

**NATIONAL SETTLEMENT DEPOSITORY  
(NSD)**

**RULES FOR TAX PROCEDURES  
under the Russian Tax Code**

## TABLE OF CONTENTS

1	General Provisions	3
2	Terms and Definitions	3
3	Amendments to the Rules	4
4	Rules for Payment of Income on Securities and Tax Procedures	4
5	Specific Rules Applied to Particular Types of Securities	5
5.1	EQUITIES	5
5.2	BONDS	6
6	Payment Deadlines	7
7	Quick Tax Adjustment Procedure	10
8	Tax Disclosure Statement Form	12
9	Standard Procedure for Tax Refund through Tax Authorities of the Russian Federation	14
10	Appendices (Forms GS650 and GS651)	17

## 1. General Provisions

These Rules for Tax Procedures under the Russian Tax Code (the “Rules”) shall govern relationships between foreign nominees and National Settlement Depository (“NSD” or the “Depository”) acting as a Withholding Agent in the course of paying out income on securities to NSD’s Clients.

NSD shall allow access to these Rules and any and all amendments thereto by any interested party (regardless of the purpose of receipt of such information), by posting the same on NSD’s official web site at [www.nsd.ru](http://www.nsd.ru) (“NSD’s official web site”).

## 2. Terms and Definitions

In these Rules, the following terms shall have the following meanings:

“Russian Tax Code”	The Tax Code of the Russian Federation;
“Withholding Agent”	A person required by the Russian Tax Code to calculate and withhold taxes from a taxpayer and to pay such taxes withheld to the budget of the Russian Federation;
“Withholding Agent Functions”	A Withholding Agent’s duties to calculate and withhold taxes and submit reports to tax authorities of the Russian Federation;
“Tax Disclosure”	Summary information disclosed by a foreign nominee to a Withholding Agent in accordance with article 214.6 or 310.1 of the Russian Tax Code;
“Updated Tax Disclosure”	A Tax Disclosure statement submitted, in due time, to update the summary information disclosed by a foreign nominee to a Withholding Agent in accordance with article 214.6 or 310.1 of the Russian Tax Code;
“Quick Tax Adjustment Procedure”	A procedure for adjustment of tax liabilities and claims on the basis of an Updated Tax Disclosure statement;
“DTTs”	Double taxation treaties of the Russian Federation;
“Authorized Tax Representative”	A person authorized by a foreign nominee to submit Tax Disclosure statements for the purpose of complying with the provisions of articles 214.6 or 310.1 of the Russian Tax Code. The authority of an Authorized Tax Representative shall be certified by a power of attorney;
“Recordkeeping System”	A software and hardware system being used by the Depository for the purposes of depository operations.

The key terms used in these Rules shall be interpreted in accordance with the Russian Federation laws.

### **3. Amendments to the Rules**

NSD may unilaterally amend these Rules. NSD shall notify any and all amendments to these Rules to the Clients at least ten days prior to their effective date by posting a new version of the Rules on NSD's official web site.

Where any amendments hereto are required to be made as a result of any amendments made to laws or regulations of the Russian Federation, such amendments hereto shall take effect on the effective date of the relevant laws or regulations.

The above notice shall be deemed to have been given when the relevant information is posted on the Depository's web site. Clients shall be solely responsible for monitoring such information on NSD's web site and for receiving such information.

### **4. Rules for Payment of Income on Securities and Tax Procedures**

When paying out income in the cases stipulated by the law, NSD shall act a Withholding Agent, and as such calculate and withhold taxes on the basis of Tax Disclosure statements submitted for foreign nominee securities accounts. In such cases, funds shall be remitted to Clients less the taxes withheld.

Under the law, NSD shall pay out income (income less withheld taxes):

- to accounts of foreign nominees, owners – no later than seven (7) business days of the income receipt date, but no earlier than the payment date determined by the issuer; or

- to accounts of those Clients who act as a nominee or as a fiduciary manager – no later than one business day of the income receipt date, but no earlier than the payment date determined by the issuer.

Where the funds from the bonds issuer are received to NSD's correspondent account at an earlier date, NSD shall not pay out income until after the income payment date.

