

SHELF COMPANY: A WAY OF ESTABLISHING AND RUNNING BUSINESS IN RUSSIA REMOTELY

Would like to know how to establish a company in Russia? Get to know more in this article! We will be happy to assist you in any of the business cases.

DOING BUSINESS IN RUSSIA: BRIEF GUIDE THROUGH COMPANY INCORPORATION PROCEDURES AND REQUIREMENTS

Opening a company in Russia is a first step for foreign investors in their process of market entry. Such legal activity does not bring just benefits for the owners and shareholders, but as well imposes additional obligations. Foreign investors can establish several types of legal entities in Russia. Which type of the entity fits the company's business operations, depends on the needs and detailed structuring of the business.

According to our market experience, most common form of legal presence is ***Limited Liability Company (OOO)***. Other available forms are: Joint Stock Company (OAO), Sole Proprietor (Entrepreneur), State Owned Corporations (JSC), Branch office and Representative Office. In this article, we provide a brief guide with frequently asked questions, on the sample of incorporation of Limited Liability Company (OOO).

Setting up an LLC in Russia is **possible if following criteria are met:**

- The company has minimal share capital of 10,000 rubles;
- Mandatory substance exists: one CEO and one shareholder

Company incorporation procedure begins with preparation, translation, and notarization of all necessary documents and the **steps are following:**

Being present in Russia for many years, we have collected **set of frequently asked questions** on the procedure of company incorporation. **Here are some of them:**

Do I have to visit Russia to register a company or it can be done through POA?

General rule is that the registration application must be signed by the notary by one of the shareholders. However, depending on the case-by-case basis there might be an option to do it with POA only.

What is the minimum and what is the maximum number of shareholders?

Minimum number is 1 and maximum 50 shareholders.

Is it mandatory to have a national shareholder?

It is not mandatory to have a national shareholder.

Is it mandatory for a company to have a CEO?

Yes, it is mandatory to have a CEO.

Have in mind that, if the CEO is foreigner, he is obliged to apply for work permit in Russia.

Can a foreign CEO open a private bank account in Russian bank?

Yes. Having a personal bank account for the company's CEO is possible.

However, for this procedure, one-time visit to Russia is

necessary.

Can a foreign company, as a parent company, hold shares in Russian company?

Yes! A foreign company may own precisely defined or total % of shares in a company.

Is the company obliged to register as Taxpayer in Russia?

Yes. By the Law, company is obliged to register as Taxpayer and receive its INN tax ID number.

What is the VAT and what profit tax rate in Russia?

VAT is currently at 20% while the profit tax is 20% as well.

What is the reporting schedule?

Company has to submit monthly, quarterly and yearly financial reports.

Should you decide to establish a company in Russia, have in mind that ***legal and advisory assistance is necessary***, in order to structure your business operations and enjoy given rights, but as well respect imposed obligations.

[Contact us!](#)

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