

**LETTER
OF THE STATE TAX SERVICE OF THE RUSSIAN FEDERATION
NO. YUU-6-06/308 OF MAY 31, 1995
ON THE TAX RATES OF CERTAIN INCOME ESTABLISHED IN THE AGREEMENTS
ON THE AVOIDANCE OF DOUBLE TAXATION
(with the Amendments and Additions of February 5, 1997)**

In addition to this Letter see [Letter](#) of the State Tax Service of the Russian Federation No. NP-4-06/23n of March 21, 1996

The State Tax Service of the Russian Federation is bringing to your notice the adjusted list of the effective tax rates of certain types of the income of foreign juridical persons received from the sources in the Russian Federation established in the agreements on the avoidance of double taxation of income and property, concluded by the USSR and the Russian Federation with foreign States and effective on January 1, 1995.

[Letter](#) of the State Tax Service of the Russian Federation No. VE-6-06/105 of February 5, 1997 supplemented the list of rates of taxation of certain types of the income of foreign juridical persons derived from the sources in the Russian Federation

Country	Dividends	Interest	Royalties
Austria	0	0	0
Belgium	15	15	0
Great Britain	0	0	0
Vietnam	10.15	10	15
Denmark	15	0	0
India	15	15	15; 20
Spain	18	0	5
Italy	15	0	0
Canada	15	15	10
Cyprus	0	0	0
Malaysia	15	15	10; 15
Netherlands	15	0	0
Norway	20	0	0
Poland	10	10	10
Finland	0	0	0

<u>France</u>	15	10	0
<u>FRG</u>	15	5	0
<u>Germany</u>	5.15	0	0
<u>USA</u>	5; 10	0	0
<u>Switzerland</u>	- <u>*)</u>	-	0
<u>Sweden</u>	15	0	0
<u>Japan</u>	15	10	0; 10
<u>MA <u>**)</u></u>	0	0	0

Federal Law No. 64-FZ of March 19, 1997 ratified the Agreement between the Russian Federation and the Grand Duchy of Luxembourg on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to the Taxes on Income and Property

Federal Law No. 81-FZ of May 25, 1997 ratified the Convention Between the Russian Federation and the Republic of Hungary on the Avoidance of Double Taxation in Respect to the Taxes on Incomes and Property

Federal Law No. 32-FZ of February 26, 1997 ratified the Convention between the Government of the Russian Federation and the Government of the Czech Republic on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to the Taxes on Income and Capital of November 17, 1995

Federal Law No. 42-FZ of February 26, 1997 ratified the Agreement between the Government of the Russian Federation and the Government of Canada on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to Income and Property Federal Law No. 48-FZ of March 11, 1997 on Bill of exchange and Note

Federal Law No. 33-FZ of February 26, 1997 ratified the Convention between the Government of the Russian Federation and the Union Government of the Union Republic of Yugoslavia on the Avoidance of Double Taxation with Respect to the Taxes on Income and Property

Federal Law No. 34-FZ of February 26, 1997 ratified the Convention between the Government of the Russian Federation and the Government of the Republic of the Philippines on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to the Taxes on Income

Federal Law No. 35-FZ of February 26, 1997 ratified the Agreement between the Government of the Russian Federation and the Government of the Republic of Croatia on the Avoidance of Double Taxation with Respect to the Taxes on Income and Property

Federal Law No. 36-FZ of February 26, 1997 ratified the Convention between the Government of the Russian Federation and the Government of the Republic of Albania on the Avoidance of Double Taxation with Respect to the Taxes on Income and Property

Federal Law No. 37-FZ of February 26, 1997 ratified the Agreement between the Government of

the Russian Federation and the Government of the People's Republic of China on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to the Taxes on Income

Federal Law No. 39-FZ of February 26, 1997 ratified the [Convention](#) between the Government of the Russian Federation and the Government of the Republic of Slovenia on the Avoidance of Double Taxation with Respect to the Taxes on Income and Property

When exercising the control over the correct application of the provisions of the agreements on the avoidance of the double taxation of the income and property in the context of the present Letter it shall be necessary to take into account the following:

1. The terms dividends, interest, the income from copyrights and licenses (royalties) shall have the meaning which is established in each concrete agreement.

2. The application of the above-mentioned tax rates shall be carried out with respect to specific persons and income and with the observance of any other conditions stipulated in the relevant agreements. In the case of the nonconformity of any conditions to the provisions of the agreements, there shall be applicable the tax rates stipulated by the internal legislation of the Russian Federation.

State Counsellor of the Tax
Service of the First Rank

Yu.M. Ulyanov

* The symbol "-" means that the taxation of the given types of income has not been regulated by an agreement and, consequently, the provisions of the internal tax legislation of the Russian Federation shall apply.

** MA is the Multilateral Agreement on the Avoidance of the double taxation of the income and property of juridical persons of May 19, 1978, which is still effective only with respect to Bulgaria and Mongolia.

The [Agreement](#) between the Government of the Russian Federation and the Government of the Republic of Bulgaria on the Avoidance of Double Taxation in Respect of the Taxes on Income and Property has been ratified by the [Federal Law](#) No. 48-FZ of April 24, 1995. So the Agreement is still effective only with respect to Mongolia.

Federal Law No. 41-FZ of February 26, 1997 ratified the [Agreement](#) between the Government of the Russian Federation and the Government of the Slovak Republic on the Avoidance of Double Taxation and the Prevention of the Evasion of Taxation with Respect to Income and Property

Federal Law No. 43-FZ of February 26, 1997 ratified the [Agreement](#) between the Government of the Russian Federation and the Government of Mongolia on the Avoidance of Double Taxation with Respect to the Taxes on Income and Property