Doing Business Guide

Russia

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2K Audit – Business Consulting

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About This Booklet

This booklet has been produced by 2K Audit – Business Consulting for the benefit of its clients and associate offices worldwide who are interested in doing business in Russia.

The main purpose of this booklet is to provide a broad overview of the various matters that should be considered by organisations planning to set up business in Russia.

The information provided cannot be exhaustive and – as underlying legislation and regulations are subject to frequent changes – we recommend anyone considering doing business in Russia or looking to the area as an opportunity for expansion should seek professional advice before making any business or investment decision.

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Introduction: The Russian Federation

History and geography

Russia (Russian Federation), in its current form, was created following the break of the Russian Empire, the 1918–22 Civil War and the formation of the Union of Soviet Socialist Republics (Soviet Union) in 1922. The Russian Federation became an independent state in 1991, following the collapse of the Soviet Union. The Russian Federation is divided into eight federal districts, further spread into 83 constituent entities of the Russian Federation (republics, regions, territories, autonomous areas, one autonomous region and two federal cities: Moscow and St Petersburg).

The Russian Federation extends from Eastern Europe to Far East Asia. At 17.1 million km^2 (6.6 million mi^2) in area, Russia occupies the largest territory in the world, spanning nine time zones. To the west of Russia lie the Baltic member countries of the European Union, Belarus and Ukraine; to the south, the Caucasian and Middle Asian Republics of the former USSR, China and Mongolia; to the east, Korea, Japan and the USA (Alaska). Russia's sea coasts extend from the Atlantic Ocean in the northwest to the Arctic Ocean in the north and the Pacific Ocean in the east. Russia accounts for an estimated 6% of the world's proven oil reserves and around 25% of global natural gas reserves.

Russia today

Russia is a fast and dynamically growing economy that plays a significant political role in the modern world. Being recognised as the successor to the Soviet Union in international law, Russia has assumed a permanent seat on the UN Security Council, as well as rights and obligations under international treaties, property and debts. Since 1994, Russia is a member of the Group of 8 (G8) industrialised nations. Among many other international organisations, Russia is also a member of:

- The Group of 20 finance ministers and central bank governors (G20)
- The Council of Europe
- The Organization for Security and Co-operation in Europe (OSCE)
- The Commonwealth of Independent States (CIS), which unite the countries of the former USSR (except the three Baltic states)
- The international Financial Action Task Force on Money Laundering (FATF) since 2003; holds presidency of the FATF in 2013.

The creation of the Customs Union (CU) and deeper integration for Russia, Belarus and Kazakhstan in 2012 has helped to unify customs legislation of CU members, as well as form a single customs territory, in which goods traded between CU member states can be transported without customs clearance. Members of the CU apply unified customs tariffs and customs valuation methodology, general rules of non-tariff regulation and uniform technical regulations.

Russia's international currency and gold reserves are among the highest in the world, valued at approx. €415 billion as of 1 January 2013. Additionally, the Russian government is accumulating the currently large revenues from the oil and gas sectors in the Reserve Fund, the total value of which exceeded €48 billion as of 1 January 2013.

Russia hosts a string of major sporting events, contributing to Russia's further economic and social development, including infrastructural changes and attracting foreign tourism. In July 2013, the Summer Universiade takes place in the city of Kazan. In 2014, Russia will host the Winter Olympics in Sochi. In 2018, the FIFA World Cup will be held in 16 stadiums in 13 different cities in the European part of Russia.

Population and languages

Russia's population is over 140 million. The Russian Federation is a multi-ethnic nation with diverse cultures and languages, and over 160 ethnic groups. Altogether, 67 official languages are recognised in the constitutions of the various entities of the Federation, with Russian being the official language country-wide. English is also commonly used in public and commercial life; however, one should not expect to be able to get around or conduct business without knowledge of Russian – especially as all official documentation is required to be prepared in Russian.

Russia has 15 cities with a population of over 1 million: Moscow (the capital, with a population exceeding 10 million), St Petersburg (the second largest city, with a population of >4 million), Chelyabinsk, Kazan, Krasnoyarsk, Nizhny Novgorod, Novosibirsk, Omsk, Perm, Rostov-on-Don, Samara, Ufa, Volgograd, Voronezh and Yekaterinburg.

Constitution and law

Following a nation-wide referendum in 1993, Russia adopted its present Constitution, replacing the old Russian main law which dated back to Soviet times. Russia is a parliamentary democracy, with the nation-wide elected president being the head of state. The Russian president is elected for a 6-year term and nominates the Prime Minister, who becomes a head of the Russian government subject to parliamentary approval of his/her candidacy.

The Russian parliament has a bi-cameral structure: the State Duma (the lower house of parliament) and the Federation Council (the upper house). The State Duma drafts federal laws, while the Federation Council approves or rejects draft laws passed by the State Duma. The Federation Council also appoints the judges of Supreme Courts. The State Duma consists of 450 members, including representatives of four political parties and independent members. The Federation Council consists of 166 members representing the 83 constituent entities of the Russian Federation. Members of parliament are elected for a 5-year term. Citizens aged ≥18 years can take part in elections of all levels.

The Russian government, which exercises executive power, comprises the Prime Minister and his/her deputies and federal ministers.

Several levels of courts exercise judicial power, including the Constitutional Court (the highest level); the Supreme Court (the highest judicial body for regular courts); courts with general jurisdiction (civil, criminal and administrative); and the Supreme Court of Arbitration (the highest level for economic disputes).

Russia's 83 constituent entities each have their own legislative and executive bodies.

The legal system in Russia is based on statutory (rather than case) law. The legal acts of the Russian Federation include the Constitution; federal laws (including the Civil Code, Tax Code, Customs Code, Law on Joint Stock Companies, Law on Limited Liability Companies, and other federal laws); presidential decrees; government decisions; and regional laws of the 83 constituent entities of the Russian Federation.

International laws, treaties and agreements that Russia has signed also form an important part of Russian legislation, and prevail over domestic law in case of conflict.

The Russian legal framework continues to develop with the growth of legal precedent and thus legal certainty, along with measures to discourage corruption and update company legislation. Substantial amendments to the Civil Code are expected to be adopted in 2013, which could lead to a significant improvement in Russia's investment climate.

The Economy

Energy accounts for some 30% of Russia's gross domestic product (GDP) and, along with mining, has been a key driver of Russia's overall economic recovery in recent decades. Given that Russia's exports of crude oil, oil products and natural gas account for >70% of its total export, the Russian economy is vulnerable to fluctuations in trading prices of mineral resources. Yet Russia aims at diversifying its economy, placing an emphasis on innovation and industrial modernisation, and diminishing its dependence on the export of mineral resources. Some 50% of total imports are machinery, equipment and transportation vehicles. Foreign trade grew to approx. €665 billion in 2012, an increase of around 2.2% from 2011. Total exports were approx. €407 billion and imports amounted to approx. €258 billion.