Where the funds required for paying out income are received to NSD's correspondent account before 5.00 pm (Moscow time), the income shall be paid out by NSD on the then current business day. Where the funds are received after 5.00 pm (Moscow time), the income shall be paid out by NSD on the next business day.

Upon payment of income, Clients shall be provided with a GSRUB Form notice (for payments in Russian rubles) or GSCUR Form notice (for payments in a foreign currency).

In addition, foreign nominees shall be provided with the following reports via the SWIFT system (FileAct service) and NSD's EDI System:

- A Tax Disclosure processing report in XML format (Form GS650), containing comments and tax rates applied by NSD for each line (entry) in the Tax Disclosure statement; and

- A Withholding Agent's tax calculation and withholding report in XML format (Form GS651) issued upon the payment.

Forms GS650 and GS651 are available in Appendices to the Rules and on NSD's official web site (in the '*Tax management*' section).

For the purpose of paying out income on securities, NSD shall remit funds both to accounts held by Clients with NSD, and accounts held by Clients with any other credit organization. Where payments are made directly to accounts held by Clients with NSD, the speed of payment processing does not depend on the Bank of Russia's or correspondent banks' payment system.

**Notes:**

a. When submitting information or Tax Disclosure or Updated Tax Disclosure statements, please bear in mind that information disclosure and income payment are only possible on business days in the Russian Federation (*i.e.*, any days, other than weekend days and public holidays in the Russian Federation).

b. The full list of notifications and messages interchanged between NSD and its Clients and related to payments and tax procedures is available on NSD's official web site (in the '*Tax management*' section), in the '*List of Notifications and Messages*' table.

**5. Specific Rules Applied to Particular Types of Securities**

**5.1. EQUITIES**

**Notification (Reminder) of Tax Disclosure**

Upon receipt of the relevant information from a securities issuer, NSD shall notify its Clients and foreign nominees of the record date (RD) and the dividend per share amount.

A preliminary notification of payment in SWIFT format (MT564 Pre-advice) or in HTML format (as per the EDI Details Form filed by the Client) and a request for Tax Disclosure (SWIFT message – MT564 DSCL) specifying the balance of securities in the foreign nominee securities account as at the end of business hours on the date RD shall be sent to the Client on the date RD+1, at 5.00 am (Moscow time).

**Dividend Payment**

Under the law:

- the record date (RD) on which the persons entitled to receive the dividends in accordance with the decision to pay (declare) such dividends may not be earlier than 10 days, or later than 20 days, of the decision date;

- the time period within which the issuer will pay the dividends to nominees or trustees being professional securities market participants must not exceed 10 business days of the record date (RD+10).

The diagram showing the above time periods applicable to dividend payment is available on NSD's official web site (in the '*Tax management*' section).

### **Deadlines for Tax Disclosure**

A Tax Disclosure statement required for the purpose of paying out dividends on Russian equities shall be submitted by a foreign nominee before the dividend payment date, but no later than 7 (seven) business days of the record date (no later than RD+7).

Where a foreign nominee fails to submit a Tax Disclosure statement to NSD in the manner prescribed and within the above time limits (RD+7), NSD shall apply the maximum tax rate for dividend income (15%):

- at the day of receiving the funds from the issuer, if the issuer has transferred the funds to NSD later than on RD+7, i.e. if  $PD > RD + 7$ ; or
- on the last date of the time period prescribed by the Russian Federation laws for Tax Disclosure, if  $PD < RD + 7$ .

In this case, tax adjustment will be possible:

- either as part of the Quick Tax Adjustment Procedure, at the rates permitted by the relevant DTTs and the Russian Tax Code for application by a Withholding Agent with respect to dividend income; or

- upon a taxpayer's application, through tax authorities of the Russian Federation (including when claiming any reduced tax rate, subject to compliance with certain terms and conditions (such as the amount of investment and the time during which the investment has been held) and upon submission of necessary documents proving eligibility to claim such reduced tax rate).

## **5.2. BONDS**

The amount payable to a Client shall be calculated based on the quantity of securities held in the Client's account as at the end of business hours on the business day preceding the date determined in accordance with the document evidencing the rights attached to the securities, and on which the distributions on the securities are to be paid.

