



Important Notice
The Depository Trust Company

B #:	1100-15
Date:	June 29, 2015
To:	All Participants
Category:	Dividends
From:	International Services
Attention:	Operations, Reorg & Dividend Managers, Partners & Cashiers
Subject:	<u>Tax Relief</u> – Country: RUSSIAN FEDERATION Issue Name: ROSTELECOM CUSIP: 778529107 <u>Record Date: 07/02/2015 Payable Date: TBD</u> <u>CA Web Instruction Deadline : 07/08//2015 8:00 P.M.</u> QUICK REFUND CA Web Instruction Open : immediately following DR PD QUICK REFUND CA Web Instruction Close : 08/21/15

Participants can use DTC's Corporate Actions Web (CA Web) service to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult TaxInfo respectively before certifying their instructions over the CA Web.

Important: Prior to certifying tax withholding instructions, participants are urged to read, understand and comply with the information in the Legal Conditions category found on TaxInfo on the CA Web.

Questions regarding this Important Notice may be directed to GlobeTax 212-747-9100.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.

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Non-Confidential

ROSTELECOM has announced a dividend. J.P. Morgan acts as Depository for the company's Depository Receipt ("DR") program.

On DR Pay Date, holders may have the opportunity to receive their dividend net of the applicable withholding rate as per tax treaty rate.

Effective January 1, 2014 there are new requirements on obtaining the treaty rate as per treaty on Russian DRs applying to any Russian DR with a record date after January 1, 2014.

In addition to these new requirements there are also changes to withholding rates for Depository Receipts with a Russian payable date after January 1, 2015.

The punitive withholding rate of 30% that existed on Russian DRs with payable dates from January 1, 2014 – December 31, 2014 was abolished; the new statutory rate is 15%.

DIVIDEND EVENT DETAILS

COUNTRY OF ISSUANCE	RUSSIAN FEDERATION
ISSUE	ROSTELECOM
CUSIP#	778529107
DEPOSITARY	J.P. MORGAN
DR RECORD DATE	JULY 2, 2015
DR PAY DATE	TBA
DR GROSS DIVIDEND RATE	TBA
ORD GROSS DIVIDEND RATE	RUB 3.3410827942322
RATIO	6 ORDS: 1 DR
STATUTORY WHT RATE	15%

In order to obtain a rate as per treaty tax rate, ultimate beneficial holder disclosure is now required on DRs held as of record date. DRs are to be disclosed by country of tax residence and entity type. If no disclosure is made, tax will be withheld at the maximum 15% tax rate. If disclosure is made you will receive your dividend net the applicable treaty withholding rate. Participants can use DTC's Corporate Actions Web (CA Web) function to certify all or a portion of their position entitled to the applicable withholding tax rate. Use of CA Web will permit entitlement amounts to be paid through DTC. By electing, Participants agree to the Agreements, Representations and Indemnification contained in this notice.

PLEASE NOTE THAT THERE IS POTENTIAL FOR AUDIT ON YOUR DISCLOSED SHARES:

The Russian tax authorities may audit the beneficial holders claiming through this process for up to three calendar years after dividends payment. At a minimum audits may require an original certificate of residency with specific language for any individual or entity that elects for the statutory rate, or is eligible and elects for the DTT rate, under the treaty between the country of residence and the Russian Federation. These forms may also need to be apostilled. The documents in a foreign language should be translated into Russian and the translation needs to be approved by a public notary. There is a 3 months period to provide audit documentation to the authorities with possibility for 3 months extension. Please note the Russian tax authorities maintain the right to request additional information and/or forms at any time and from time to time. Participants and beneficial holders will be responsible and liable for any tax relief and for maintenance and provision of all supporting materials. Note that audits requiring a certificate of residency to prove a tax benefit are only to be performed on those holders receiving a treaty rate. Any holders receiving a non-treaty 15% statutory rate **will not** be required to provide a certificate of residency but may be asked in an audit to provide some other more limited documentary evidence to support their initial disclosure.

