

Russia Tax Guide





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A. Direct taxation: Companies	
1. Resident companies	
<u>Residence</u>	A company is considered resident in Russia if it is incorporated under Russian law, if that company is effectively managed in Russia or it is deemed to be a tax resident under an applicable tax treaty
<u>Tax base</u>	Worldwide
<u>Corporate tax rates</u>	20% 13% for dividends received Simplified tax regime available
<u>Alternative minimum tax</u>	No
<u>Capital gains</u>	Part of business income Capital gains derived from shares in Russian companies held for a period longer than 5 years are exempt (under conditions)
<u>Loss carry-forward</u>	Yes, indefinitely (except for losses derived from activities subject to corporate income tax at the rate of 0%) Loss carry-forward is limited to 50% of taxable profits in tax years 2017 through 2020
<u>Loss carry-back</u>	No
<u>Unilateral double taxation relief</u>	Yes, ordinary foreign tax credit
2. Non-resident companies	
<u>Corporate tax rates</u>	20% 10% on income from international transport activities
<u>Capital gains on sale of shares in resident companies</u>	No (unless derived from shares in companies owning real estate – 20% rate)
<u>Capital gains on sale of immovable property</u>	20%
Withholding tax rates	
<u>Branch profits</u>	No
<u>Dividends</u>	15%
<u>Interest</u>	20% 15% (state and municipal bonds) 9% (certain mortgage and long-term municipal bonds)
<u>Royalties</u>	20%
<u>Fees (technical)</u>	No
<u>Fees (management)</u>	No

3. Specific issues	
<u>Participation relief</u>	Inbound dividends: yes Outbound dividends: no
<u>Group treatment</u>	Yes
<u>Incentives</u>	Special economic zones Accelerated depreciation Credit of R&D expenses Free economic zones
Anti-avoidance	
<u>Transfer pricing legislation</u>	Yes
<u>Thin capitalization legislation</u>	Yes
<u>Controlled foreign company legislation</u>	Yes
<u>General anti-avoidance rule (GAAR)</u>	No
<u>Other anti-avoidance legislation</u>	Yes (beneficial ownership concept, notification requirements, concept of "unjustified tax benefit")
B. Direct taxation: Individuals	
1. Resident individuals	
<u>Residence</u>	An individual is deemed to be a resident if he is physically present in Russia for at least 183 days during any 12-month period
<u>Taxable income</u>	Worldwide
<u>Income tax rates</u>	13% flat rate Business income: simplified tax regime and patent system available
<u>Alternative minimum tax</u>	No
<u>Capital gains</u>	Part of business income Gains from the sale of immovable property held more than 5 years are exempt under certain conditions (3 years in certain cases) Gains derived from shares in Russian companies held for a period longer than 5 years are exempt (under conditions)
<u>Unilateral double taxation relief</u>	No
<u>Social security contributions</u>	Social insurance contribution maximum 30% of an employee's salary depending on the thresholds of the employee's annual income
2. Non-resident individuals	
<u>Income tax rates</u>	30% flat rate
<u>Capital gains on sale of shares in resident companies</u>	30% on gains from the disposal of shares and other securities, if the alienation takes place in Russia
<u>Capital gains on sale of immovable property</u>	30%
Withholding tax rates	
<u>Employment income</u>	30%
<u>Dividends</u>	15%
<u>Interest</u>	20% 0% (certain public bonds and bank deposits)
<u>Royalties</u>	30%
<u>Fees (technical)</u>	30% if activity takes place in Russia 13% for highly skilled professionals
<u>Fees (directors)</u>	30%
C. Indirect taxation: Value added tax (VAT)/Goods and services tax (GST)	
<u>Taxable events</u>	Supplies of goods and services Importation of goods
<u>VAT/GST (standard)</u>	18%
<u>VAT/GST (reduced)</u>	0%, 10%
<u>VAT/GST (increased)</u>	No
<u>Registration/deregistration threshold</u>	No
<u>VAT group</u>	No
D. Other taxes	
<u>Inheritance and gift taxes</u>	No, but income tax may be imposed

<u>Net wealth tax (individual)</u>	No
<u>Net wealth tax (corporate)</u>	No, but there is a corporate property tax
<u>Real estate taxes</u>	Yes
<u>Capital duty</u>	No, but state tax may apply
<u>Transfer tax</u>	No
<u>Stamp duty</u>	No
<u>Excise duties</u>	Yes
<u>Other main taxes</u>	No
E. General information	
Sources of tax law	Tax Code
Main types of business entities	Public joint-stock company (PAO) Non-public joint-stock company (NPAO) Limited liability company (OOO) General partnership Limited partnership
Accounting principles	Russian accounting standards
Currency	Russian rouble (RUB)
Foreign exchange control	Yes
Official websites	Government Ministry of Finance Federal Tax Service

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