### **Notification (Reminder) of Tax Disclosure**

A preliminary notification of forthcoming payment of income on bonds (SWIFT message – MT564 Notification) shall be sent to a foreign nominee on the dates PD-21 and PD-1 (calendar days). For

the purpose of sending notifications, the Russian calendar of weekend days and public holidays shall be taken into account. Where the actual date is the last business day before weekend days or before a public holiday, the aforementioned messages to be sent on such weekend day or public holiday will be generated on that date.

A preliminary notification of payment in SWIFT format (MT564 Pre-advice) or in HTML format (as per the EDI Details Form filed by the Client) and a request for Tax Disclosure (SWIFT message – MT564 DSCL) specifying the balance of securities in the foreign nominee securities account as at the end of business hours on the date RD shall be sent to the Client on the date RD+1, at 5.00 am (Moscow time).

### **Deadlines for Tax Disclosure**

In accordance with the Russian Tax Code, a Tax Disclosure statement required for the purpose of paying out income on bonds shall be submitted by a foreign nominee before the income payment date, but no later than 5 (five) business days of the date on which the Depository has disclosed information on the payment of distributions on Russian bonds to Depository's Clients (nominees or trustees), on NSD's official web site, in the manner, within the time limits, and to the extent required by the Russian Federation laws.

Thus, the deadline for Tax Disclosure depends on the date of information disclosure by NSD, due to which a Tax Disclosure statement required for the purpose of paying out income on Russian bonds may be submitted not only on the date PD, but also at a later date (up to PD+1+5). Where income on bonds is paid by NSD on the date PD+1 and disclosed by NSD on the date PD+2, the deadline for Tax Disclosure by a foreign nominee will be PD+2+5.

Where a foreign nominee fails to submit a Tax Disclosure statement to NSD in the manner prescribed and within the above time limits, NSD shall apply the maximum tax rate for interest income (30%):

Foreign nominees may receive information regarding the deadline for Tax Disclosure on bonds either on NSD's official web site (in the '*Tax management*' section) or from the account manager.

The diagram showing the above time periods is available on NSD's official web site (in the '*Tax management*' section).

## **6. Payment Deadlines**

Income shall be paid by NSD within the time established by Russian law to the following Clients:

- A. Nominees and fiduciary managers being professional securities market participants;
- B. Russian resident legal entities – for owner securities accounts;

C. Russian non-resident legal entities – for owner securities accounts (provided that, if no document proving the jurisdiction of the legal entity and its eligibility to claim tax privileges is provided to NSD beforehand and in the manner prescribed, NSD will apply the general tax rates under the Russian Tax Code);

D. Foreign nominees and Russian non-resident legal entities – for owner securities accounts, if, in accordance with the Russian Tax Code:

- A Withholding Agent is not required to withhold tax on income payable on securities (*e.g.*, on Russian federal government securities, Russian subfederal bonds, or Russian municipal bonds subject to mandatory centralized safekeeping); or
- Income is to be taxed at the rate of 0%; or
- Taxation of income is not provided for by the Russian Tax Code;

E. Foreign nominees, if a Tax Disclosure statement has been received by the time of payment (to reduce the time required to agree upon the applicable tax rates with NSD, such Tax Disclosure statement may contain the following wording marked: “Pay forthwith, without further disclosures”).

NSD will take all necessary measures to pay out income on the next business day following the day on which NSD receives funds. Where the funds are received to NSD’s correspondent account before 5.00 pm (Moscow time) on the payment date, the income to the above Clients can be paid out by NSD on the then current business day. Where the funds are received after 5.00 pm (Moscow time), the income can be paid out by NSD on the next business day.

Subject to compliance with the above terms and conditions, income shall be paid to a foreign nominee on the date of receipt of the relevant Tax Disclosure statement, provided that such Tax Disclosure statement in electronic format is received by NSD by 4.00 pm (Moscow time) on the payment date. Where the Tax Disclosure statement in electronic format is received by NSD after 4.00 pm (Moscow time), income shall be paid to the foreign nominee on the immediately next business day.

