

# Taxation of income from securities

Income from securities is taxable pursuant to the applicable tax laws of the Russian Federation, including Chapter 23 *Personal Income Tax* and Chapter 25 *Income Tax* of the Russian Tax Code.

If generalised information on the individuals/entities exercising their rights to issued securities held in a depository account of a foreign nominee holder (Clauses 2–6, Article 214.6 and Clauses 2–8, Article 310.1

of the Russian Tax Code) is not disclosed to the depository acting as a tax agent, interest income on these securities is taxable at the rate of 30% (subject to certain exceptions listed in the Russian Tax Code).

Reduced tax rates or exemptions may apply to individuals and foreign entities who are not tax residents of Russia pursuant to international double tax treaties.



For information on taxation of income from securities under the applicable laws of the Russian Federation, please see Annexes to the interactive annual report

## DIVIDEND TAX FORMULA<sup>1</sup>

$$AT = P \times TR \times (D_1 - D_2)$$

**AT** – amount of tax to be withheld from the income of the recipient of dividends;  
**P** – proportion of the dividend amount payable to one recipient to the total dividend amount to be distributed;  
**TR** – tax rate for Russian entities (0% or 13%);

**D<sub>1</sub>** – dividend amount to be distributed among all recipients;  
**D<sub>2</sub>** – dividend amount received by the entity paying dividends, provided that previously these amounts were not included in the taxable income.

<sup>1</sup>The formula is not applicable to dividends paid to foreign entities and/or individuals who are not tax residents of Russia.

### ■ Tax treatment of income from securities

	INCOME FROM SECURITIES TRANSACTIONS	INTEREST INCOME ON SECURITIES	DIVIDEND INCOME ON SECURITIES
<b>Individuals</b>			
tax residents of Russia	13 %	13 %	13%
tax non-residents of Russia	30 % <sup>2</sup>	30 %	15%
<b>Legal entities</b>			
Russian entities	20 % <sup>3</sup>	20 %	13 % <sup>4</sup>
tax non-residents of Russia	20 %	20 %	15 %

<sup>2</sup>if shares or other securities are sold in Russia.

<sup>3</sup>or 0%, if shares (interests) of Russian entities are sold, provided that as at the date of their sale the shares (interests) have been owned for over five years and subject to one of the conditions stipulated by Clause 2, Article 284.2 of the Russian Tax Code.

<sup>4</sup>or 0%, if as at the date of the dividend payout resolution a Russian entity has been owning an interest of 50% (and more) in the authorised capital of the entity paying dividends, for 365 days (and more).