

Russia Plans to Suspend Certain Provisions of Tax Treaties with 'Unfriendly' Foreign States

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Report from IBFD Tax Treaties Unit

According to an update of 14 June 2023, published by the Federal Assembly of the Russian Federation, the Russian Cabinet of Ministers has proposed a suspension of specific provisions in tax treaties with "unfriendly" foreign states. The proposal has been submitted to the administration of the president for consideration.

The tax treaties themselves will remain valid. This means that the provisions for avoidance of double taxation, including personal income tax, will remain in force for individuals. However, certain treaty provisions related to reduced tax rates on dividends, interest and royalties in general will be subject to suspension for businesses. At present, there are no plans to denounce these treaties entirely.

The proposed suspension of tax provisions could potentially affect the following tax treaties: [Albania](#), [Australia](#), [Austria](#), [Belgium](#), [Bulgaria](#), [Canada](#), [Croatia](#), [Cyprus](#), the [Czech Republic](#), [Denmark](#), [Finland](#), [France](#), [Germany](#), [Greece](#), [Hungary](#), [Iceland](#), [Ireland](#), [Italy](#), [Japan](#), [Korea \(Rep.\)](#), [Lithuania](#), [Luxembourg](#), [Malta](#), [Montenegro](#), [New Zealand](#), [North Macedonia](#), [Norway](#), [Poland](#), [Portugal](#), [Romania](#), [Singapore](#), the [Slovak Republic](#), [Slovenia](#), [Spain](#), [Sweden](#), [Switzerland](#), the [United Kingdom](#), and the [United States](#).

Further developments will be reported as they occur.