The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Putin Promises Amnesty for Capital Returning to Russia

By The Moscow Times

December 04, 2014



Russia's President Vladimir Putin is seen on a display screen as he addresses the Federal Assembly on Dec. 4, 2014.

President Vladimir Putin on Thursday proposed an amnesty for capital returning to Russia, promising that those bringing back assets would face no taxes, questions or hounding from law enforcement agencies.

Pledging "firm guarantees that they [returners of assets] won't be bothered" in his state of the nation speech, Putin is seeking a cash injection into Russia's economy, which is being drained of investment and income by Western sanctions over Ukraine and sharp falls in the price of oil, Russia's key export.

Russia's Economic Development Ministry said this week that it expected $125 billion to flee the country this year — an amount equal to over 6 percent of Russia's GDP.

Putin stressed that the amnesty offer was one time only.

The move comes amid an effort to repatriate some of the huge wealth that has deserted Russia in its two capitalist decades since the fall of the Soviet Union, and in the process boost sliding tax revenues.

Last month Putin signed a law forcing Russians to reveal and pay tax on earnings in business structures abroad. Previously only dividends transferred to Russia were taxed.

Offshore structures are nearly ubiquitous in Russia, as they provide opportunities to funnel capital out of the country and put assets beyond the reach of predatory authorities.

Original url:
https://www.themoscowtimes.com/2014/12/04/putin-promises-amnesty-for-capital-returning-to-russia-a41982