NSD is capable to and may pay out income at earlier times after the receipt of a Tax Disclosure statement in electronic format, *e.g.*:

If a Tax Disclosure statement is received by NSD before 9.30 am (Moscow time), income shall be paid as part of the Bank of Russia’s 2<sup>nd</sup> batch at 2.00 pm;

If a Tax Disclosure statement is received by NSD before 11.30 am (Moscow time), income shall be paid as part of the Bank of Russia’s 3<sup>rd</sup> batch at 4.00 pm;

If a Tax Disclosure statement is received by NSD before 1.30 pm (Moscow time), income shall be paid as part of the Bank of Russia’s 4<sup>th</sup> batch at 6.00 pm; and



If a Tax Disclosure statement is received by NSD before 4.00 am (Moscow time), income shall be paid as part of the Bank of Russia's 5<sup>th</sup> batch at 8.30 pm.

Upon receipt of a Tax Disclosure statement in electronic format, containing the following wording marked: "Pay forthwith, without further disclosures", NSD will make the payment on the basis of a separate payment statement, without waiting Tax Disclosure statements from other Clients or without waiting until 4.00 pm (Moscow time) on the then current day.

After the payment is made, any adjustments in a Tax Disclosure statement may only be made as part of the Quick Tax Adjustment Procedure, within 25 business days of the tax calculation and payment date, on the basis of updated summary information.

Where a Tax Disclosure statement received does not contain the following wording marked: "Pay forthwith, without further disclosures", NSD will act as follows:

A. Provided that the latest Tax Disclosure statement received does not give rise to any question as to the applicability of any tax rate or relief, NSD shall calculate and withhold taxes and pay out the income payable;

B. Provided that the latest Tax Disclosure statement received gives rise to any question as to the applicability of any tax rate or relief, NSD shall:

- Return the Tax Disclosure statement to the foreign nominee, with comments made by NSD in the relevant lines in such Tax Disclosure statement;

- Wait for the foreign nominee to re-submit a Tax Disclosure statement containing full details;

- Upon receipt of such re-submitted Tax Disclosure (that either does not give rise to any question or contains the following wording marked: "Pay forthwith, without further disclosures"), pay out the income payable; and

- Where no Tax Disclosure is re-submitted before the statutory deadline, pay out the income on the basis of the latest Tax Disclosure statement available, or, where no such Tax Disclosure statement is available, apply the maximum tax rates of 15% (for dividend income) or 30% (for interest income).

Where a foreign nominee fails to submit a Tax Disclosure statement to NSD before 4.00 pm (Moscow time) of the last day of the time period allowed by the law for income payment and Tax Disclosure, NSD shall apply the maximum 15% or 30% tax rate. In this case, tax adjustment will be possible:

- either as part of the Quick Tax Adjustment Procedure through NSD, by applying all of the applicable tax rates and tax privileges claimed; or

- upon a taxpayer's application, through tax authorities of the Russian Federation, by applying all of the applicable tax rates and tax privileges claimed.

**Notes:**

a. For the purposes of making payment at the earliest date possible, with tax withholding at the maximum rate of 15% or 30%, a foreign nominee may submit to NSD a Tax Disclosure statement, in which the entire quantity of securities held in such foreign nominee's securities account is specified in the relevant field in Section 3 (*Information on Securities with Undisclosed Tax Jurisdiction*) of the Tax Disclosure Statement. In this case, Section 1 (*Internal Information*) shall include the following wording marked: "Pay forthwith, without further disclosures" (value "Y").

b. Such Tax Disclosure statement shall only supersede the previous Tax Disclosure statement if the Withholding Agent has not yet paid the income. Where the income has already been paid by the Withholding Agent, NSD shall treat such Tax Disclosure statement as an Updated Tax Disclosure statement submitted for the purposes of the Quick Tax Adjustment Procedure.

c. An Updated Tax Disclosure statement submitted for tax adjustment purposes in a timely fashion shall always supersede the previous Updated Tax Disclosure statement.

d. A Tax Disclosure statement not accepted by NSD for processing due to any technical issue shall not supersede the previous Tax Disclosure statement related to the same payment.

