

Bond Tax Might Be Scrapped

By [The Moscow Times](#)

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The Finance Ministry signaled on Monday that it was willing to scrap a controversial plan to impose a withholding tax on overseas holders of eurobonds issued by Russian companies.

The ministry had intended to introduce the tax on newly-issued eurobonds from next year, bringing their treatment into line with domestic bonds. Issuers have said the move could raise borrowing costs and deter foreign investment.

"We believe it is possible to completely abandon withholding of the Russian tax to the benefit of foreign holders," Finance Minister Anton Siluanov told parliament's lower house, the Duma.

Under a proposal outlined earlier this year, a 20 percent withholding tax would be paid by bondholders legally resident in Russia from the beginning of next year. Bondholders outside the country would pay less — from zero to 15 percent — depending on the relevant double taxation treaty with Russia.

(Reuters)

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