

Russia

Services Performed from Abroad Not Taxable in Russia, MoF Says

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Report from our correspondent Kristina Trouch

The Ministry of Finance (MoF) has clarified that services provided in Russia by a non-resident company without creating a permanent establishment (PE) in Russia are not taxable in Russia as they are considered to be performed exclusively from abroad.

Articles 246 and 247 of the Tax Code provide that a non-resident's income from Russian sources is subject to corporate income tax in accordance with article 310 of the Tax Code.

Article 309, paragraph 2 of the Tax Code states that income received by a non-resident company for the performance of work or the provision of services in Russia (that do not result in a PE under article 306 of the Tax Code) is not subject to withholding tax.

The MoF noted that income from the provision of services by a non-resident company exclusively from outside the territory of Russia is not regarded as income from Russian sources for the purposes of the Tax Code and, therefore, is not subject to corporate income tax in Russia.

The MoF published Guidance letter No. 03-08-09/92008 on 16 October 2023.

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