Russian GDP in 2000–08 grew at approx. 7% annually. Russia overcame the 2008 financial crisis relatively smoothly, and, after a shortfall of GDP by 7.8% in 2009, Russia's GDP continued to grow at 4.5% in 2010, 4.2% in 2011, and 3.4% in 2012; the Russian government forecasts a 3.6% growth for 2013. The Russian federal budget had a surplus in both 2011 and 2012, with government debt standing at a mere 10% of GDP, and inflation at 6.6% and 6.1% in 2011 and 2012, respectively.

Russia has inherited a lot of economic troubles from its Soviet past, including the underdeveloped infrastructure, especially outside of major cities; outdated technologies; excessive bureaucracy and excessive government interference in business matters; not to mention a complex immigration and visa system, requiring time and expertise for business travellers to obtain the necessary permits.

Nevertheless, Russia is a country with huge potential for new investments. Over the past two decades, few of the major investors into Russia have had cause for regret, despite the many challenges. Faced with continuing recession in many of the world's more developed markets, an increasing number of companies may also decide that the growth prospects in Russia are worth pursuing.

At the end of 2011, Russia adopted the International Financial Reporting Standards (IFRS) to ensure greater clarity and transparency in the financial reporting of Russian enterprises.

In August 2012, Russia gained access to the World Trade Organization (WTO). The agreement aims to eliminate barriers to cross-border trade in goods and services, and provides a legal framework for resolution of disputes.

Tax and other incentives are becoming more common, with many aimed at promoting innovation and industrial modernisation. The Russian government has taken significant measures to improve the tax system administration. From 2012 the transfer pricing rules have been changed to come into line with Organisation for Economic Co-operation and Development (OECD) principles (except for the abolishment of the 20% 'safe harbour' provision) and a limited form of tax consolidation has been introduced, with a more fundamental overhaul of the tax system expected in the near future.

There has been a recent relaxation of the limits imposed on foreign investment in strategic industries (such as oil and gas), increasing the investment limit in companies with subsoil activity from 10% to 25%, and removing restrictions where the investor is an international financial institution (e.g. EBRD, IFC, World Bank). The Russian government also established the Russian Direct Investment Fund – a US$ 10 billion sovereign fund that aims to attract new foreign investors into target sectors by co-investing an amount matching that put in by the investor.

Russia has developed various special economic zones (SEZ) across the country: industrial, innovation, tourist and seaport zones. At present there are 25 zones, which have attracted over 300 investors from over 20 different countries since 2006. The residents of SEZ zones benefit from free customs area treatment, tax and multiple other benefits.

Russia's industrial clusters are also attractive to foreign investors. Major foreign automobile manufacturers, for example, have already set up or plan to establish production facilities in various industrial clusters throughout Russia.

A number of measures have been implemented since 2001 to bring anti-money laundering (AML) legislation in line with international standards, along with organisational and administrative measures for enforcing the law. The AML measures include special controls over certain transactions and tighter Central Bank regulation of the banking system. Financial institutions such as banks, insurance companies, professional securities market participants, and leasing companies were obliged to introduce special monitoring and reporting functions, as well as report to supervisory bodies on a regular basis.

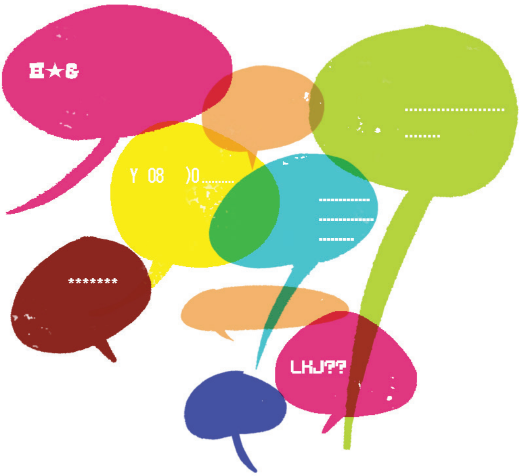
At the end of January 2013, the Russian government presented major guidelines to follow until 2018. These guidelines aim to improve the investment climate, encourage further integration into the global economy, privatise major state assets, increase transparency in the economy, develop infrastructure, and improve education and health care.

Banking and Finance

The Central Bank of Russia (CBR) prime rate is currently set at 8.25%, and fluctuated from 7.75% to 8.25% between March 2010 and mid 2013. In 2012 the Russian banking sector reached its record profits of 1 trillion Russian rouble (RUB; equivalent to approx. €25 billion), an increase of 19% from 2011. At the end of 2012, bank assets amounted to RUB 49.5 trillion (approx. €1.2 trillion), a 19% growth compared to 2011. Funds in bank deposits reached RUB 14.3 trillion (approx. €350 billion), an increase of 20% from 2011. Loan portfolios were RUB 34 trillion (approx. €850 billion), representing a growth of 18% from 2011.

At the beginning of 2013, 956 banks were operating in Russia (vs 978 banks at the beginning of 2012). The largest banks are state controlled (Sberbank, VTB, Gazprombank); however, in the near future the government plans a large privatisation programme for large state-owned assets, including selling the government's controlling stakes in banks.

The MICEX-RTS stock exchange is the major player in the Russian securities market. Moscow Interbank Currency Exchange (MICEX) and the Russian Trading System (RTS) merged in December 2011, and went through an IPO in February 2013. MICEX-RTS is a universal platform for both Russian and international investors to trade in securities, bonds, derivatives and currency.



Legal Structures of Business Organisations

Foreign legal entities

Foreign legal entities (FLEs) may set their activities in Russia as either the representative offices or registered branches. The Russian Civil Code refers to both as subdivisions of a FLE. Branches and representative offices can be allocated property by the FLE that created them. They can act on the basis of regulations approved by such FLEs.

There are certain important differences between branches and representative offices. The scope of an accredited representative office's activities is limited to support functions of a representational nature, such as marketing or information gathering. Branch offices, in contrast, may perform all of a FLE's activities, including a large number of commercial activities. A registered branch can hold certain types of Russian licence to conduct regulated activities, while a representative office or unregistered branch cannot.

Unlike a registered branch, a representative office is not entitled to hire employees under the simplified migration regime for highly qualified specialists (see *Expatriate Living* section).

Due to the wider scope of their activities, branches are subject to Russian corporate income tax (CIT). The limited scope of representative offices' activities would not normally expose them to CIT. However, some representative offices do engage in commercial activity, including the negotiation and signing of contracts, in which case they are liable for CIT.

