

the Central Bank of Russia. This is done before or simultaneously with registering the company with the tax authorities. After registration, shareholders pay for the shares, and then a report on the results of their issue is submitted to the Central Bank of Russia within 30 days.

Restrictions for Foreigners

Foreigners are prohibited from:

- leasing land in harbour and border areas;
- engaging in large-scale telecommunications and publishing businesses;
- working with radioactive waste;
- participating in defense enterprises.

Additionally:

- If foreign ownership exceeds 49%, small and medium-sized business benefits cannot be applied;
- For banks and insurance companies, special permits are required;
- In the media, foreign ownership must be $\leq 20\%$;
- For founders from "unfriendly countries," the consent of the Government Commission is required, and dividends are paid into a special account type "C."

Registration of an Individual Entrepreneur by a Foreign Citizen (alternative to an LLC)

Obtain a Residence Permit or Temporary Residence Permit (and work only in the relevant region)

Prepare the documents. You will need:

- Application form P21001;
- A copy of your passport with a translation and apostille;
- A residence permit or temporary residence permit;
- A residence registration document;
- A receipt for the 800₽ state fee (not required when submitting online).

Submit the documents:

- In person at the Federal Tax Service or MFC;
- Through a notary;
- By mail;
- Online through the Federal Tax Service service.
- Receive the Unified State Register of Individual Entrepreneurs registration sheet within 4 business days.
- If necessary, register with the Social Fund if you have employees.

Additional steps

- Check the company's registration with the Unified State Register of Legal Entities / Unified State Register of Individual Entrepreneurs;
- Set up accounting and tax records;
- Familiarize yourself with currency and labor legislation requirements;
- When making international payments, take into account double taxation agreements (the dividend rate is usually 15%).



**Russian-Thai
Investment
Forum 2025**

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How to register a business in Russia as a foreign citizen

Step-by-step guide



Today Russia is one of the most promising markets for foreign investment. The country shows sustainable macroeconomic stability, low public debt, and significant reserves, making it a reliable platform for long-term projects. The economy is actively diversifying: alongside energy, IT, agribusiness, logistics, and mechanical engineering are rapidly developing. Abundant natural resources, technological potential, and a high level of engineering education provide ample opportunities for strategic growth.

Russia offers favorable tax conditions for investors: corporate income tax at 25%, personal income tax from 13% to 22%, and a network of double taxation agreements with more than 80 countries. Small and medium-sized businesses can take advantage of simplified regimes with minimal rates. Free economic zones and special administrative regions with zero tax rates and Anglo-Saxon asset protection principles offer additional advantages.

This key geographic location makes Russia a natural transport and trade bridge between Europe and Asia. Developed infrastructure: the Northern Sea Route and access to multiple markets.

Russia's tax system has a three-tier structure:

- **Federal taxes** apply throughout the country (value-added tax (VAT), corporate income tax, and personal income tax (PIT));
- **Regional taxes** are established by the constituent entities of the Russian Federation within the rates defined by the Tax Code (corporate property tax, transport tax);
- **Local taxes** are imposed by local authorities (land tax, personal property tax).



Main Taxes for Business

Corporate income tax – 25%
Value-added tax (VAT) – 20%.
Property tax of organizations – up to 2.2% (the specific rate is set by the region).



Personal Income Tax (PIT)

Non-residents generally pay tax on income from Russian sources at a rate of 15%.
Dividends are taxed at rates of 13% (up to 2.4 million rubles per year) and 15% (above this amount).



Special Tax Regimes

Special regimes are available for small and medium-sized businesses, significantly simplifying administration and reducing the burden.



Eligibility:

- Fewer than 130 employees;
- Income less than 450 million rubles;
- Residual value less than 200 million rubles;
- Participation in other organizations cannot exceed 25%;
- Branches are prohibited.

Applies instead of other taxes:

- For legal entities – income tax, property tax (except real estate tax), and VAT (if calendar year income does not exceed 60 million rubles);
- For individuals – personal income tax (on income from entrepreneurial activity), property tax for individuals (used in entrepreneurial activity), and VAT (if calendar year income does not exceed 60 million rubles).

Simplified Tax System (STS) allows you to choose the tax base:

- "Income" (6% rate) or
- "Income minus expenses" (5-15% rate, depending on the region and type of activity).

Unified Agricultural Tax (UAT):

A 6% rate on the difference between income and expenses intended for agricultural producers.

Decide on a business structure

A foreign individual can open a limited liability company (LLC) in Russia:

Limited Liability Company (LLC) – suitable for medium and large projects; multiple founders are allowed.

This is a business entity established by one or more legal entities and/or individuals, the authorized capital of

which is divided into shares. The shareholders are not liable for its obligations and bear the risk of losses associated with the company's activities up to the value of their shares in the company's authorized capital.

Individual Entrepreneur (IE) – an option for individuals, suitable for small businesses and freelancers.

Check the legal status of a foreign citizen

If a foreign citizen wants to manage a company, they must meet both requirements simultaneously:

- have a residence permit or temporary residence permit in Russia (this confirms legal and permanent residence in the Russian Federation);
- have a patent or work permit in Russia (this confirms their right to enter into employment relationships in the Russian Federation);
- All documents issued abroad must be apostilled and have a notarized translation into Russian.

For LLCs

Preparatory Stage

- Choose a company name;
- Determine the types of activities according to the OKVED classifier (OK 029-2014).
- Distribute shares among the founders and establish the authorized capital (minimum 10,000 rubles).
- Appoint a director (a foreign citizen requires a work permit).
- Select a legal address – your own, rented, or home (a guarantee from the owner of the premises is required).
- Prepare a power of attorney if a representative will be registering.

Preparing documents

You will need:

- Application form P11001 – can be completed through the Federal Tax Service program.
- LLC charter – standard or custom (you can choose one of 36 standard charters using the free selection service from the Ministry of Economic Development).
- LLC establishment resolution (or minutes, if there is more than one founder).
- Incorporation agreement – if there are two or more founders.
- Copies of the passports and constituent documents of foreign participants, translated and apostilled. A copy of the birth certificate of foreign participants, translated and apostilled, is also required if the date of birth is not indicated in the passport.
- Receipt for payment of the state fee – 4,000 rubles (not required when submitting online).

Submitting documents for registration

Options:

- In person at the tax office;
- Through a notary (the notary submits the documents themselves);
- By mail with a list of attachments;
- Online registration via the "State Online Business Registration" service – no state fee.

Within 3 business days, the tax office will send you:

- Unified State Register of Legal Entities (USRLE) entry sheet;
- Certificate of registration;
- Charter with the Federal Tax Service stamp.

Post-registration steps

- If necessary, obtain a seal (optional);
- Conclude an employment contract with the director;
- Open a bank account (1-3 days);
- Contribute the authorized capital – within 4 months;
- If you have chosen the simplified tax system, notify us within 30 days of registration (Form 26.2-1);
- Check the statistical codes for filing a tax return with the Federal Tax Service on the Rosstat website;
- If necessary, obtain a license if the activity is subject to licensing.

For JSC

A joint-stock company (JSC) is a commercial organization whose authorized capital is divided into shares. Shareholders are not liable for the company's debts and are only at risk to the extent of the value of their shares. The minimum capital for a non-public JSC is 10,000 rubles, which can be contributed throughout the year. Shareholder records are maintained by a licensed registrar, and JSCs are subject to stricter disclosure requirements than LLCs.

The main difference between registering a JSC and an LLC is the requirement to register the share issue with