FEES & DEADLINES

FILING METHOD	BATCH	PAYMENT METHOD	MAX FEES	FINAL SUBMISSION DEADLINE (ALL TIMES 8PM EST)
RELIEF AT SOURCE	PAYMENT ON DR PAY DATE	VIA DTC	Up to \$0.0075 per DR	July 8, 2015
QUICK REFUND	IMMEDIATELY FOLLOWING PAY DATE	VIA DTC	Up to \$0.0075 per DR	August 21, 2015

ELIGIBILITY MATRIX FOR RELIEF AT SOURCE / QUICK REFUND

WITHHOLDING TAX RATE	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
NON-DISCLOSED STATUTORY WITHHOLDING RATE 15%	0%	Non-Disclosed Holders	NONE <i>Note: Russia technically requires disclosure of all DR positions, even those held by investors in countries that do not have a tax treaty that allows for a reduced withholding rate. Consequently, J.P. Morgan will request aggregate disclosure of positions by individuals and entities residing in countries subject to the standard withholding rate of 15 percent.</i>
DISCLOSED STATUTORY WITHHOLDING RATE 15%	0%	Disclosed holders of DTT Countries not applying for DTT rates OR Disclosed holders of Non DTT Countries	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY OR MANUALLY SUBMITTED EXHIBIT A & EXHIBIT B
RUSSIAN TAX RATE- 13%	2%	Disclosed and applying for the tax rate of: Russian Federation	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY OR MANUALLY SUBMITTED EXHIBIT A & EXHIBIT B
DTT - 12%	3%	Disclosed and applying for the DTT rate of: Finland	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY OR MANUALLY SUBMITTED EXHIBIT A & EXHIBIT B
DTT FAVORABLE - 10%	5%	Disclosed and applying for the DTT rate of: Albania, Armenia, Azerbaijan, Belgium, Botswana, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Greece, Hungary, India, Iran, Ireland, Israel, Italy, Kazakhstan, Democratic People's Republic of Korea, Republic of Korea, Kyrgyzstan, Latvia, Lebanon, Lithuania, Macedonia, Malta, Mexico, Moldova, Mongolia, Morocco, Namibia, Norway, Poland, Singapore, Slovakia, Slovenia, Tajikistan, Turkey, Turkmenistan, United Kingdom, United States of America, Uzbekistan	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY OR MANUALLY SUBMITTED EXHIBIT A & EXHIBIT B
DTT FAVORABLE - 5%	10%	Disclosed and applying for the DTT rate of: Kuwait, Qatar, Saudi Arabia	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY OR MANUALLY SUBMITTED EXHIBIT A & EXHIBIT B
RUSSIAN TAX RATE - 0%	15%	Vnesheconombank OR Russian Unit Investment Trusts	MANUALLY SUBMITTED EXHIBIT A & EXHIBIT C (NAME OF THE UIT MUST BE DISCLOSED)

Note: There are some countries with double taxation treaties with the Russian Federation that have multiple withholding rates. The lower reclaim rate applies to the Relief at source and quick refund process. The higher reclaim rates generally apply to conditional situations (i.e. holding a minimum amount of outstanding shares or a special entity type). For more information please contact GlobeTax.

PROCESS STEPS

- Go to <https://esp.globetax.com/> and disclose your ultimate beneficial owners by
 - Country of Tax Residence
 - Entity Type (either legal entity or individual)
- Sign the ESP generated cover letter and summary and mail to GlobeTax
- Use the ESP generated share summary at withholding rate as per treaty to complete your elections at DTC's CA Web.

IMPORTANT:

TO RECEIVE YOUR DIVIDEND AT A FAVORABLE WITHHOLDING RATE YOU MUST BOTH COMPLETE THE DISCLOSURE TO GLOBETAX AND A CORRESPONDING CA WEB ELECTION.

DESCRIPTION OF VARIOUS DOCUMENTATION

DOCUMENT NAME	DESCRIPTION	ORIGINAL/COPY	SIGNATURE REQUIREMENT
CUSTODIAL COVER LETTER (EXHIBIT A)	AGREEMENT TO DISCLOSE INFORMATION TO JPMORGAN/ GLOBETAX FOR RELEVANT SECURITY	ORIGINAL	DTC PARTICIPANT
DISCLOSURE SUMMARY (EXHIBIT B)	SUMMARY SHARES HELDY BY COUNTRIES OF RESIDENCE AND HELD BY ENTITY TYPE. FORM IS TO BE POPULATED WITH DR AMOUNTS	COPY OR ORIGINAL	NONE
DISCLOSURE SUMMARY (EXHIBIT C)	SUMMARY SHARES ENTITLED TO FULL RUSSIAN DIVIDEND TAX EXEMPTION	COPY OR ORIGINAL	NONE

ESP Electronic Submission Portal

powered by **GLOBETAX**

J.P. Morgan offers ESP powered by GlobeTax, an electronic withholding tax submission system. This system allows for the secure and simplified transfer of share data from the Participant to J.P. Morgan and creates applicable documentation on the Participant's behalf.

