
Time to analyse: second stage of voluntary declaration by individuals of assets and bank accounts

February 20, 2018

Dear Ladies and Gentlemen!

On 19 February 2018, a package of laws came into force providing for the second stage of voluntary declaration by individuals of assets and bank accounts ("capital amnesty"), and extension of the period for taking advantage of "tax-free liquidation" when liquidating foreign companies and structures, until 1 March 2019.

Key developments in the context of this initiative:

- The second stage of voluntary declaration will last from 1 March 2018 until 28 February 2019;
- Participation in the first stage of "capital amnesty" does not prevent an individual from participating in the second stage;
- The opportunity to specify information on the closed accounts (as at the date of submission of the declaration) in the special declaration submitted under the "capital amnesty", if such accounts were opened prior to 1 January 2018;
- The possibility of exemption of income in monetary form received within liquidation of a foreign company / structure from personal income tax. This provision applies to the legal relations that arose on, or after, 1 January 2016;
- Exemption from liability for violation of the deadline of notifications on participation in a foreign organization and/or notifications of controlled foreign company (CFC), if they are submitted together with the special declaration containing the data on such CFC and/ or foreign organizations.

How it works and what is worthy of special attention?

Adoption of the mentioned package of laws shall be a good opportunity:

- to analyse the current foreign and Russian assets ownership structures, in order to reveal the risks which may be reduced, or eliminated, using the mechanisms suggested by the new laws;
- to check for the existence of non-declared accounts in foreign banks, which may be declared and brought in line with the requirements of the Russian currency legislation, in order to eliminate the risks of imposition of penalties for its violation;
- to check for the existence of any transactions performed in violation of the Russian currency legislation on foreign bank accounts declared earlier, and to use the opportunity of declaration thereof to eliminate the risks of being brought to liability;
- to liquidate foreign companies and structures, with minimum tax consequences in the Russian Federation.

ALRUD experts will gladly render you the necessary legal assistance on all the issues related to application of the new tax legislation rules.

We hope you will find this information helpful. If some of your colleagues also want to receive our information letters, please specify their e-mails in response to this message. If you want to know more about our **Tax Practice** and **Private Client Practice**, please notify us about it in your response letter – we will be pleased to send you our materials.

If you have questions, please contact ALRUD Senior Partner **Maxim Alekseyev** 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.