



Important update: Residents are entitled to credit currency to their foreign accounts

In brief

This Legal Flash informs about lifting the ban on crediting foreign currency by residents to their foreign accounts imposed by Presidential Decree No. 79, para 3b of 28 February 2022 (“Decree No. 79”) (with some exceptions).

Below we provide details of the above changes.

In detail

1. Lifting the ban on crediting currency by residents to their foreign accounts

The ban on crediting currency by residents to their foreign accounts (deposits) opened outside Russia was imposed by Decree No. 79, para 3b. This Decree had a broad interpretation, and the ban applied to any crediting of currency to residents’ foreign accounts, including by third parties. Therefore, currency could only be credited to foreign accounts in cases expressly stipulated by resolutions of the Government Commission for Control over Foreign Investments in Russia (the “Government Commission”).

However, new Presidential Decree No. 430 of 5 July 2022 “On Repatriation by Residents Participating in Foreign Economic Activity of Foreign Currency and the Currency of the Russian Federation” (“Decree No. 430”) permitted, in our interpretation, any crediting of foreign currency to foreign accounts of residents unless “crediting of foreign currency and transfer of funds relate to remittance by residents of funds received as dividends on shares of Russian joint-stock companies or upon distribution of profit of Russian limited liability companies (OOO), business partnerships and production cooperatives”.

In addition, Decree No. 430 stipulates that the Government Commission is authorised to set restrictions on the use of foreign accounts. In other words, previously Decree No. 79 prohibited any crediting of foreign currency to foreign accounts and provided the Government Commission with the right to **permit** crediting in certain cases. Now Decree No. 430 lifts all restrictions and authorises the Government Commission to **impose** them. Currently, the Government Commission has set no such restrictions.

This interpretation of Decree No. 430 is confirmed by the Bank of Russia’s recently updated comment on whether it is possible to credit foreign currency to foreign accounts [on the special page of the regulator’s official web-site](#) (issue No. 15 of the Currency Accounts and Deposits section). Thus, the Bank of Russia confirms that currently there are no restrictions on crediting by residents (both legal entities and individuals) of foreign currency to their accounts abroad. Exceptions are only set to:

- crediting funds received in the form of dividends on shares of Russian joint-stock companies, or
- crediting of funds received upon distribution of profit of Russian limited liability companies (OOO), business partnerships and production cooperatives.

These types of crediting are subject to a special authorisation procedure with the involvement of the Government Commission.

2. What does the lifted ban on crediting currency to foreign accounts mean?

Any crediting, including related to the sale and purchase of properties and securities, is now permitted without any additional restrictions, which allows residents to perform different foreign-currency transactions using their foreign accounts.

However, it is necessary to follow resolutions of the Government Commission to be aware of new imposed restrictions on crediting of foreign currency to foreign accounts.

We would be happy to answer any questions you may have.

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