There are easier registration and statutory reporting requirements for a branch, compared to the Russian legal entities (RLEs). However, branches cannot obtain certain licences or perform certain types of activity that are allowed only to RLEs.

Russian legal entities

RLEs may be established in the form of:

- An open (public) joint stock company (OJSC, or OAO)
- A closed (private) joint stock company (CJSC, or ZAO)
- A limited liability company (LLC, or OOO)
- Some less frequently used forms of entities (full partnerships, limited partnerships, economic partnerships, additional liability companies, production cooperatives and state-owned unitary enterprises).

An LLC is the most flexible type of company with the fewest statutory obligations, and is the form preferred for wholly owned subsidiaries. The number of participants in a LLC cannot exceed 50.

JSC legislation grants larger rights for minority shareholders than LLC legislation, thus some form of CJSC is preferred by minority shareholders compared to an LLC. A CJSC is limited to a maximum of 50 shareholders; if more, then an OJSC should be formed.

OJSCs must disclose certain financial and other information annually. Those with publicly traded securities must report quarterly. For CJSCs, there is no obligation to publish accounts.

A JSC's highest management body is the general meeting of shareholders, which must convene at least once a year. A JSC with >50 shareholders must have a board of directors. The executive body may be collegiate (board, directorate) and/or 'one-person' (director, general director). A JSC's executive body carries out the day-to-day management of the company's activity and reports to the board of directors and the general meeting of shareholders.

A LLC's management structure is similar to that of a JSC.

The minimum 'charter' (share) capital for OJSCs and CJSCs is currently RUB 100,000 and RUB 10,000 (or approx. €2,500 and €250), respectively. The minimum charter capital of a LLC is RUB 10,000 (approx. €250).

Shareholders of JSCs and participants in LLCs are not liable for the obligations of their investee company, and bear the risk of losses only to the extent of the value of their contributions (i.e., a limited liability). However, in certain situations a parent company may be held liable for the obligations of their subsidiary (whether a JSC or LLC):

- A parent company may be held liable jointly with the subsidiary for transactions concluded by the subsidiary in following the directions of the parent company, in case such directions were legally binding on the subsidiary
- A parent company bears the liability for the subsidiary's debts in case the subsidiary's property is insufficient to cover all of its liabilities, when the parent company determined the subsidiary's actions, knowing that such actions would result in the subsidiary's subsequent insolvency.

A RLE cannot be 100% owned by another corporate entity (whether incorporated or not) where that owner is itself 100% owned by another shareholder. That is, a 100% holding company of a RLE must have more than one shareholder or participant.

Reporting and audit requirements

Statutory financial reporting requirements

The Russian accounting and financial reporting framework historically has been regulated by the Ministry of Finance of the Russian Federation, rather than by independent professional bodies. The primary users of the Russian statutory financial statements are the tax authorities.

Each RLE must prepare non-consolidated statutory financial statements for each calendar year. The format and content of the statutory financial statements, including the chart of accounts and the recommended accounting entries for typical transactions, are set by the Ministry of Finance.

The statutory financial statements must include a balance sheet (with two years' comparatives), statements of financial results, changes in equity, and cash flows (with one year's comparatives) and supplementary tables and notes.

Branches and representative offices of FLEs may elect not to maintain accounting records and not to prepare statutory financial statements, provided they maintain tax records.

Certain public interest entities (PIEs) – including OJSCs, banks and other lending agencies, insurance companies, stock exchanges and investment funds – are required to publish their statutory financial statements.

Most PIEs were additionally required to prepare their first full set of IFRS financial statements for the 2012 calendar year (with 2011 comparatives). Before 2012, only Russian banks were required to prepare IFRS non-consolidated financial statements.

Convergence of Russian statutory accounting and financial reporting with IFRS

The adoption of IFRS in 2011 influenced the development of Russian statutory reporting, and substantial changes to the statutory accounting and reporting rules are expected in the near future. New standards on inventory, fixed assets, employee benefits and leases are expected to be adopted in 2013. It is required that any amendments to existing rules and new pronouncements be based on the IFRS equivalent.

There nevertheless remain significant differences between the Russian statutory rules and IFRS, including:

- The absence of fair value concept in the statutory accounting and reporting
- Accounting for most financial instruments at cost or amortised cost (less impairment provision)
- The only criterion to treat a lease as financial lease is whether it is defined as a 'financial lease' in the lease agreement
- Property, plant and equipment (PP&E) are not impaired; only a revaluation to current replacement cost is permitted
- The useful lives of PP&E for calculating statutory depreciation charge, are usually those specified for tax purposes
- Deferred tax is calculated using the income statement method, instead of the balance sheet method
- Revenues and expenses are usually recognised in statutory financial accounting and reporting after tax documentation supporting the transaction has been issued and/or received, at transfer of legal rights rather than risks and rewards.

Statutory audit and filing requirements

Statutory financial statements must be filed with the tax authorities within 3 months after the end of the calendar year.

Auditing requirements are set out in Federal Law No. 307-FZ, and in the Federal rules (standards) on auditing which principles are similar to those laid out in the International Standards on Auditing issued by International Federation of Accountants (IFAC).

The audit of annual statutory financial statements is mandatory for:

- OJSCs (OAOs)
- Companies with securities traded on stock exchanges
- Banks and other lending agencies, insurance companies, credit institutions, pension and investment funds, securities market participants and stock exchanges
- Companies with annual revenue for the preceding financial year exceeding RUB 400 million (approx. €10 million)
- Companies with total assets as at the preceding 31 December exceeding RUB 60 million (approx. €1.5 million).

Representative offices and branches of FLEs with operations in the Russian Federation are not subject to statutory audit requirements.

Annual consolidated IFRS financial statements must be audited, presented to the shareholders and filed with the Federal Committee on Securities Markets (FCSM) – or the Central Bank of Russia (CBR), for banks – and published within 4 months after the year end.

Taxation System

Russia's current tax system has evolved since 1991, and has undergone continuous development and change, as Russia sought to establish its optimal system – first experimenting with a combination of sales tax, value added tax (VAT) and excise duties at different rates, along with high corporate and individual income tax rates. The taxation system in the early 1990s did not work properly: tax collections were poor, and state incomes were impaired by severe hyperinflation. Thanks to higher proceeds from oil and gas export sales, reduction of inflation and adoption of the Tax Code, the system has stabilised from the early 2000s, and now undergoes less frequent changes. Sales tax was abolished and individual income tax lowered to a flat 13% rate. Since 2009, the maximum rate for corporate income tax is 20%. VAT is charged at 0%, 10% and 18%, and together with import customs duties, as well as excise duties on oil and gas products, forms the major part of the state tax incomes.