## **7. Quick Tax Adjustment Procedure**

Within 25 business days in the Russian Federation following the tax calculation and withholding date, a foreign nominee may submit an Updated Tax Disclosure statement (in an summary form) for the purposes of adjusting the tax withheld (either upwards, or downwards). Updated Tax Disclosure statements are accepted by NSD in electronic form no later than 11:59:59 pm (Moscow time) on the 25<sup>th</sup> business day.

For the purposes of tax adjustment, on the 26<sup>th</sup> business day following the tax calculation and withholding date, NSD will apply the latest Tax Disclosure statement received by NSD during the period applicable to the Quick Tax Adjustment Procedure. Upon completion of tax adjustment, NSD shall reissue the following reports to the foreign nominee:

- A Tax Disclosure processing report (Form GS650); and
- A Withholding Agent's tax calculation and withholding report (Form GS651).

Where the tax amount is adjusted downwards, the excess amount withheld shall be remitted to the foreign nominee to the bank account designated for income payments, within the period between the 27<sup>th</sup> and 29<sup>th</sup> business days following the tax calculation and withholding date.

Where the tax amount is adjusted upwards, the foreign nominee shall refund the overpaid amount to NSD's correspondent account IN THE CURRENCY OF INCOME PAYMENT.

NSD may neither accept an Updated Tax Disclosure statement, nor adjust the earlier withheld tax, provided that the full amount to be paid to the budget of the Russian Federation is not received to NSD's correspondent account (detailed below) within 25 business days in the Russian Federation following the tax calculation and withholding date.

Beneficiary:	NSD
Beneficiary account:	47422*
Beneficiary institution:	NSD, Moscow
Beneficiary institution's correspondent account:	30105810345250000505
Beneficiary institution's BIC:	044525505

\* Account 47422 shall contain 20 characters and be opened with NSD before making payments, separately for each Client. Where the number of account 47422 is not received by a foreign nominee from the foreign nominee's account manager, the '*Beneficiary Account*' field in the payment order may be filled in with twenty zeroes.

To enable NSD to identify the funds, a foreign nominee is advised to include the following details in the '*Details of Payment*' field in the payment order:

- Unique reference of the corporate action; and
- Securities account/clearing securities sub-account number.

Example: "Refunding to the withholding agent for the purposes of tax adjustment: corporate action's reference: \_\_\_\_\_, securities account No. \_\_\_\_\_".

An Updated Tax Disclosure statement required for the purposes of the Quick Tax Adjustment Procedure shall be submitted:

- an unlimited number of times, within the time limits allowed for the Quick Tax Adjustment Procedure;
- using standard Tax Disclosure statement forms (it shall be required to update information with respect to the entire quantity of securities held, and it is not allowed to update only some of the entries (lines) in a Tax Disclosure statement);
- without sticking to the order of lines or entries in Section 2 (*Summary Tax Information*) of a Tax Disclosure statement;
- without sorting out any lines or entries in Section 2 (*Summary Tax Information*) of a Tax Disclosure statement; and
- with the wording specifically stating that the funds will be refunded to NSD in the event the tax is adjusted upwards (Section 1, *Internal Information*).

Where, upon tax adjustment upwards, the required amount to be paid to the budget of the Russian Federation is not received by NSD, NSD as a Withholding Agent shall, in accordance with

clause 3 of article 24 of the Russian Tax Code, report the violation of the tax adjustment procedure and the tax underpayment to tax authorities of the Russian Federation.

No later than 30<sup>th</sup> business day following the date on which the tax was withheld from the amount of income payable to the foreign nominee, NSD shall pay the tax amount to the budget of the Russian Federation.

## **8. Tax Disclosure Statement Form**

### **Section 1 – Internal Information**

The guidelines for completion of the fields in Section 1 (*Internal Information*) of a Tax Disclosure statement are available on NSD's official web site (in the '*Tax management*' section), in the description of Tax Disclosure.

### **Section 2 – Summary Tax Information**

Section 2 of a Tax Disclosure statement (Form GF065) shall contain summary information required by article 214.6 or 310.1 of the Russian Tax Code. Section 2 shall be completed as follows:

The entries in a Tax Disclosure statement shall be numbered.

