naturalisation procedure developed to further facilitate the process and attract the following qualified non-Russian persons:

- (a) foreign persons, (1) who graduated after 2002 from professional colleges, accredited in the Russian Ministry of Education, and who, at the moment of application for the Russian citizenship, and (2) have been working in Russia for three years;
- (b) (1) foreign businessmen, (2) who, at the moment of the application for the Russian citizenship, have been engaged in business activity in Russia for three years, and (3) with annual proceeds of 10 or more million rubles;
- (c) foreign citizens (1) investing in special types of economic activities in Russia (specified by the Russian Government), and (2) whose share in the Russian legal entity, registered for that purposes, is ten per cent or more; and
- (d) non-Russian (1) skilled workers and professionals, whose professions are specified in the Government list, and (2) who have been working in Russia as employees for three years at the moment of the application for the citizenship.

Non-Russian persons who render meritorious services to the Russian Federation may obtain the Russian citizenship without compliance with the simplified or standard procedures, but on the basis of the Decree of the President of the Russian Federation.

11 Reporting Requirements/Privacy

11.1 What automatic exchange of information agreements has your jurisdiction entered into with other countries?

Currently, Russia carries out the automatic exchange of information relating to the payment of indirect taxes within the Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia). Also in 2014, Russia ratified OECD and Council of Europe Convention on Mutual Administrative Assistance in Tax Matters (date of entry into force – July 1, 2015), which provides a basis for automatic exchange of information. However, Russia has not joined the list of countries that will be the first to perform automated exchange in 2017. According to the Federal Tax Service, Russia is likely to join this procedure in 2018.

11.2 What reporting requirements are imposed by domestic law in your jurisdiction in respect of structures outside your jurisdiction with which a person in your jurisdiction is involved?

Starting from January 1, 2015 (see question 3.5 above), Russian tax residents shall notify:

- (1) about any ownership of a foreign company exceeding 10 percent, or participation in foreign structures such as trusts, or control over a company/trust or similar structure; and
- (2) about a CFC (a company which is not Russian tax resident and is controlled by Russian tax resident/s).

A Russian tax resident shall be deemed to be a controlling person if he meets the two-fold test:

- in 2015 – if direct or indirect ownership share (for natural persons – together with close family members) held by such a person amounts to at least 50%;

- starting from 2016 – if direct or indirect ownership share (for natural persons – together with close family members) of such a person amounts to at least 25% or over 10%, if, when added to the participation interest of any other Russian tax residents in the same entity, the collective stake of the Russian tax residents exceeds 50%.

11.3 Are there any public registers of owners/beneficial owners/trustees/board members of, or of other persons with significant control or influence over companies, foundations or trusts established or resident in your jurisdiction?

There are two main public registers in Russia: the Unified Register of Legal Entities (URLE) and the Unified Register of Entrepreneurs

(URE). The URLE contains the data regarding establishment; reorganisation; dissolution of all Russian legal entities; about registered addresses, their founders and shareholders; the size of their capitals; companies' shares/stock used as collateral, and other related data. The URE provides information concerning entrepreneurs without the status of legal entities.

These registers are public and easily accessible on the Internet at www.egrul.nalog.ru.



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Yulia has a degree in law from the State Academic University for the Humanities (GAUGN) in Moscow. Subsequently, she graduated with a Master's Degree in Business and Finance law at George Washington University Law School (Washington, D.C., USA).

In 2001, she started providing legal advice and support for private charities in Russia. From 2003 to 2008, Yulia worked as a lawyer in the Russian branch of the Charities Aid Foundation Group of Companies (CAF, UK). From 2008 to 2011 she continued working there as the head of the legal department.

From 2004 to 2011 Yulia, as a legal expert, actively participated in drafting bills introducing amendments to laws on charity and non-profit organisations, including preferential tax treatment and endowment. As a legal expert, she also cooperated with a number of state and public initiatives, among those were:

- the Commission for the Development of Philanthropy in Russia of the Public Chamber of the Russian Federation; and
- the working group established by the President of the Russian Federation to deal with the improvement of Russian legislation on non-profit organisations.

At that time, Yulia also lectured and conducted workshops on legal issues in taxation and other aspects of charity in Russia for private and corporate investors.

In 2011, Yulia joined Ivanyan & Partners Law Firm as the Head of Legal Advice and Support for Private Clients. She switched from the narrow philanthropic questions to a wider range of legal issues, including charity, helping high-net-worth individuals to solve them.



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Dmitry Mikhailov is an expert in the field of tax planning and tax disputes. His main practice area is advising corporate clients, as well as shareholders and owners of non-public assets on matters of tax optimisation, overall economic activity and project funding and support for major transactions, including restructuring, acquisition and sale of non-public assets.

Dmitry Mikhailov represents both Russian and foreign corporations operating in such industries as mining and processing of minerals, chemical industry, nonferrous metallurgy, engineering, retail, construction and real estate development, banking, investment, and exports and imports of food products. Dmitry Mikhailov has extensive expertise in tax planning for establishment of partnerships and corporate entities under foreign law for asset management in Russia and CIS countries. He has been successful in representing his clients in tax matters before Russian arbitration courts for many years.

Professional membership

Certified auditor, member of the Moscow Audit Chamber non-commercial partnership.

IVANYAN & PARTNERS

Ivanyan & Partners was established in 2006 by a group of attorneys-at-law and political advisors. The main aim of this union has always been a determination to optimise our own efforts as consultants and to participate in complex projects that require a combination of our legal expertise with the knowledge of the applicable private interests protection and promotion tactics when dealing with the government authorities.

The legal practice of the firm embraces all major areas of commercial law and international business affairs, with a particular focus on construction and real estate and on dispute resolution. Our public policy experts advise on various issues related to interaction with federal and regional authorities, including advocating interests of corporations before federal and regional decision makers, working out and supporting legislative initiatives, negotiating state contracts and PPPs, and building public alliances of corporate investors to promote interests in particular economic spheres.

In our work we follow the professional requirements of the Federal Bar of the Russian Federation, the Moscow and St. Petersburg Bars, and the Law Society of England and Wales.

Ivanyan & Partners law firm has been recognised by a major European legal guide, *The Legal 500*:

Ivanyan and Partners provides 'excellent advice and is very good value for money'. The practice has worked on litigations of huge value for some of the most powerful interests in Russia. Clients praise the lawyers' 'commercial sensitivity and political pragmatism brought to bear on cases'.

– *The Legal 500 Europe, Middle East & Africa, Dispute Resolution 2010*