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RUSSIA BRIEFING

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Currency Devaluation in Russia, Kazakhstan, Ukraine and Belarus and its Effects on Business

- P.04 Role of Currency/Exchange Rate when Doing Business on a Foreign Exchange Market
- P.06 Effects on Imports and Customs
- P.08 Effects on Financial Statement & Tax Calculation
- P.10 Effects on Financing a Company
- P.13 The Devaluation of 2014 and its Impact on Business in Belarus

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Introduction

Hardly a day goes by at the moment without some sort of negative news about Russia. I certainly hope this is not the case by the time the issue of Russia Briefing you are currently holding is published, however I fear that the bad news has not yet come to an end. In the meantime, it seems that this negative trend is having quite some spillover effect on Belarus and Kazakhstan. The situation in Ukraine is extreme to say the least, however this is certainly not the first time the country has had to face economic hardship.

Therefore, in this issue of Russia Briefing we will still be focusing on Russia, however we will also take a look at the other three countries mentioned. In all four countries we have seen a significant devaluation of the local currency. In Ukraine this was spread over the entire year, in Kazakhstan it occurred during the beginning of 2014 (with rumor

of further devaluation of the Tenge in Q1, 2015) and the Russian ruble crashed at the end of the 2014.

Experience from previous years and crises shows that there is often another surprise during year-end closing, when the full effects of the changes in exchange rate are seen in terms of a firm's equity. This creates the risk of statutory equity regulations not being met.

The current issue therefore focuses on the effects of the ruble devaluation, as well as what can be done to either avoid issues with local regulations or how to solve them should they arise.

We certainly hope that we can present you with a more positive topic in the next issue of Russia Briefing .



Kind regards,

Ulf Schneider
Managing Partner
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Reference

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This Issue's Topic Currency Devaluation in Russia, Kazakhstan and Belarus and its Effects on Business

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