Government Wants Dividend Payout Based on International Accounting Standard

By [The Moscow Times](#)

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An obligation for state owned companies to pay dividends equaling 25 percent of their net profit as calculated under international financial reporting standards is part of a proposal by the Economic Development Ministry to promote socio-economic development, Vedomosti reported Wednesday.

"This reflects the interests of the state and private investors," according to the proposal, a copy of which was obtained by Vedomosti.

Currently, according to government regulations, state companies distribute dividends in the amount of 25 percent of net profit as calculated according to Russian accounting rules. This has resulted in conflicts with minority shareholders, who have tried to have limits increased. For example, for 2012, Transneft paid dividends of 4.9 billion rubles ($148 million) on a profit

calculated under Russian standards of 10.7 billion rubles. But its profit calculated under IFRS was 184 billion rubles.

The issue revolves around filling government coffers. Last year the Finance Ministry proposed that state owned companies pay 35 percent of profit as dividends, but other government agencies said that was too much.

The Federal Property Management Agency will be reviewing a version of the policy that mandates a 25 percent payout based on international standards next week, said Viktoria Semerikov, a department head at the agency.

The Finance Ministry is satisfied for now with the 25 percent payout but the idea of paying 35 percent remains, said a source at the ministry. "Dividends from 2015 set to feed the 2016 budget are already calculated at that rate," he added.

The Economic Development Ministry said in its proposal that dividend contributions to the federal budget have grown significantly, from 10.4 billion rubles in 2002, to 213 billion rubles in 2012.

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