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Zubkov Aids Tax Haven Fight

By Rachel Nielsen

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First Deputy Prime Minister Viktor Zubkov is proposing a clampdown on offshore business, putting his weight behind draft legislation to widen tax authorities' power to prevent illegal offshore financial activities.

Prepared by the Federal Service for Financial Monitoring, or RosFinMonitoring, under Zubkov's aegis and finished this month, the bill suggests broadening the rights of both banks and tax agents in their dealings with offshore financial structures, Vedomosti reported Monday.

Included in the draft, of which Vedomosti obtained a copy, are proposals to allow banks and tax authorities to make it more difficult for Russian businesses to create offshore firms, to impose more rules on company owners and to oblige firms to reveal their beneficial owners. The bill also lets tax and banking agents penalize companies financially for trying to use offshore structures.

In 2011, about 2 trillion rubles ($68 billion) was sent out of the Russian economy, according

to Zubkov's estimates, Vedomosti reported. Also, RosFinMonitoring and the Central Bank found that about 1 trillion rubles of a net capital outflow of roughly 2.5 trillion rubles bore indications of money laundering, most of it occurring through fly-by-night firms.

Zubkov casts a long shadow on RosFinMonitoring: He was the first head of the agency after President Vladimir Putin created it in 2004 and served there until Putin appointed him prime minister in 2007.

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