Russian tax and customs legislation is subject to varying interpretations. From time to time, Russian tax authorities make arbitrary judgments of business activities, and additional taxes, penalties and interest are assessed. Generally, taxpayers are subject to tax audits covering the preceding 3 calendar years. Completed audits do not exclude the possibility of subsequent additional tax audits being performed by upper-level tax inspectorates wishing to review the results of tax audits carried out by their subordinate tax inspectorates. Also, according to the clarification of the Russian Constitutional Court, the statute of limitation for tax liabilities may be extended beyond the 3-year term set forth in the tax legislation, if a court determines that the taxpayer has obstructed or hindered a tax inspection.

The Russian Tax Code adopted in 2002 provides a summary of the general tax principles, the rights and obligations of the taxpayers and tax authorities, an outline of the taxes payable, and other provisions. Following is an outline of the major taxes on business, tax rates and rules.

Corporate income tax

Corporate income tax (CIT) is applied at the following rates:

- 20% is the standard CIT rate (2% payable to the federal budget and 18% to the budgets of constituent regions of the Russian Federation). Regional authorities frequently exercise their right to reduce the standard rate by up to 4.5% in order to promote investments in their regions. As at the beginning of 2013, the lowest 15.5% CIT rate was established for certain categories of taxpayer located in the Arkhangelsk, Kaluga, Samara, Smolensk and Ulyanovsk regions
- 9% is the tax rate on dividend income received from RLEs and FLEs. Generally, an exemption is applied to the recipients of dividends who hold ≥50% of the capital of the dividend payer
- 20% is the tax rate on interest, except for the tax rate on interest income on state securities (15%, 9%, or 0%, depending on the type of state securities)
- 20% is the tax rate on capital gains. Sale of RLE shares is exempt from tax in selected

cases and subject to a 5-year holding period.

Four separate 'tax baskets' are calculated for the CIT purposes, and a loss in one 'basket' cannot be offset with income in another 'basket':

- Results of general operations
- Results of operations with listed securities
- Results of operations with non-listed securities
- Results of operations with non-listed derivatives.

CIT is calculated on a calendar year basis. Periods other than a calendar year are not permitted.

RLEs must pay CIT on their worldwide income. Credit relief is available for foreign tax paid and worth up to the Russian CIT liability that would have been due on the same amount under Russian rules.

FLEs pay tax on Russia-sourced income derived through a permanent establishment (PE) at a rate of 20% and are also subject to withholding tax (WHT) on income from Russian sources not related to a PE (at rates varying between 10% and 20%, depending on the type of income and the method used for calculations). PE is broadly defined as a branch, division, office, bureau, agency, or any other place through which a FLE regularly carries out its business activities in the Russian Federation. Conducting business through an agent also may create a taxable PE in Russia.

The taxable base (taxable incomes less deductible expenses) is calculated on an accrual basis, following the rules and principles set out in the Russian Tax Code. CIT taxpayers must maintain separate tax accounting registers. RAS financial accounts are often used for computing tax items where the financial and tax accounting methods are the same. Most taxpayers use RAS accounts as a basis and make adjustments to arrive at the taxable income.

Expenses are deducted on an accrual basis. The main criteria for deductibility of expenses is that an expense:

- is incurred during income-generating activity
- is properly documented
- is not listed as a non-deductible item in the Tax Code.

Various operating expenses are deducted for CIT purposes in a different period compared to the timing of their expensing in RAS/IFRS financial statements. This results in timing differences, including:

- Straight-line and declining balance depreciation methods are applied when calculating the deduction for depreciation of property, plant and equipment for CIT purposes. The depreciation periods are established in the classification of fixed assets approved by the Russian government. The tax depreciation periods may be substantially different from the actual useful lives of the assets

- Accelerated depreciation is applied for leased assets for the computation of CIT
- For CIT purposes, a 10% (or 30% for some fixed assets) depreciation premium (a one-time deduction) is available at the commencement of the assets' use (the premium shall be recaptured, however, if the asset is sold to a related party within 5 years of claiming the premium)
- At sale of an item of PP&E, respective loss is not deductible immediately, but over the remaining depreciation period, as if the asset remained in the entity
- Interest on loans and borrowings is expensed as incurred for tax purposes, while it shall be capitalised in the cost of investment assets in RAS and IFRS financial statements
- Tax value of inventories may only include direct costs. Variable indirect overheads are expensed as incurred for the CIT purposes. For RAS and IFRS, indirect overheads may be included in the cost of finished products
- Various provisions and allowances may be set differently for tax and financial accounting purposes (e.g. doubtful debt provision, provision for slow-moving inventories, warranty provision, provision for impairment of financial assets, unused vacations reserve)
- Unrealised gains and losses from settlements in RUB in an amount tied to a foreign currency are not taxable (deductible) until respective receivable is collected or liability settled. In RAS and IFRS, an accrual basis is applied.

Certain expenses represent permanent non-deductible differences, including:

- Advertising, voluntary personal insurance, business trips, representational and certain other expenses in excess of limits set by the Tax Code
- Interest on loans is deductible within the average interest rate on similar loans obtained from the Russian lenders during a quarter, multiplied by 1.2
- In case there are no similar loans, the CBR prime rate (currently 8.25%) × 1.8 is used as a limit for deduction of interest on RUB loans, and multiplied by 0.8 if the loans are denominated in foreign currencies. This rule has changed frequently over the past several years
- 'Thin capitalisation' rules apply to so-called 'controlled debts' – loans received from or guaranteed by foreign shareholders (or their Russian affiliates) who own >20% of capital, when debt/equity ratio exceeds 3:1 (12.5 times, in the case of banks and leasing companies). Interest accrued with respect to the portion of controlled debt in excess of this threshold is (a) non-deductible for CIT purposes, and (b) treated as dividends, subject to a withholding tax of 15% as described below. Double tax treaties may be applied to reduce the tax burden.

Charges for administrative support (management fees) by foreign affiliates may be deductible for CIT purposes, but due care should be taken to supply documentary evidence of the nature and actual provision of the services, as these are frequently challenged by the Russian tax authorities.

Losses may be carried forward for a period of a maximum of 10 years, and can reduce CIT liability by up to 100% in any particular fiscal year within such a 10-year loss carry-forward period. Losses are not allowed to be carried back.

