

Amendments to the Russian Currency Control Regulations

December 29, 2017

Dear Ladies and Gentlemen,

This is to inform you that the President of the Russian Federation has signed Federal Law no. 427-FZ "Concerning the Introduction of Amendments to the Federal Law "Concerning Currency Regulation and Currency Control"" (further the "**Law**").

The Law specifies the definition of currency residents and introduces several exceptions to obligations and restrictions concerning Russian currency residents.

According to the new amendments, all individuals who are Russian citizens are considered Russian currency residents. However, the requirements on notification on foreign accounts, the performance of currency transactions on such accounts and the submission of reports on cash movements over such accounts do not apply to individuals who spend more than 183 days outside Russia in a calendar year.

It should be noted that the above exemption also refers to the individuals who were abroad for more than 183 days during the year 2017.

Also the Law includes other positive amendments, among which are:

- possibility to receive funds on foreign accounts under contracts for the sale of vehicles and immovable property, in specific cases;
- opportunity to use funds from the foreign bank accounts for goods and services in Russia.

The Law will come into force as of 1 January 2018.

Despite of positive amendments introduced by the Law, a number of questions still remains unclear. Therefore, it is important to analyze each specific transaction beforehand from the perspective currency regulation, as the fines for currency violation make up to 100% from the amount of illegal transaction.

Hope that the information provided herein would be useful for you. If any of your colleagues would also like to receive our newsletters, please let us know by sending us his/her email address in response to this message. If you would like to learn more about our Private Clients and Tax practice, please let us know about it in reply to this email. We will be glad to provide you with our materials.

If you have any questions, please, do not hesitate to contact the Senior Partner of ALRUD Law Firm **Maxim Alekseyev** at MAlekseyev@alrud.com.

Kind regards,

ALRUD Law Firm

Note: Please be aware that all information provided in this letter was taken from open sources. The author of this letter bears no liability for consequences of any decisions made in reliance upon this information.