

Companies leaving Russia: minimum exit tax increased to 15%

On 6 October 2023 the Russian Ministry of Finance has published an [excerpt](#)¹ from the Minutes of the Sub-commission meeting², stating that transactions (operations), in which foreign persons from unfriendly states or persons controlled by them dispose of securities, including shares, participatory interests (contributions) in authorised (joint) capitals of Russian legal entities (the “**assets**”), must be normally performed subject to at least 15% of the market value of the assets being voluntarily paid to the federal budget (so-called “**exit tax**”).

The excerpt states that the exit tax must be paid within one month of the transaction (operation) implementation (execution) and, just like before, the Sub-commission does not mention which party shall be responsible for paying the exit tax. This means that it could be either the buyer or the seller. It is noteworthy that the new minimum exit tax will apply to all transactions now pending with the Sub-commission.

Introduction of the new minimum exit tax cancels the previous rules that governed its calculation and payment. Recall that earlier the exit tax could be paid within three months period³ and its amount was conditional on a discount granted to the buyer (at least 5% in the event of a discount less than 90% and at least 10% if the discount was over 90%).

It bears reminding that the market value of an asset must be identified on the basis of an independent appraisal report prepared by one of appraisal organisations recommended by the Sub-Commission⁴. The appraiser’s conclusions must be also confirmed by an opinion of (an) expert(s) from one of the self-regulatory appraisal organisations recommended by the Sub-commission⁵.

As a separate point, even before these changes were introduced some sectoral ministries considering applications had already insisted on the application of a higher exit tax (in particular, 15%) in comparison with the minimum exit tax recommended by the Sub-commission.

¹ Excerpt from Minutes of a meeting of the Sub-commission of the Government Commission for Monitoring Foreign Investment in the Russian Federation No. 193/4 dated 26 September 2023

² Sub-commission of the Government Commission for Monitoring Foreign Investment in the Russian Federation

³ See an excerpt from Resolution of the Sub-commission of the Government Commission for Monitoring Foreign Investment in the Russian Federation No. 171/5 dated 7 July 2023

⁴ The list of appraisers (appraisal organisations) recommended for assessing the market value of assets is [posted](#) on the website of the Ministry of Finance of the Russian Federation

⁵ The list of self-regulatory appraisal organisations recommended for obtaining expert opinions in accordance with article 17.1 of Federal Law No. 135-FZ dated 29 July 1998 “On Appraisal Activities in the Russian Federation” is [posted](#) on the website of the Ministry of Finance of the Russian Federation

ALUMNI Partners' legal updates provide a brief overview of new legislative and law enforcement developments and should not be viewed as a legal opinion or advice.

If you have any questions or comments in relation to this legal update, please feel free to contact us to discuss them.



Anton Panchenkov

Partner, Corporate Practice / M&A

ALUMNI Partners

+7 (495) 968-8-968

anton.panchenkov@alumnipartners.ru



Andrey Neminuschiy

Counsel, Antitrust Practice

ALUMNI Partners

+7 (495) 968-8-968

andrey.neminuschiy@alumnipartners.ru



Nikolay Voznesenskiy

Managing Partner, Antitrust Practice

ALUMNI Partners

+7 (495) 968-8-968

nikolay.voznesenskiy@alumnipartners.ru



Vitaly Dianov

Partner, CSc (Law), Antitrust Practice

ALUMNI Partners

+7 (495) 968-8-968

vitaly.dianov@alumnipartners.ru

This legal update is prepared with assistance of **Vladislav Li**, Associate, Antitrust Practice, ALUMNI Partners.