Withholding taxes and double tax treaties

According to the Russian Tax Code, income received by a FLE and not attributed to a PE in Russia is subject to WHT, to be withheld at source at the following rates:

- 15% on dividends and income from participation in RLEs
- 10% on international freight income
- 20% on certain other income from Russian sources, including royalties and interest
- 20% of revenue or 20% of margin in relation to capital gain (for sale of real estate located in Russia or shares in Russian subsidiaries in which real estate property located in Russia represents >50% of total assets).

Certain exemptions apply, including:

- Interest payments on Russian state securities
- Interest payments on tradable bonds that are issued in accordance with the laws of foreign states
- Payments made by RLEs to finance coupons on Eurobonds issued until 1 January 2014.

As of January 2013, Russia also has double tax treaties with 79 countries. Under such treaties, dividends, interest and royalties may be reduced to rates varying from 0% to 15%.

Construction site duration before the creation of a PE may be up to 24 months, according to various double tax treaties (with 6–12 months being the period stipulated in most treaties).

Value added tax

VAT is a federal tax, payable only to the Russian federal budget, based on a 'reverse charge' mechanism.

Output VAT highlights:

- 18% is the standard VAT rate. The VAT payer generally accounts for VAT on the full sales price of goods, work, services, or property rights supplied in Russia
- 10% is applied to sales of basic food products, children's clothing, printed publications, medicines, and certain other types of consumable goods
- 0% is applied for export of goods, their international transportation and related freight forwarding services, international passenger transportation, and certain other delivery expenditure
- Certain goods and services are VAT exempt, including basic banking and insurance services, educational services by certified educational institutions, sales of certain

essential medical equipment, domestic passenger transportation, and several other socially important services

- A rate of 18% and 10% applies for goods imported into Russia. Further exemptions are available for some imported goods (e.g. certain medical products; technical equipment, including components and spare parts, when no similar equipment is produced in Russia; equipment imported as charter capital contributions within the time frame for forming the capital)
- Additionally, under the 'reverse charge' mechanism, a RLE usually has to include VAT in any payment it makes to a non-tax registered FLE if the payment is for the provision of goods or services in Russia, based on the applicable VAT rule for location of provision. Under such circumstances, the Russian buyer acts as a tax agent for Russian VAT purposes by withholding Russian VAT at the rate of 18/118 from payments to a foreign supplier and pays the withheld VAT to the Russian budget.

Input VAT highlights:

- VAT payer is entitled to recover input VAT incurred on PP&E, inventory costs and other related business expenses
- Provision of VAT-exempt or non-VATable services does not give the right for recovery of related input VAT. The associated non-recoverable input VAT is made deductible for CIT purposes in most cases
- Where both VAT-exempt and VATable activities are performed by the taxpayer, separate accounting must be made of its supplies and an input VAT allocation methodology developed for proper input VAT recovery
- VAT withheld at the rate of 18/118 from payments to a foreign supplier can be recovered by Russian taxpayers in accordance with the standard input VAT recovery rules
- For recovery of input VAT, an entity must obtain the duly prepared supplier documents, including fiscal invoice (schet-faktura). The taxpayer has a 3-year limitation period for collecting the documentation and claiming input VAT.

Any excess of input VAT over output VAT should be reimbursed to the taxpayer by the tax authorities or offset against the taxpayer's future VAT or other federal tax liabilities. Generally, VAT reimbursement or offset should be made only after the tax authorities have undertaken a desk audit and confirmed the legitimacy of the input VAT claimed. If no violations are identified in the course of this tax audit, the excess of input VAT over output VAT should either be offset against the taxpayer's current VAT and other federal tax liabilities or refunded in cash after the taxpayer has submitted a written application.

Customs duties

Customs duties are levied on assets imported into and exported from the Russian Federation.

A special break from customs duties is in place for goods that are imported as a contribution to the charter capital of Russian companies with foreign investment.

Certain imports to Russia require permits, certification (e.g. of conformity, sanitation), licences and other types of authorisation, for which applications should be filed with the Russian customs authorities.

The tariff classification system, which is currently applied in the CU of Russia, Kazakhstan and Belarus, is based on the internationally recognised Harmonised Commodity Description and Coding System. Goods traded between the CU member states can be transported without any customs clearance.

Customs valuation is in line with GATT/WTO principles. The customs value of any goods is generally equivalent to their Delivered At Frontier (DAF)/CU border transaction value.

Import duty is applicable to most goods. Most customs duty rates in Russia are a percentage of the goods' customs value. There are also specific duties for certain types of imports, calculated by volume, weight or quantity. Some duties have a combined rate where the two approaches are incorporated; thus, the tax base may vary.

Base customs duty rates vary widely, from 100% but not less than €2 per litre on spirits to zero for certain priority imports, applicable to a wide range of equipment and machinery. On average, customs duty rates vary between 5% and 20% of the customs value of goods.

Base rates specified in the law are applicable for countries with 'most favoured nation' status. Certain raw materials and handmade goods from 'developing' and 'least developed' countries may be imported at 75% of the base rates or zero rates, respectively. Goods originating in other countries are subject to duty at double the base rates.

Goods exempt from customs duty include:

- Transit goods
- Goods imported by individuals for personal use (worth no more than €1,500 and weighing <50 kg)
- Cultural valuables
- Means of transport involved in the international movement of goods and passengers
- Humanitarian aid.

Russia has adopted free trade agreements with countries of the Commonwealth of Independent States (CIS). Goods originating from these countries (e.g. Ukraine) are exempt from customs duty for import to Russia (subject to certain conditions).

Goods may be imported under a temporary import customs regime, usually for up to 2 years. As a rule, this is permitted when it is possible to identify the goods upon their re-export. Temporary import requires a special permission by the customs authorities. Upon expiry of the temporary import period, goods are moved out of Russia or placed under another customs regime (e.g. released for 'free circulation', subject to non-refundable periodic customs payments of 3% per month of the total customs payments due).

Goods imported into Russia for processing (tolling) may be placed under an inward processing procedure (subject to certain conditions). Under such a procedure, goods (e.g.

raw materials) imported for processing are eligible for full exemption from customs duty and import VAT, as long as the processed/finished goods are subsequently moved out of Russia within a time frame approved by the customs authorities. Export customs duty is not charged on exporting finished goods out of Russia.

A number of special economic zones (SEZ) with a free customs regime have been established in Russia. Foreign goods usually imported to and used within a SEZ are eligible for exemption from import customs duties and VAT. When foreign goods or products from their processing are subsequently released into free circulation to the rest of Russia, import customs duty and VAT are payable.

Goods imported into Russia may be re-exported as long as they have not been released for free circulation in the country. They are usually re-exported without payment of export customs duty.

Excise duties

Excise duties apply to the production and import of automobiles and motorcycles, tobacco, alcohol, gasoline, motor oil and diesel. Special excise rates for each type of excisable goods are stipulated in the Tax Code. The rates (specific and combined) may vary and depend on the type of excisable goods.

