

FEDERAL LAW
NO. 120-FZ OF JULY 21, 1997
ON THE TAX ON THE PURCHASE OF FOREIGN LEGAL TENDERS
AND INSTRUMENTS DENOMINATED IN FOREIGN CURRENCY
(WITH AMENDMENTS AND ADDENDA OF JULY 16, 1998)

Adopted
by the State Duma

June 13, 1997

Approved
by the Federation Council

July 3, 1997

Federal Law No. 193-FZ of December 31, 2002 abolished this Federal Law as of January 1, 2003

Article 1. The present Federal Law introduces a tax levied on the transactions of the purchase of foreign legal tenders and instruments denominated in foreign currency (hereinafter referred to as "foreign currency in cash").

Federal Law No. 98-FZ of July 16, 1998 provided a new version of Part 1, Article 2 of the present Federal Law

Article 2. Tax base shall be a sum in roubles payable when the following transactions are implemented:

the purchase of foreign currency in cash for roubles in cash;

the purchase of instruments denominated in foreign currency for roubles in cash; the disbursement of foreign currency in cash from foreign currency accounts to natural persons, provided these monies have come to the foreign currency accounts from rouble accounts; the purchase of the foreign currency legal tenders not subject to circulation due to defects;

the handing out of foreign currency to the owners of plastic cards from rouble card accounts.

The tax base shall include sums of the repayment of deposits open in roubles if the repayment is effected in foreign currency in cash.

Not subject to taxation with the tax shall be transactions of the disbursement of foreign currency in cash as the repayment of deposits open in foreign currency including the handing out of foreign currency in cash from foreign currency accounts.

Also not taxable with the tax shall be transactions of the purchase of foreign currency in cash by credit organisations from the Central Bank of the Russian Federation as well as from other credit organisations.

Article 3. The payers of the tax on the purchase of foreign currency shall be the natural persons, organisations as well as branches and representative offices including non-residents implementing the transactions specified under [Article 1](#) of the present Federal Law.

The organisations whose activities are fully funded out of the budgets of all levels as well as the Central Bank of the Russian Federation shall not be payers of the tax.

Federal Law No. 98-FZ of July 16, 1998 provided Article 4 of the present Federal Law in a new version

Article 4. The tax rate is hereby set at 1 per cent of the tax base.

Article 5. The tax shall be withheld by the credit organisations implementing transactions with foreign currency in cash at the moment when payers receive foreign currency in cash. The tax sums shall be remitted by the said credit organisations to the federal budget and to the budgets of the subjects of the Russian Federation on whose territories transactions of the purchase of foreign

currency in cash have been effected not later than the day following the date when the tax was withheld.

Federal Law No. 98-FZ of July 16, 1998 provided Article 5 of the present Federal Law in a new version

Should the sums of a respective tax fail to be remitted or are remitted with a delay to the budgets, the said credit organisations shall be held accountable under Articles 13 and 15 of the Law of the Russian Federation on the Fundamentals of Tax System in the Russian Federation.

Article 6. The sums of the tax shall be distributed between the federal budget and the subjects of the Russian Federation at a ratio of 60 to 40 per cent respectively.

The legislative (representative) bodies of the subjects of the Russian Federation are entitled to make decisions on entering in the budgets of the whole sum or a part of the sum of the said tax coming to their budgets.

Article 7. The State Tax Service of the Russian Federation on the approval of the Ministry of Finance of the Russian Federation shall within two weeks from the date of the coming into force of the present Federal Law endorse the instructions for the application of the present Federal Law.

As it concerns the computation and payment into the budget of the tax on the purchase of foreign legal tenders and instruments denominated in foreign currency see the Instructions of the State Tax Service of the Russian Federation No. 45 of August 7, 1997

Article 8. The present Federal Law shall come into force from the date of the official publication thereof.

The President of the Russian Federation is hereby proposed and the Government of the Russian Federation is hereby instructed to bring their legal acts in conformity with the present Federal Law.

President
of the Russian Federation

B.Yeltsin

Moscow, the Kremlin