

Update of the "White List" by the Russian Tax Service: What Do Individuals Need to Know?



At the end of 2024, the list of countries for automatic exchange of financial information was updated. The new List has been established by the Order of the Federal Tax Service of Russia (FTS) No. ED-7-17/916@ dated 30 October 2024, and it became **effective from 31 December 2024**.

What Has Changed in the New Version of the List?

In the updated List the following EU member states have been removed:

Austria, Belgium, Bulgaria, Hungary, Germany, Greece, Denmark, Ireland, Spain, Italy, Cyprus, Latvia, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Finland, France (including New Caledonia), Croatia, Czech, Sweden, and Estonia.

At the same time, the List now includes new countries such as Armenia, Cameroon, Niue, Rwanda, and Jamaica, with automatic exchange of financial information beginning with them.

What Does This Primarily Affect?

Individuals – residents for currency control purposes¹ (i.e. Russian citizens and foreign nationals with a Russian permanent residence permit) are restricted in their use of non-Russian accounts. If an account is opened in a country that is not included in the List, funds can only be credited to such an account in a limited number of cases².

For example, a Russian resident who resides abroad for less than 184 days a year is prohibited from receiving the following on an account in a country not included in the List:

- Dividends;
- Income from the sale of property;
- Income from transactions with securities and derivatives;
- Income from leasing property;
- Funds from other grounds not directly permitted by the Law.

The inclusion of a country in the List also affects the requirement to submit an annual report to the Federal Tax Service on the movement of funds and other assets. Previously, mentioned above residents – account holders in EU countries could avoid declaring such accounts if certain conditions regarding account turnover or balance were met³. However, now the disclosure of movements on such accounts becomes mandatory, regardless of the turnover or balance.

¹ Subclause "a", "b" of the clause 6 of the part 1 of the article 1 of the Federal Law 173-FZ "On Currency Regulation and Currency Control" dated 10.12.2003 (hereinafter "173-FZ")

² Part 5 of the article 12 of the Law 173-FZ

³ Paragraph 4 of the part 7 of the article 12 of the Law 173-FZ

Do the New Rules Apply to the Reporting for 2024?

The Order came into effect on **31 December 2024**⁴.

The Federal Law "On Currency Regulation and Currency Control" does not specify which List should be used if different versions were in effect during the reporting period.

In our opinion, when preparing the cash-flow report regarding non-Russian accounts, one should refer to the List that was in effect at the end of the reporting period, i.e., on 31 December. This is indirectly confirmed by the fact that under the CRS standard, tax authorities of foreign countries make decisions and provide information after the end of the calendar year. In other words, when deciding to send information to Russia for 2024, according to the new List, excluded foreign countries may not automatically send the information, and the FTS will expect to receive it directly from the account holders.

It is important to note that the absence of automatic exchange with the particular country does not mean a full lack of communication between authorities. The FTS has other tools for accessing information, including exchange under bilateral agreements and receiving data upon request.

FAQ: Brief Answers to Common Questions

1. What is the Purpose of the List?

The List includes countries with which FTS declares the existence of an automatic exchange of financial information about residents. Such an exchange is usually provided for by the multilateral CRS agreement or a bilateral treaty.

For example, the presence of the UAE in the List means that data on the accounts of Russian residents (and in some cases, companies registered by them) in UAE banks is automatically transmitted to the FTS. In turn, Russia is obliged to provide information about the accounts of UAE residents.

It is worth mentioning that even if a Russian citizen is not a tax resident of Russia (for example, due to permanent residence abroad), having Russian citizenship may result in the transmission of their account information to Russia.

2. What Information Is Exchanged and Received?

Under the CRS, tax authorities exchange information received from local banks and other financial institutions for the reporting period. This information includes⁵:

- Personal details of the individual, including residence address;
- Account numbers and details about the financial institution;
- Account balance/value at the end of the year or the account closing date;
- For custodial accounts: total amount of interest, dividends, income from the sale/redemption of financial assets, and other income;
- For deposits: total amount of interest;
- For other accounts: total deposits from the debtor financial institution (e.g., payments from an insurance company).

⁴ I.e. within 10 days after the official publication date, according to the clause 12 of the Decree of the President of the Russian Federation No. 763 dated 23.05.1996.

⁵ Section 2 of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information

Information about certain companies, the beneficiaries of which are Russian residents, as well as details about companies' accounts, is also sent to the FTS under the CRS.

3. If a Country Is Not on the List, Does This Mean the FTS Cannot Receive Data about My Accounts in That Country?

Even if automatic information exchange with a country is not in place or has been suspended, the FTS may still have other methods of obtaining information. For example, they can send specific requests to foreign tax authorities.

Therefore, even if a country is included in a separate list⁶ of states that do not provide information exchange for tax purposes with Russia, this does not always mean that the FTS has no way of obtaining information. However, the decision to provide information to the FTS remains with the foreign authority.

4. Which Countries in the European Region Maintain the Exchange?

A number of countries in the European region remain on the List, indicating that the automatic exchange is still in place with them. These include:

- EU-associated countries: Andorra, Monaco, San Marino;
- Members of the European Economic Area: Iceland, Norway, Liechtenstein;
- Albania.

Additionally, some territories of the United Kingdom and Denmark remain on the List: British Virgin Islands, Gibraltar, Montserrat, Greenland, Faroe Islands.

5. How Can We Help You?

Our team has extensive experience in Russian currency legislation for private clients. We would be happy to analyse your current situation and assist with planning future transactions in compliance with currency regulations, as well as preparing notifications and reports on foreign accounts and interacting with tax authorities.

Our contacts



**Victor
Kalgin**

Managing partner

+7 777 032 31 59

vkalgin@globalaimcons.com



**Vsevolod
Bude**

Senior manager

vbude@globalaimcons.com



**Ilia
Morozov**

Manager

imorozov@globalaimcons.com

⁶ Order of the FTS No. ED-7-17/914@ dated 30.10.2024

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