Mineral extraction tax

Mineral Extraction Tax (MET) is imposed on RLEs for the extraction of minerals, including oil and gas, from the subsurface and from production waste. MET is determined on the basis of either the physical quantity of the mineral resources extracted or their physical quantity and value. Value is determined based on the quantity of minerals extracted and their selling price, net of VAT, customs duties and levies, minus transportation expenses. If no sales of a particular mineral resource were made during a tax period, then taxpayers should calculate the value of the extracted minerals based on their production cost. The value must be calculated based on the tax accounting records maintained for CIT purposes and the procedures provided by tax legislation. For gas condensate, MET is computed on the value of minerals extracted. For oil, natural and associated gas, MET is based on the volume of minerals extracted.

The rate of tax varies according to the type of resource; for oil, the MET rate for 2013 is RUB 470 per ton (approx. €11.5). The rate is adjusted using a coefficient reflecting changes in the world oil price and RUB/US$ fluctuations.

Other taxes on business

Property tax

The maximum rate of property tax is 2.2%. This tax is subject to regional concessions, and applies to:

- Annual net book value of fixed assets, including leased-out properties (for RLEs and permanent establishments of FLEs)

- Value of real estate located in Russia (for FLEs not having a PE in Russia).

Intangible assets, inventories, work-in-progress, and financial assets are not subject to property tax. From 2013 transport vehicles are also not subject to property tax, but only to transport tax.

Transport tax

A transport tax is imposed on certain types of land, water, and air transportation vehicles registered in Russia. Fixed rates are applied per unit of horsepower, gross tonnage, or vehicle unit.

Land tax

Land tax is calculated based on the cadastral value of land plots according to the Russian legislation applicable to the particular region where the land plot is located. Under the Tax Code, the land tax rate for lands intended for agricultural purposes and housing facilities must not be higher than 0.3% and not higher than 1.5% of the cadastral value of a land plot for other purposes. The regional authorities can decrease this rate to 0%. The regional authorities can also stipulate tax incentives or allowances for certain taxpayer categories.

Water tax

Water tax is payable by companies consuming water for specific business purposes. Tax rates differ for various types of water consumption and are set in RUB per 1,000 cubic meters of water consumed.

Transfer pricing rules in Russia

Current Russian transfer pricing legislation has been in effect since 1 January 2012. The legislation is generally aligned to the international transfer pricing principles laid down by the OECD.

Russian transfer pricing rules are based on the arm's-length principle. Major noteworthy features include:

- The burden to prove that prices in controlled transactions do not correspond to the market is not with the taxpayers, but with the Russian tax authorities
- There is a strict list of transactions where the Russian tax authorities may place controls on prices for tax purposes
- The Russian Tax Code sets five methods for determining market prices: comparable market prices, subsequent sales method, cost method, transactional net margin and profit split method
- Special transfer pricing audits are conducted by the federal tax service.

In addition to the above, from 1 January 2012 there are some special features that taxpayers should bear in mind:

- The 'safe harbour' provision (20% deviation of controlled transaction prices from market prices) has been abolished
- The list of information sources for determining market prices has been expanded
- A specific definition of related parties has been included in the Russian Tax Code (which may be different from the definition in the IAS 24 or other generally accepted definitions)
- Reporting requirements and requirements for transfer pricing documentation have been introduced.

Taxpayers are required to keep transfer pricing documentation as evidence that the prices used are within an arm's-length price. Keeping transfer pricing documentation and submitting information about controlled transactions to the tax authorities is a requirement for all controlled transactions. The taxpayers are obliged to report the 2012 transactions that are subject to control in the following manner:

- Notify the tax authorities of controlled transactions carried out within the calendar year before 20 May 2013
- Prepare documentation justifying the market level of the prices in the controlled transactions before 1 June 2013.

According to the Russian Tax Code, the following transactions are subject to transfer pricing regulation:

- Certain transactions between related parties, including those where
  - Cross-border transactions occur
  - The amount of income and expenses under the transaction for one calendar year exceeds: RUB 3 billion (approx. €75 million) in 2012, RUB 2 billion (approx. €50 million) in 2013, RUB 1 billion (approx. €25 million) thereafter
- Cross-border transactions involving oil and oil products, ferrous and non-ferrous metals, mineral fertilisers, precious metals and precious stones (i.e. goods traded on international commodity exchanges) if proceeds from transactions with the same counterparty exceed RUB 60 million (approx. €1.5 million) for one calendar year
- Transactions where one of the parties is a tax resident in a country included in the Russian Federation Ministry of Finance's blacklist, and if proceeds from transactions with the same counterparty exceed RUB 60 million (approx. €1.5 million) in one calendar year.

Consolidated taxpayer regime

A consolidated taxpayer regime is a new regime open to Russian groups from 1 January 2012. A group can comprise two or more Russian organisations where the direct or indirect equity interest of the parent company in the charter/share capital of the other members comes to at least 90%. The group should meet the following requirements:

- RUB 10 billion (approx. €250 million) or more in total profits tax, value-added tax (VAT), excise tax, and mineral resources extraction tax (MRET) paid during the preceding fiscal year

- RUB 100 billion (approx. €2.5 billion) or more in sales proceeds and other income in the preceding fiscal year
- Total assets of RUB 300 billion (approx. €7.5 billion) or more at the end of the preceding fiscal year end.

The main advantages of using the consolidated taxpayer regime are as follows:

- For the purposes of calculating profits tax, consolidation of members' profits and losses is possible
- Transactions among members are not controllable under the transfer pricing legislation (with the exception of transactions with mineral resources, which are subject to MRET at a controlled percentage rate).

As part of the governmental programme to improve the investment climate in Russia, it is expected that the criteria for applying the consolidated taxpayer regime might be lowered, allowing more company groups to apply for the consolidated taxpayer regime.

Tax incentives

Most Russian regions have adopted regulations that establish tax concessions for investors. Currently, the majority of investment tax incentives relate to CIT and property tax. Investment tax concessions are usually granted for a period not exceeding the investment project payback period, and the amount of tax saving gained cannot exceed the amount of initial investment under the project. Regional authorities can establish additional conditions for granting concessions (e.g. creating a certain number of new jobs in the region; developing infrastructure).

Special tax regimes in SEZs include such incentives as reduced CIT; exemption from property tax and land tax; and exemption from customs duties and VAT.

Additionally, there are incentives for certain activities (e.g. work in R&D, IT) and projects (e.g. Skolkovo Innovation Technologies Centre, the Olympic Winter Games in Sochi),

Labour and Personnel

Russia's relatively low-cost and generally well-educated workforce is attracting investors. The average monthly salary varies, from approx. €200–400 in remote locations to €700–1,200 in large cities.

