

November 27, 2015

Dear Sir or Madam,

Further to our newsletter dated March 05, 2015, please be informed that on November 21, 2015 the Federal Council of the Russian Federation adopted a draft law “On amendment of the Articles 3.5 and 15.25 of the Code of administrative offences of the Russian Federation and the Articles 12 and 23 of the Federal Law No. 173-FZ dated December 10, 2003 “On currency regulation and currency control” (hereinafter – the “**Draft Law**”).

The Draft Law now also includes administrative liability of individuals – Russian currency residents (hereinafter – “**Residents**”) for violation of the obligation to provide reports on cash movements via foreign bank accounts and/or supporting bank documents (hereinafter – the “**Report**”).

Amendments re. administrative liability

The Draft Law states that the Resident will be entitled to pay fine at the amount of:

- RUB 2.000 – 3.000 for violation of the established procedure of the Report submission
- RUB 20.000 for the repeated violation of the established procedure of the Report submission
- RUB 300 – 3.000 for violation of the deadline for the Report submission (depends on the term of delay)
- RUB 10.000 for the repeated violation of the deadline for the Report submission

These amendments will come into force from January 1, 2016.

Amendments re. crediting funds to the foreign bank accounts

Now, in addition to the already existing transactions, it will be allowed to receive from non-residents to the accounts opened with the banks in OECD or FATF countries:

- (A) funds obtained as the result of disposal of foreign securities, listed on the Russian or a foreign exchange, included in the list of the foreign exchanges mentioned in point 4 Article 27 of the Federal Law no. 39-FZ “On Securities Market” – effective from January 1, 2018;
- (B) income received from transferring of funds and/or securities into trust management conducted by the non-resident – effective from the date of the official publication of the law.

Please note, that the receipt of funds in the form of grants was removed from the list of the permitted transactions.

These amendments are long-awaited and expected to give the opportunity for Residents to comply with the legislation requirements and to credit the funds received as the result of the above-mentioned transactions to their foreign bank accounts. Moreover, Residents should be ready to provide Reports, not to be brought to the administrative liability.

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For more information, please visit our web-site or contact directly **Maxim Alekseyev, Senior Partner** at malekseyev@alrud.com.

Kind regards,

ALRUD Law firm

Note: All information was obtained from publicly available sources. The author of this information letter assumes no liability for the consequences of decision-making based on such information.