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Russian Officials Allowed to Hide Cryptocurrencies from Declarations

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Pexels

Russia's Labor Ministry has allowed government officials to not disclose cryptocurrencies in their end-of-the-year tax declarations.

Late last year, President Vladimir Putin said that he was determined to push ahead with the digitization of the national economy despite concerns over cryptocurrencies. Russia's Central Bank has said that the blockchain technology increases the dangers of tax evasion, money laundering and terrorism.

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The Ministry of Labor released its updated recommendation on tax declarations for government officials on Wednesday.

Cryptocurrencies will be exempt from tax declarations because they are not yet legally defined, the Labor Ministry said in comments to the state-run RIA Novosti news agency on Wednesday.

The move to exempt virtual currencies from tax declarations may allow government officials to receive bribes in bitcoins, Vladislav Tsepkov, an expert at the "Business Against Corruption" organization, told the Novaya Gazeta investigative newspaper on Wednesday.

Lawmakers are currently debating a bill drafted by Russia's Finance Ministry that would regulate the release, taxation and circulation of cryptocurrencies, Minister Anton Siluanov said last month.

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