Russia's unemployment rate is significantly lower than that in the European Union – approx. 5% of the total population of the working age in 2012.

The Russian Labour Code regulates employer–employee relations. The law establishes a list of mandatory guarantees that may not be limited under an employment contract. Any provision in an employment contract or internal policy that contradicts these guarantees is invalid.

No discrimination may be made or privileges granted, directly or indirectly, on the basis of gender, race, skin colour, nationality, language, origin, wealth, family and social status, career position, age, place of residence, religion, political convictions, affiliation with public associations, or other characteristics that are unrelated to an employee's professional qualifications. The Labour Code gives additional protection to specific categories of employees, including minors, pregnant women, employees with children, trade union members, and various other categories.

Salaries must be paid in RUB at least once every 2 weeks. Salaries should not be less than the minimum monthly salary as established by Russian law: as of 1 January 2013, RUB 5,205 per month (approx. €130). This is higher in some regions, such as Moscow – RUB 11,700 per month (approx. €292) and RUB 12,200 per month (approx. €305) from 1 July 2013.

A written employment contract establishing the terms of employment must be concluded with every employee. Employment contracts are generally for an indefinite term. A job description should define an employee's job duties in the employment contract or in the separate document.

The standard working week in Russia is 40 hours over a 5-day period. For certain categories of employee (e.g. those aged 16–18; disabled employees), the number of working hours must be reduced. All employees are entitled to ≥28 calendar days of annual paid leave.

Safeguards are in place to protect employees from dismissal on the employer's initiative, such as:

- 15 calendar days' prior notice (30 days in case of general director)
- Severance allowances
- A strict list of disciplinary grounds that can be used as a basis for dismissal.

Usually, termination on the employer's initiative is made further to a mutual agreement with an employee, with 1–3 months' salary given as a severance payment.

Personal income tax

An individual is considered a Russian tax resident if he/she is physically present in Russia for a period of ≥183 days during 12 consecutive months during the calendar year. Short-term travel (<6 months) outside Russia's borders for medical treatment or educational activities does not interrupt the individual's presence in Russia.

Personal income tax (PIT) is charged at the following rates for residents:

- 13% standard rate (applied to the worldwide income of an individual)
- 9% for dividend income
- 35% for specific types of income (winnings, prizes and others).

For non-residents, the tax is charged at:

- 30% standard rate (applied to income received from Russian sources)
- 13% for income received by foreign nationals in the capacity of highly qualified specialists
- 15% for dividend income.

Personal allowances (and/or credits) are available. Main exemptions relate to:

- Charity contributions
- Social expenses, including children's education, and medical expenses of up to RUB 120,000 annually (approx. €3,000)
- Income from the sale of real estate and other property held for ≥3 years
- Income from the sale of real estate and land plots held for <3 years in the amount of RUB 1 million annually (approx. €25,000), or documented expenses
- Income from the sale of other property held for <3 years in the amount of RUB 250,000 annually (approx. €6,250), or documented expenses
- Income spent on the construction or purchase of premises or land located on Russian territory, acquired for the purpose of building a house, up to a maximum of RUB 2 million once in a lifetime (approx. €50,000), plus related interest payments
- Income from the sale of securities and derivatives in the amount of documented expenses.

Other taxes payable by individuals

Personal property tax

Houses, apartments, cottages, garages and other buildings, premises and constructions owned by individuals are subject to personal property tax. Tax rates range from 0.1% to 3%, depending on the inventory value of the property. Certain categories of taxpayers are exempt from personal property tax (e.g. retirees). Individual property tax is assessed by the tax authorities annually.

Personal transport tax

Individuals owning transport vehicles are subject to transport tax. Taxable means of transportation include automobiles, motorcycles, scooters, buses, aeroplanes, helicopters, motor vessels, yachts, sailing boats, boats, snowmobiles, etc. Transport tax is determined based on the vehicle's engine power, seating capacity and the respective tax rates established by regional laws.

Social security

Social and health security covers pensions, unemployment, maternity and child benefits, illness and other social services. Employees currently do not pay Russian social taxes; employers make all relevant contributions.

Obligatory social insurance contributions (SIC) in 2013 are payable on individual employee income up to RUB 568,000 (approx. €14,200) at a flat rate of 30%. From income exceeding RUB 568,000 SIC should be calculated at a rate of 10%. A lower rate (22%) is applied in case of payments made in favour of foreign employees temporarily staying in Russia. Partial or full exemptions are made in case of payments under civil law contracts, as well as payments to foreign personnel eligible for 'highly qualified specialist' status working under employment contracts for a period of <6 months in a calendar year.

Obligatory accident insurance contributions (OAICs) are made against work-related accidents. Rates vary between 0.2% and 8.5%, depending on the level of professional risk associated with the employer's activity. OAICs are not payable if the relevant civil contract does not stipulate accident insurance coverage.

Expatriate work permits and visas

Foreign employees must obtain a work visa and a work permit prior to starting work in Russia. There are certain restrictions in place regarding the types of activity in which foreign employees can be engaged. For example, a foreign individual cannot work as a captain in civil aviation services.

Additionally, employers must have employment permits to employ foreign personnel. Exception is made for:

- Foreign citizens permanently residing in Russia on a permanent residency permit
- Several categories of foreign employees engaged in the assembly of technical equipment delivered to Russia
- Employees from CIS countries, whereby employers have to notify the state authorities of their employment (instead of obtaining employment permits).

Both employment and work permits are generally issued for 1 year (3 years for personnel eligible for highly qualified specialist status available to foreign employees earning a salary of at least RUB 2 million, or approx. €50 thousand per year). Permits cannot be renewed and require re-application upon expiration.

Except for certain professions (such as IT security specialists, engineers), and personnel eligible for highly qualified specialist status, the employment permits are obtained on a quota basis. A request for a quota must be filed every year before 1 May, for the following year.

In order to obtain the permits, a direct employment should be planned (secondment agreements are not regarded as a valid basis for obtaining the permits).

The process for obtaining the permits can only begin once a company has been duly established. During the pending period, employment is prohibited. It takes up to 3 months to obtain authorisation documents.

It is prohibited to work in Russia on a business visa. A business visa is issued specifically for business trips to Russia to conduct negotiations, conclude or extend business contracts, or participate in auctions, exhibitions and other business events.

A foreign employee must notify the Russian authorities every time s/he enters or leaves Russia. The same applies to family members.

Foreign employees can bring their families to live in Russia. Accompanying family members can obtain Russian visas on the basis of the employment status of a working spouse.

