

Measures to prevent, identify and stop suspicious financial transactions by foreign trade participants

Approval has been granted to the standard draft agreement between the Federal Customs Service of Russia and a customs service (duly authorised body) of a state that is not a member of the Eurasian Economic Union on preventing, identifying and stopping suspicious financial transactions by foreign trade participants. Suspicious financial transactions are transactions by foreign trade participants involving financial means that may be used to divert funds outside the country, finance unreported imports and thus evade taxation, legalise (launder) criminal proceeds, and finance terrorism, or to pursue other unlawful goals. This resolution seeks to improve interaction between the Federal Customs Service of Russia and the customs services of foreign countries in fighting violations of the currency law of the Russian Federation.

Reference

The draft was submitted by the Finance Ministry.

The signed resolution approves the standard draft agreement between the Federal Customs Service of Russia and a customs service (duly authorised body) of a state that is not a member of the Eurasian Economic Union on preventing, identifying and stopping suspicious financial transactions by foreign trade participants (hereinafter referred to as the standard draft agreement)

Under the standard draft agreement, suspicious financial transactions include transactions by foreign trade participants involving financial assets, regardless of their form or underlying arrangements, that show signs of lacking an explicit economic rationale and clear legal purposes, and which may be intended to divert funds outside the country, finance unreported imports for the purposes of tax evasion, as well as to legalise (launder) criminal proceeds, finance terrorism, or other unlawful purposes.

In order to stop suspicious financial transactions, the Federal Customs Service of Russia and the customs service (duly authorised body) of a foreign state shall share information and/or documents that may be instrumental in identifying such transactions, including establishing cases of funds being diverted abroad, and conduct joint analytical studies regarding these matters.

The standard draft agreement provides a list of information to be exchanged by and between the Russian Federal Customs Service and the customs service (duly authorised body) of a foreign state, as well as the grounds and the procedure for sending and executing requests as part of the information sharing arrangement.

The standard draft agreement is consistent with the provisions of the Treaty on the Eurasian Economic Union of 29 May, 2014 and the provisions of other international treaties signed by the Russian Federation.