

## LEGISLATION MONITORING

### Restrictions on transactions with foreign bank accounts opened by residents of Russian Federation – the list of countries has been updated

#### For whom this is important

The Federal Tax Service of Russia has updated the list of countries with which Russia automatically exchanges financial information. According to the latest amendments on the Russian currency legislation, as from January 1, 2020, **individual residents** can credit funds on bank accounts opened in countries from this list without restrictions.

#### Key points

##### **In which countries RF residents can credit funds on bank accounts without restrictions?**

- As from 2020, the funds received by Russian currency residents from non-residents can be credited to foreign bank accounts, provided that such accounts are opened in countries that meet one of the following criteria:
  - the country is a member of the EAEU (Armenia, Belarus, Kazakhstan, Kyrgyzstan);
  - or,
  - the country carries out an automatic exchange of financial information with Russia in the framework of the Common Reporting Standard, CRS, or other international agreement providing for the automatic exchange of financial information.
- An updated list of countries that automatically exchange financial information is provided in a new Decree of the Federal Tax Service of Russia dated November 21, [2019 No. MMV-7-17/582@](#), published at the end of December 2019.
- (!) The list now includes new jurisdictions such as Ghana, Dominica, Israel and Panama.
- Luxembourg, as before, is on the list. That being said, Russian residents are allowed to transfer funds received from non-residents, without restrictions, directly to their accounts in Luxembourgish banks.

## In which countries does the restrictive regime of grounds for crediting funds apply?

- (!) The list does not include Great Britain and its separate administrative units: the Isle of Man and the Anglo-Norman Islands (Guernsey and Jersey), as well as Lithuania.
- As before, the list does not include the United States, Canada and Turkey.
- This means that bank accounts in these jurisdictions are subject to the restrictive regime: the use and transfer of funds is possible only on a limited list of acceptable grounds. For example, residents will not be able to transfer to their accounts opened in the United Kingdom such income as coupon income, dividends, income from transactions with securities and income from the sale of real estate in the United Kingdom.

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