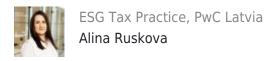
## Russia partially suspends tax treaties with 38 countries 2/34/23



Consultant, Tax, PwC Latvia Aleksandrs Afanasjevs



By a unilateral decision, Russia has indefinitely suspended certain clauses of its double tax treaties (DTTs) with 38 countries from 8 August 2023. This article examines the list of affected countries and the status of Latvia's DTT.

## The Latvia-Russia DTT

With Latvia having suspended the DTT and its protocol from 16 May 2022 and Russia from 1 March 2023, the two countries have not applied any of the treaty reliefs for some time now. The Ministry of Foreign Affairs issued a statement on 10 May 2023 saying the agreement between the two countries' governments will cease to apply from 1 January 2024, which means complete cancellation of the DTT. Denmark is following a similar scenario and having its Russian DTT cancelled from 1 January 2024. However, the Latvia-Russia agreement on cooperation in social security, which governs matters of national social insurance and pension insurance, is still valid.

## 38 countries having their DTTs restricted by Russia

On 8 August the Russian government published a list of 38 countries: Albania, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Lithuania, Luxembourg, North Macedonia, Malta, Montenegro, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, UK, and USA.

Overall, the partial suspension of DTTs has tax implications that will adversely affect the tax burden on workers, as well as property owners and persons holding other types of capital on both sides. Latvia is not affected because the Latvia-Russia DTT was suspended earlier, but these changes may affect Latvian citizens and companies that are tax residents in any of those countries.