

Flash Report

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Russian nationals working in Ukraine

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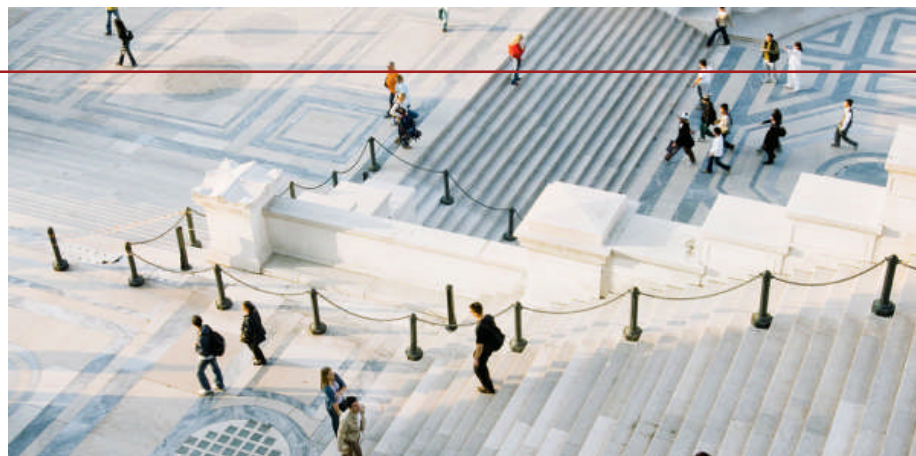
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Important changes in Russian law affecting Russian nationals working in Ukraine

On 13 February 2013, changes in the Russian Administrative Violations Code came into force. According to these changes, receipt of funds from overseas (non-Russian) entities by Russian citizens, who are considered residents for Russian currency control purposes, in their overseas bank accounts and the subsequent use of these funds are treated as a violation of Russian currency control regulations. These transactions are subject to penalties of up to 100% of the receipt and of any subsequent transactions with these funds.

These changes may significantly affect the ability of Ukrainian companies that employ Russian nationals to make salary and other payments to the Ukrainian bank accounts of these individuals.

If this issue is relevant to you, PwC Ukraine, jointly with PwC Russia, can help you with the analysis of your current payments to Russian nationals, identify potential exposures for the individuals and develop potential solutions to your situations, as well as arguments that could protect individuals in case of a challenge by the Russian currency control authorities.