

How to Open a Company in Russia

Business Setup in Russia

MOSCOW, RUSSIA, September 29, 2020 /EINPresswire.com/ -- [Business setup in Russia](#) is fraught with some organizational issues as described below.

1. Choosing a type of legal entity

Foreign companies most often conduct business in Russia through a local representative office or branch, or a Russian limited liability company (OOO).

Both a branch and a representative office of a foreign company are not considered a Russian legal entity but are a subdivision of a foreign parent company.

If you are going to open a representative office in Russia, you must keep in mind that representative offices are set up to promote the business of their foreign parent companies in Russia and they must not engage in any commercial activities.

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Start your business in Russia with A.J.CONSULTING. Our experienced, multilingual team of experts can help with all the tasks of company registration in Russia.”

Alexey Markov, Managing Partner A.J.CONSULTING Moscow

If you would like a Russian subdivision of a foreign parent company to engage in any functions in which the parent company engages, you should choose to open a branch office in Russia. A branch may engage in any functions, as long as this is provided for in the branch’s regulations and is permitted under Russian law.

The most common corporate form of a private business in Russia is a Russian limited liability company, or LLC, or

OOO. LLCs are easier to establish, cheaper to maintain and they are not subject to formalized securities legislation.



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2. Legal address & Office space

Before business registration in Russia it is necessary to find a legal address or office space for your company, since they must be specified in all incorporation documents of the company.

Some companies may prefer to conduct business in Russia without any office space. In this case, A.J.CONSULTING team may provide an interim or long-term legal address with full mail and secretarial support.

3. General director

To register an LLC in Russia, a general director must be preliminary appointed.

General director of a Russian company can be a foreign national as well, however before his or her appointment as general director he or she must apply for work permit and work visa.

The procedure of work visa and work permit obtaining may last from one till three and over months. For this period of time, A.J.CONSULTING team can provide such a solution as interim management of your business in Russia, which includes timely signing of all the documents upon approval by the headquarters, managing the subsidiary in coordination with the headquarters, representing of the subsidiary at state authorities.

Such a solution may be provided by A.J.CONSULTING on a long-term basis as well.

4. Charter capital & Financing

Before establishing an LLC in Russia, foreign company must decide on its charter capital size. The charter capital of a Russian LLC may not be less than RUB 10,000 (approximately USD 140, EUR 125). In LLCs, the charter capital must be paid up in full within four months from the date of the LLC's registration. Other options of LLC financing include loans and intra-group transactions.

If you have decided to register a branch or a representative office in Russia, a simplified procedure of financing in the form of direct transfer of funds will be available. Charter capital should not be created.

5. Incorporation documents

After the above issues are addressed, the next step of company formation in Russia, i.e. preparation of incorporation and registration documents, may be proceeded with. Package of documents needed will depend on a type of legal entity opened in Russia.

For an LLC setup in Russia, the following documents must be prepared:

Charter

Resolution (Protocol) on establishment

Memorandum of association (if there are several shareholders)

Application form, specifying the company name, legal address, charter capital, general director, shareholders, etc., which must be signed in the presence of a notary

Receipt for the state fee of RUB 4,000

A.J.CONSULTING experts can prepare all the necessary documents in a bilingual format.

6. Registration procedure

The final step of company registration in Russia is its state registration with the Russian tax authorities.

Registration procedure of an LLC lasts three working days, registration (accreditation) procedure of a branch or a representative office of a foreign company lasts 25 working days.

In most cases, personal attendance of shareholders at Russian tax authorities is not needed. A.J.CONSULTING team will prepare and submit all the needed documents.

7. Opening a bank account

Once a company is registered with the Russian tax authorities, a bank account may be opened. A.J.CONSULTING team will help to choose a bank and open a bank account for your business in Russia.

If you plan to set up a branch or a subsidiary in Russia, contact A.J.CONSULTING for full assistance.

We will be happy to advise you on the optimal legal form for your Russian business free of charge.

In addition, please feel free to use our English-language Guide [KEY ASPECTS OF DOING BUSINESS IN RUSSIA 2020](#).

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