Expatriate living – other factors to consider

Accommodation

Expatriates moving to Russia might not always find an accommodation that meets Western standards or is reasonably priced. Renting an old-fashioned, Soviet-style small apartment in Moscow might currently cost in the range of RUB 30,000–40,000 (approx. €750–1,000); renting a large, modern-furnished apartment can cost several times more. Lower costs would be expected for renting apartments in other cities and remote locations. Cottages, detached houses and modern townhouse complexes are still rare.

An exemption from customs duties is available for bringing household goods into Russia, within certain limits stated in the CU agreements of Russia, Kazakhstan and Belarus.

Qualified (even English-speaking) household help can easily be found through other expats.

Transport and driving

Those who move to Russia do not necessarily need to purchase or rent a car. There are public transportation networks in both major cities and smaller places. This is mainly due to the Russian habit of settling in apartment blocks rather than small private houses, dispersed over large territories. Also, many large enterprises organise their own free-of-charge transport networks to get their employees to work.

Purchasing a car is relatively expensive compared to Europe and the USA, considering the high import duties. Petrol prices, however, are lower than in Europe (in early 2013, petrol cost approx. RUB 32, or €0.80, per litre).

The easiest way to get around Russia is by air or by train. Moscow's three airports are the largest hubs for Russia. Russian Railway (RZD), a state-owned monopoly, has rapidly developed its network across the country, including the recent introduction of new comfortable fast-speed trains linking Nizhniy Novgorod, Moscow, St Petersburg and Helsinki. By 2018, when Russia will host the FIFA World Cup, fast-speed train connections are planned to link all 13 cities hosting the event.

Banking and finance

Russia's currency is the rouble (RUB). As at 30 June 2013, the exchange rate was RUB 32.71, 42.72 and 49.91 against the US dollar, Euro and British pound, respectively.

Visa and MasterCard are widely accepted in the major cities in Russia. American Express and Diner's Club are less frequently accepted. Tourists and those travelling on business to more remote locations within Russia are advised to take sufficient amount of cash with them, as bank cards might not be accepted everywhere.

Health care

While there are many qualified medical services available in Russia, expatriates often prefer doctors who speak English or other foreign languages. There are several Western medical clinics with foreign, foreign-trained and/or foreign language-speaking doctors; however, their cost may be substantially higher than in the ordinary clinics. In addition to the mandatory statutory insurance, it is common for employees to pay voluntary medical insurance, which typically covers a full range of medical services in a number of medical clinics.

Education and schools

Although there is a less diverse choice of schools and curricula than in Europe, the USA or some other developed countries, there are English, German, French, Japanese and other foreign-language schools, as well as kindergartens, available for expat children. The cost of placing children in such schools may be substantially higher than in the ordinary Russian schools.

Personal safety

Similar to other countries, walking around the suburbs late at night and attending football matches is not advised. There can also be some ethnic intolerance in Russia. Nevertheless, in terms of personal safety, Moscow, St Petersburg and other major Russian cities are as safe as (or safer than) other major cities in developed countries.

Food

There are many quality restaurants in Moscow, St Petersburg and other major Russian cities, representing both the Russian and European cuisines, as well as cuisines from other continents. However, finding a variety of good-quality food in remote locations can be problematic because of the underdeveloped transport infrastructure and the scarce supply chain. In smaller towns and villages, many people still prefer to keep their own summer gardens (*dachas*) where they plant fruit and vegetables to feed their families, preserving food for the winter period. While this may account for the poor variety of food on sale in remote locations in Russia, it also means that one can sometimes find unique food that is unknown anywhere else in the world.

Useful Links and Addresses

Major international business associations that provide assistance to foreign and local entrepreneurs in Russia

American Chamber of Commerce in Russia
Ulitsa Dolgorukovskaya 7, 14th floor
127006 Moscow, Russia
T: +7 495 961 21 41

www.amcham.ru

Canada Eurasia Russia Business Association
Bolshoi Strochenovski per., 15a
105064 Moscow, Russia
T: +7 495 708 43 24

www.cerbanet.org

Association of European Businesses
Krasnoproletarskaya ul., 16, str. 3,
Entrance 8, 4th floor
127030 Moscow, Russia
T: +7 495 234 27 64

www.aebrus.ru

Russo-British Chamber of Commerce
Galereya Aktyor Business Centre
Tverskaya ul., 16/2, 4th floor
125009 Moscow, Russia
T: +7 495 961 21 60 # 100

www.rbcc.com/index.php?lang=en

French-Russian Chamber of Commerce and Industry
23 Novoslobodskaya ulitsa, 5th floor
Office 560
127055 Moscow
T: +7 495 721 38 28

www.ccifr.ru

German-Russian Foreign Trade Chamber
1st Kazachy per., 7
115184 Moscow, Russia
T: +7 495 234 49 50 / 234 49 53

www.russland.ahk.de

Italian Institute for Foreign Commerce
Krasnopresnenskaja naberezhnaja 12, bld. 3
Office No. 1202
123610 Moscow, Russia
T: +7 495 967 02 75 / 967 02 77 / 967 02 78

www.ice.gov.it/paesi/europa/russia/index.htm

Finnish-Russian Chamber of Commerce
Pokrovsky bulv., 4/17, bld. 4B
101000 Moscow, Russia
T: +7 495 917 90 37

www.svkk.fi

St Petersburg International Business Association
21 Nevsky prospect, office 506
191186 St Petersburg, Russia
T: +7 812 325 90 91
E: office@spiba.ru

www.spiba.ru

Major newspapers in English

The Moscow Times:

www.themoscowtimes.com

The St. Petersburg Times:

www.sptimes.ru

The Moscow News:

www.themoscownews.com

State bodies of the Russian Federation

Server of the state bodies of the Russian Federation:
www.gov.ru/index_en.html

President of Russia:
www.kremlin.ru

Government of the Russian Federation:
www.government.ru

State Duma (lower house of parliament):
www.duma.gov.ru

Economic Development Ministry:
www.economy.gov.ru

Ministry of Finance of the Russian Federation:
www.minfin.ru/en/

Central Bank of Russia:
www.cbr.ru

Trade and Industry Chamber of Russia:
www.tpprf.ru

Culture Ministry of Russia:
www.mkrf.ru

Our Offices in Russia

- Moscow
- St. Petersburg
- Kazan
- Ufa
- Ekaterinburg
- Novosibirsk
- Krasnoyarsk
- Abakan
- Irkutsk

The Next Step

Contact 2K Audit – Business Consulting to discuss your needs.

We have expertise in all major business sectors and dedicated professionals who are ready to offer services tailored to meet our clients' business needs.

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