



The “exit fee” for “unfriendly” foreign investors has been raised to 15%

The Russian Ministry of Finance has published an [extract](#)* from Minutes No. 193/4 of the meeting of the Sub-Commission of the Government Commission on Control over Foreign Investments in the Russian Federation dated 26 September 2023.

According to the extract, as part of the consideration for exit transactions from the Russian market, the minimum payment to the budget will now be at least 15% of the market value of the sold asset, as indicated in the valuation report of the sold asset.

Previously, the payment to the federal budget was set at a minimum of 5% or 10% of the market value, depending on the size of the discount applied to the transaction.

However, in practice (see our previous [alert](#)), this increased payment has already been implemented. In the recent months, the Russian Ministry of Industry and Trade has sent letters to applicants offering to make this payment, which amounts to 15% of the value of the sold assets.

The extract provides that payment to the federal budget must be made within one month from the date of the transaction. In practice, however, the specific terms and procedure for making such payment are determined by the decision of the Sub-Commission of the Government Commission when approving the transaction in question.

The increase in the budget contribution required for transactions with “unfriendly” foreign companies is an expected step aimed at replenishing budget revenues. This additional financial burden should be taken into account when planning transactions to exit the Russian market.

* *In Russian*

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