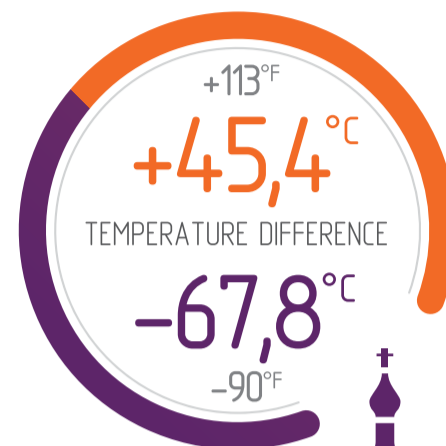


# DOING BUSINESS IN RUSSIA



## COUNTRY OVERVIEW

LARGEST COUNTRY IN THE WORLD WASHED BY 12 SEAS



A MODERN COUNTRY BREAKING STEREOTYPES

## LEGAL STRUCTURE COMPARISON

	REPRESENTATIVE OFFICE	BRANCH	RUSSIAN LIMITED LIABILITY COMPANY (OOO)*
TYPE OF ENTITY	DIVISION OF A FOREIGN COMPANY (NOT A SEPARATE LEGAL ENTITY)		RUSSIAN LEGAL ENTITY MAY NOT BE A WHOLLY OWNED SUBSIDIARY OF ANOTHER WHOLLY OWNED SUBSIDIARY
ESTABLISHMENT	ACCREDITATION		INCORPORATION
STATE DUTY	120 000 RUSSIAN ROUBLES		4 000 RUSSIAN ROUBLES
TIME FRAME	25 WORKING DAYS		5 WORKING DAYS
MANDATORY TAX REGISTRATION	YES		
CHARTER CAPITAL MINIMUM	N/A		10 000 RUSSIAN ROUBLES
FOUNDATION DOCUMENTS	REGULATIONS		CHARTER
GENERAL MANAGER	ACTS UNDER POA WHICH CAN BE REVOKED AT ANY TIME		ACTS UNDER CHARTER
RUSSIAN BOOKKEEPING	NO, IF NOT ENGAGED IN COMMERCIAL ACTIVITIES	YES	
TAX ON DISTRIBUTION OF PROFITS TO PARENT COMPANY (WHT)	NO		15% ( 5 % IS THE LOWEST POSSIBLE RATE UNDER DOUBLE TAX TREATIES )
POSSIBILITY TO IMPORT GOODS FOR SALE	NO	YES, BUT ISSUES MAY ARISE	YES
POSSIBILITY TO HIRE A FOREIGN EMPLOYEE THROUGH "HIGHLY-QUALIFIED SPECIALIST" REGIME	YES		

\* There are other types of legal entities including stock company, cooperative, partnership and etc. However, an OOO is the most flexible legal entity.

## KEY LICENSED ACTIVITIES



SECURITIES  
MARKET



INSURANCE



BANKS



COMMUNICATION MEDIA  
TELEVISION AND RADIO



PHARMACY

## LEGISLATION OVERVIEW



TAX

- 20% profit tax rate (general)
- 18% VAT rate (general)
- New transfer pricing rules
- 13% personal income tax rate including foreign employees hired through "highly-qualified specialist" regime
- High social contributions



CUSTOMS

- WTO member
- Member of the Eurasian Economic Union: Russia, Belarus, Kazakhstan, Armenia, Kyrgyzstan
- Import duties depend on types of goods imported
- Import VAT – up to 18 %



LABOUR

- Special procedure of hiring foreign employees, see our infographic: [kiap.com/4expats](http://kiap.com/4expats)
- A fixed-term employment agreement may be concluded in limited situations only
- Salary shall be paid in Russian roubles
- Personnel may be dismissed under strict procedure only



ANTITRUST

- Concentration control
- Antitrust proscriptions
- Preliminary approval (notification) for some business activities
- High antitrust penalties



IP

- Prohibition of parallel imports
- Customs Register of IP
- Non-contract administration by the accredited Collecting Societies
- Antipiracy Law



CORPORATE

- Public and non-public entities
- 3 level governance structure: General meeting, Supervisory board, Executive body
- New "shareholders' agreement" regime
- Corporate disputes must be settled in state courts

## USEFUL LINKS

The Federal Tax Service  
[www.eng.nalog.ru](http://www.eng.nalog.ru)

The Moscow Kremlin  
[www.kreml.ru/en-us/museums-moscow-kremlin](http://www.kreml.ru/en-us/museums-moscow-kremlin)

KIAP  
[www.kiap.com](http://www.kiap.com)

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