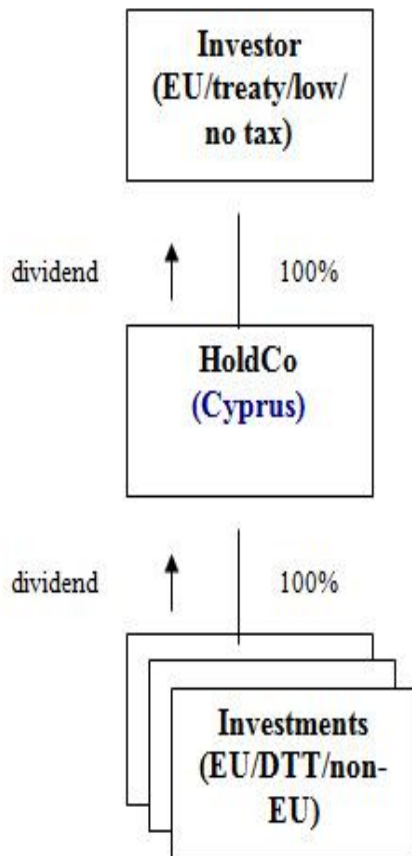


HOLDING COMPANY STRUCTURE

Holding Company planning - basic



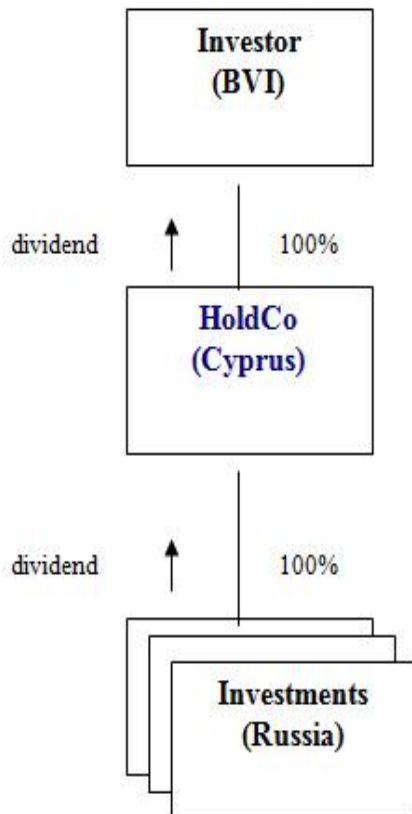
- Taxation on set up:
 - ✓ No or minimal transaction tax

- Taxation on income and gains:
 - ✓ No/reduced taxation on dividend income
 - ✓ No taxation on sales of share investments
 - ✓ No withholding tax on dividend distributions

- Exit taxation:
 - ✓ No taxation on gains from sale of HoldCo shares
 - ✓ Transfer of corporate legal seat possible under circumstances



Holding Company - Example



- Investor:
 - ✓ No tax on income and gains
- HoldCo:
 - ✓ Dividend income exempt
 - ✓ Gain on sales of investments exempt
 - ✓ No withholding tax on dividends to investor
 - ✓ No tax gain on sales of HoldCo shares
- Investments:
 - ✓ 5% withholding tax on dividends to HoldCo (Cyprus – Russia tax treaty)
 - ✓ No tax in Russia on gain on sale of investments