**“Jurisdiction”**. Summary information in a Tax Disclosure statement shall be broken down by tax jurisdiction, i.e. country of tax jurisdiction of disclosed individuals or legal entities. The code of the country and its name shall be specified in the appropriate fields of the Tax Disclosure statement “Jurisdiction Code” and “Jurisdiction Name”. The name of the country may be specified either in Russian or in English. The list of country codes and names is available on NSD's official web site (in the '*Tax management*' section). There are exceptions to the summary Tax Disclosure requirement; these include the following Tax Disclosures:

#### **A. Disclosure of International Organizations**

For the purposes of applying tax benefits under DTTs for international organizations, the “Jurisdiction Code” field in a summary Tax Disclosure statement shall include the code provided for by NSD for certain international agreements regarding the status of such international organizations in the Russian Federation in the same list of country codes and names. In this case, the “Jurisdiction Name” field shall include the international organization's name.

#### **B. Disclosure of Russian Organizations for Corporate Bonds**

In the “Jurisdiction Name” field, in addition to the tax jurisdiction “Russian Federation”, it shall be allowed to include the Russian taxpayer identification number (TIN) that identifies the relevant Russian organization, so that the Withholding Agent does not withhold tax on interest income paid on Russian bonds. In this case, the Russian organization shall be required to add the interest income on such securities to its income tax base under the Russian Tax Code.

In the field, you must specify the TIN block in the following format (14 symbols):

ИИИ: XXXXXXXXXXXX or TIN: XXXXXXXXXXXX

The entire indicated TIN block from, directly, the name of the country of residence must be separated by at least one space, and follow the name of the country.

**“Attribute of a Legal Entity or Individual”**. In a Tax Disclosure statement, it shall be specified whether the relevant person is a legal entity or an individual, by reference to the relevant article of the Russian Tax Code. For individuals, it shall be required to specify article 214 of the Russian Tax Code, and for legal entities it shall be required to specify article 310. For international organizations, code 310 shall be used (being the number of the Russian Tax Code article that applies to legal entities).

**“Reference to the Provision for Application of Tax Privilege”**. The Russian Tax Code does not impose any restriction on specification by a taxpayer, in a Tax Disclosure statement, of any provision for application of tax privilege claimed by the taxpayer. Effective from 1 January 2016, a reference to the relevant provision of the Russian Tax Code or to the relevant provision of the relevant DTT shall be mandatory only if a tax privilege or tax exemption is claimed. For international organizations, it is advisable to agree upon a reference to provisions of international agreements with NSD well in advance, as the application of exemptions for such organizations, in most cases, requires pre-approval by the regulatory authority.

The Russian Tax Code imposes restrictions on application by a Withholding Agent of tax privileges provided for by the Russian Tax Code or DTTs in connection with payment of dividend income on Russian equities. With respect to dividend income on Russian equities, the Withholding Agent shall calculate and withhold tax on the basis of summary information at the tax rate determined by the Russian Tax Code or by the DTT of the Russian Federation, the application of which is not dependent on the interest in the share capital, or the amount of investment in the share capital, or the time period during which the equities were held.

The list of tax rates under DTTs of the Russian Federation and the list of tax rates under the Russian Tax Code, containing references to grounds for application of tax privilege and to the tax rates under the Russian Tax Code, respectively, are available on NSD’s official web site (in the ‘*Tax management*’ section).

### **“Quantity of Securities”**

The quantity of securities for a particular jurisdiction disclosed must be specified for each line in Section 2 (*Summary Tax Information*).

Where the quantity of securities is not specified in any line, the maximum 15% tax rate (for dividends) or the 30% penalty (protective) tax rate (for bonds) may be applied with respect to the securities that fall under such line in the Tax Disclosure statement.

### **“Claimed Tax Rate”**

It shall be allowed not to complete the field “Claimed Tax Rate” in a Tax Disclosure statement, as disclosure of the tax rate is not required by the Russian Tax Code. This optional field is included in a Tax Disclosure statement form in order to receive from a foreign nominee information on the tax rate claimed by the taxpayer.

