

**ACCOUNT OF A RUSSIAN LLC ABROAD**

**Dear colleagues,**

in the context of ongoing difficulties with international payments, many companies have found it necessary to open an account in a foreign bank.

However, it is important to remember that opening a bank account in another jurisdiction imposes a number of additional obligations on the company, including the submission of necessary reports and notifications.

In our review, we will look at how not to violate the law in this situation and how to avoid penalties.

Let's take a step-by-step look at what a company has to do to comply correctly with all requirements.

**1. Notify the Federal Tax Service of Russia**

It is necessary to notify the Federal Tax Service in the following cases:

- opening a bank account outside the Russian Federation;
- closing such an account;
- changing the account details.

All Russian organizations are required to submit the corresponding notification. (Part 2, Part 8 of Art. 12 of the Law No. 173-FZ). The notification should be sent to the tax authority at the location of the organization in the form approved by the Order of the Federal Tax Service of Russia dated 26.04.2024 N SD-7-14/349@, **within one month** from the date of opening (closing) an account or changing the details, respectively (Part 2 of Art. 12 of the Currency Control Law).

Two forms have been approved: one is for opening and closing an account (Appendix N1), the other is for changing the details of this account (Appendix N2).

The notification can be submitted to the tax authority on paper (in person, through a representative, by registered mail) or in electronic form via telecommunication channels (TCC) or through the taxpayer's personal account (PA).

When making the first transfer to a bank account abroad, the organization needs to provide the Russian bank with a [notification](#) on opening this account with a tax inspector's note on its acceptance ([Part 4 of Art. 12](#) of the Currency Control Law). Failure to submit a notification about account or violation of the terms or procedure for submitting it may result in a penalty being imposed on the organization.

Their amounts are established in the Art. 15.25 of the Code on Administrative Offenses of the Russian Federation.

Violation	Officers	Organizations
Notification of opening/closing an account or change of the details is made late or not in the correct form (Part 2 of Art. 15.25 of the Code on Administrative Offenses of the Russian Federation)	from 5 thousand to 10 thousand rubles	from 50 thousand to 100 thousand rubles
Notification is not submitted (Part 2.1 of Art. 15.25 of the Code on Administrative Offenses of the Russian Federation)	from 40 thousand to 50 thousand rubles	from 800 thousand to 1 million rubles

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## **2. Report to the Federal Tax Service on flow of funds**

If a legal entity (resident of the Russian Federation) has foreign accounts, it has to submit a cash flow statement to the tax authority **quarterly** within 30 days after the end of the reporting quarter, attaching supporting documents: statements or other documents issued by the bank (Decree of the Government of the Russian Federation dated 28.12.2005 N 819 (as amended on 22.05.2024)).

If the documents are drawn up in a foreign language, the organization has to attach a translation into Russian, duly certified in accordance with the legislation of the Russian Federation (cl. 7 of the Rules for the Submission of Reports by Residents - Legal Entities).

The translation can be carried out by an employee of an organization or an organization engaged in translation activities, since the methods of translation are not limited by the law.

If necessary, at the request of the tax authorities, translation into Russian, notarized in accordance with the requirements of the legislation of the Russian Federation, shall be provided.

## **3. Comply with the currency legislation, in particular, carry out only legal currency transactions.**

Contracts with non-residents, the amount of obligations for which exceeds the established threshold, namely, import contracts from 3 million rubles and export contracts from 10 million rubles, must be registered by an authorized bank of the Russian Federation.

The bank will assign a unique number to the contract (cl. 4.2, 5.5 of the Bank of Russia Instruction dated 16.08.2017 N 181-I (as amended on 09.01.2024)).

When crediting export proceeds to an account abroad, it is necessary to provide to the authorized bank a certificate of currency transactions for settlements through an account abroad under accounting contracts, as well as provide a bank statement.

The term for providing a certificate of currency transactions for settlements through an account abroad is within 30 working days after the last day of the month in which such transactions were carried out.

## **4. Is it necessary to repatriate currency?**

At present, the obligation to repatriate currency has only been retained for some companies.

From 16.10.2023 to 30.04.2025 inclusive, certain Russian exporters specified in the List approved by the Decree of the President of the Russian Federation dated 11.10.2023 No. 771, are required to credit to their accounts in authorized banks and sell proceeds in foreign currency on the domestic currency market of the Russian Federation within the established period and in the established amounts (cl. 1, 5 of the Decree of the Government of the Russian Federation dated 12.10.2023 No. 1681 "On measures for the implementation of the Decree of the President of the Russian Federation dated October 11, 2023 No. 771").

The closed list consists of 43 groups of companies belonging to the sectors of the fuel and energy complex, ferrous and non-ferrous metallurgy, chemical and forestry industries, and grain farming. Exporters are notified of their inclusion in the list within 3 days by the Ministry of Economic Development of Russia.

For companies that are not on the closed list, the amount of foreign currency earnings subject to mandatory sale is currently 0%.

Therefore, if the organization is subject to the cancellation of repatriation, the terms for transferring export proceeds from the organization's account opened abroad to a Russian bank are not established by regulation, i.e. such funds may remain on account abroad and these funds can be used, for example, for settlement of import or other contracts.

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