

## Legal Alert

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## New Rules for Branches and Representative Offices of Foreign Companies

All branches and representative offices of foreign companies must re-register with the Russian tax authorities by 31 March 2015 in order to comply with new rules which entered into force on 1 January 2015.<sup>1</sup>

Below we outline the most important of these changes and practical steps which should be taken in connection with the new rules.

### Accreditation and establishment of a register of accredited branch and representative offices

The new rules envisage the creation of a register of accredited branch and representative offices (the "Register"). Information from the Register will be publicly available on the Internet and it would also be possible to obtain official extracts from the Register.

Tax authorities are now tasked with the accreditation and inclusion of branches and representative offices in the Register. Accreditation will be performed by Tax Inspectorate No. 47 in Moscow. Previously this was done by the Chamber of Commerce and Industry of the Russian Federation and the State Registration Chamber under the Ministry of Justice of the Russian Federation.

Branches and representative offices whose accreditation expires after 1 April 2015 should apply to the tax authorities for inclusion to the Register prior to 1 April 2015.

Branches and representative offices whose accreditation expires in January 2015 may apply to the tax authorities for new accreditation in February 2015.

Branches and representative offices whose accreditation expires from 1 February 2015 to 1 April 2015 must apply to the tax authorities for new accreditation not later than 30 days prior to the expiration of their current accreditation.

The accreditation of branches and representative offices that fail to apply for inclusion in the Register or fail to be accredited pursuant to the new rules shall be terminated on 1 April 2015.

1. These are amendments to the Federal Law "On Foreign Investments in the Russian Federation" No. 160-FZ as of 9 July 1999 as well as other legal acts envisaged by the Federal Law "On Amendments to Certain Legal Acts of the Russian Federation" No. 160-FZ as of 5 May 2014.

## Regulations of branches and representative offices

Article 22 of the Law “On Foreign Investments in the Russian Federation” establishes new rules with respect to regulations of branches and representative offices. In this regard all current regulations should be brought in compliance with the new legislation.

## Personal accreditation and visa support

The Chamber of Commerce and Industry of Russian Federation will continue to provide personal accreditation and visa support to all foreign employees of branches and representative offices.

Before submitting documents to the tax authorities for accreditation and/or re-registration, approval must be obtained from the Chamber of Commerce and Industry for the number of foreign citizens to be potentially employed by the branch or representative office.

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