



## Tax Alert: Russian Deoffshorisation Bill Update

Dear Clients, Associates and Friends

The purpose of this Tax Alert is to inform you that yesterday, 11 November 2014, the draft law on the Russian Deoffshorisation Bill passed the first reading in the State Duma. The next reading is expected next week. Ordinarily, the second reading is when the majority of changes are introduced to the draft. We are closely monitoring developments, we'll look into changes after the draft passes the second reading next week and we'll keep you updated on the outcome.

As you may recall from our previous updates, in general terms the draft law aims at deoffshorising the Russian economy by targeting foreign companies that are deemed to be controlled from Russia but do not currently pay tax in Russia.

The draft law provides for three main deoffshorisation measures: (a) beneficial owner of income concept, (b) controlled foreign company (CFC) rules and (c) Russian tax residency rules for legal entities.

In anticipation of the final adoption of the Deoffshorisation Law we again strongly encourage all those affected by this law to contact us for the purpose of reviewing your current legal structures to determine the potential effects of the Law.

For previous updates and more information on the Russian bill, you may visit the [Tax Updates](#) section in the E-Library category of our website ([www.tsielepis.com.cy](http://www.tsielepis.com.cy)).

Kind regards,

**Alexis Tsielepis, BSc, FCA**  
Director, Head of Taxation