However, this information may not be relied upon by the Withholding Agent when deciding which tax rate to apply. NSD as a Withholding Agent shall decide on the applicable tax rate in accordance with the Russian Federation laws, on the basis of the fields “Jurisdiction” and “Reference to the Provision for Application of Tax Privilege”.

The tax rate claimed in a Tax Disclosure statement under the Russian Tax Code or a DTT may be replaced by the Withholding Agent. The amount overpaid due to the restrictions imposed by the Russian Tax Code on application of tax rates by Withholding Agents shall be refunded through tax authorities of the Russian Federation on the basis of a taxpayer’s application.

The list of tax rates under DTTs of the Russian Federation and the list of tax rates under the Russian Tax Code are available on NSD’s official web site (in the ‘*Tax management*’ section).

The “Additional Flag” field may be used to specify tax disclosure.

### **Section 3 – Information on Securities with Undisclosed Jurisdiction**

Section 3 of a Tax Disclosure statement shall include the quantity of securities for which it is impossible to identify the jurisdiction of which the taxpayer is a resident, due to any reasons. With respect to income payable on the securities specified in this Section, the maximum tax rate of 15% or 30% will apply automatically.

### **9. Standard Procedure for Tax Refund through Tax Authorities of the Russian Federation**

The tax withheld on any income paid shall be refunded upon submission of the following documents:

For legal entities:

- A tax refund application in the form required by the federal executive authority in charge of tax supervision; and
- A certification that the relevant foreign organization was, as at the income payment date, a tax resident of a jurisdiction with which the Russian Federation has a DTT (such certification must be issued by a competent authority of such foreign jurisdiction).

For individuals:

- A tax refund application (in any form);
- A tax residency certificate (or other documents) issued and certified by a competent foreign authority authorized to issue such certificates.

For the purpose of refunding any tax withheld on the basis of summary information (updated summary information) under article 214.6 or 310.1 of the Russian Tax Code, the following documents shall be additionally submitted (both by legal entities and individuals) in accordance with article 312 of the Russian Tax Code:

- A document evidencing that, as at the date determined by the relevant Russian issuer's decision to pay income on the securities, the applicant was authorized to exercise the rights attached to such securities, or a document evidencing that, as at the said date, the rights to such securities were exercisable by a trustee on behalf of the applicant;
- A document evidencing the amount of income on the securities (including the securities held in trust on behalf of the applicant), as was actually paid to the applicant (or to the applicant's trustee);
- A document containing information on the depository (depositories) that, either directly or through third parties, remitted the amount of income on the securities to a foreign organization authorized, in accordance with the laws of the jurisdiction of its incorporation, to keep records of, and process the transfer of rights to, the securities, and that has been keeping records of the securities held by the applicant (or by the applicant's trustee);
- A document showing that, as at the date determined by the relevant Russian issuer's decision to pay income on the securities, the person authorized to exercise the rights attached to such securities, or the person on whose behalf the rights to such securities were exercisable by the trustee, complied with the additional terms and conditions provided for by the Russian Tax Code or by the relevant DTT of the Russian Federation, compliance with which is required to apply a reduced tax rate to the dividend income payable (or paid) (in the event of tax refund due to the application of a reduced tax rate).

It shall not be allowed to request any other documents in addition to the above.

Where any of the above documents is in a foreign language, tax authorities may request to have such document translated into Russian. The requirement for notarization and translation into Russian shall not apply to payment documents only.

An application for refund of taxes withheld in the Russian Federation and any other of the above documents shall be submitted by the relevant foreign income recipient to the tax authority with which the Withholding Agent is registered, within three years or one year following the end of the tax period in which the income was paid to the foreign organization or foreign individual, respectively.

The tax amount withheld (and paid) shall be refunded in Russian rubles by the tax authority with which the Withholding Agent is registered, upon submission of a tax refund application and the above documents.

The decision on whether to refund tax shall be made by the competent tax authority within 10 days of the receipt of the taxpayer's tax refund application. The tax authority shall notify the taxpayer in writing of the tax authority's decision to refund tax or reject the tax refund application within five days of the date when such decision is made.