Submit the data online through the web site below, print out the document on letterhead, sign, and mail to J.P.Morgan / GlobeTax.

These claims should be submitted through the following website. (Requires a one-time registration)

<https://www.globetaxesp.com/>

Please contact Ms. Leann Maurice at 1-800-915-3536 if you have any questions about this process.

CONTACT DETAILS

PRIMARY CONTACT	LEANN_MAUURICE@GLOBETAX.COM
DOMESTIC PHONE (U.S.)	1-800-929-5484
DOMESTIC FAX (U.S.)	1-800-929-9986
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
GROUP EMAIL ADDRESS	RUSSIADR@GLOBETAX.COM
COMPANY	J.P. MORGAN / GLOBETAX
STREET ADDRESS	90 BROAD STREET 16 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	WONJAE_LEE@GLOBETAX.COM

FREQUENTLY ASKED QUESTIONS (FAQs)

GENERAL QUESTIONS

QUESTION	ANSWER
DO I NEED TO PROVIDE A CoR?	FOR RELIEF AT SOURCE AND QUICK REFUND PROCESSES AT THE TIME OF ELECTIONS CoRs SHOULD BE OBTAINED BUT NEED NOT BE PROVIDED. AT THIS TIME, ONLY THE ESP GENERATED FORMS WILL BE REQUIRED AT THE TIME OF ELECTION. HOWEVER, CoRs WILL BE REQUIRED IN THE EVENT OF AN AUDIT AND YOU WILL BE LIABLE TO MAINTAIN AND PROVIDE THESE IN THAT EVENT. IT IS EXPECTED THAT CoRs MUST BE TRANSLATED INTO RUSSIAN AND APOSTILLED, LEGALIZED OR NOTARIZED AND THAT THEY MUST BE ISSUED AS OF THE CALENDAR YEAR.
IS IT REQUIRED TO USE ESP TO DISCLOSE?	IF YOU ARE NOT ABLE TO UTILIZE THE ESP SYSTEM PLEASE CONTACT GLOBETAX TO OBTAIN COPIES OF THE ESP FORMS TO SUBMIT MANUALLY.
WHY SHOULD I COMPLETE THE ESP DISCLOSURE BEFORE ELECTIONS AT DTC?	THE ESP SYSTEM WILL PROVIDE CLIENTS WITH AN AGGREGATE OF THEIR DISCLOSED DRs BY WITHHOLDING RATE AS PER TREATY. THIS INFORMATION SHOULD BE USED TO MAKE YOUR DTC ELECTIONS BY WITHHOLDING RATE AS PER TREATY.

<p>IS THERE A DIFFERENCE BETWEEN THE RELIEF AT SOURCE AND QUICK REFUND?</p>	<p>THE PROCESS STEPS ARE THE SAME FOR BOTH PROCESSES. HOWEVER, THE RELIEF AT SOURCE PERIOD IS SHORTER AND INVOLVES PAYMENT OF YOUR DIVIDEND WITH TAX RELIEF ON PAY DATE. THE QUICK REFUND IS A LONGER PERIOD FOR SUBMISSION AND WILL INVOLVE PAYMENT OF YOUR TAX RELIEF AFTER PAY DATE.</p>
<p>IS THERE AN OPPORTUNITY FOR STANDARD REFUND?</p>	<p>AT THIS TIME THERE IS NO DEFINED STANDARD REFUND. PLEASE CONTACT GLOBETAX FOR ADDITIONAL INFORMATION.</p>
<p>CAN RESIDENTS OF A DTT COUNTRY WITH AN ENTITY TYPE CONSIDERED TRANSPARENT DISCLOSE THEIR DRs TO RECEIVE THE DIVIDEND AT THE TAX TREATY RATE?</p>	<p>THE DRs OF TRANSPARENT ENTITIES SHOULD BE DISCLOSED AT THE ULTIMATE BENEFICIAL HOLDER LEVEL, PROVIDED, HOWEVER, THAT THE TRANSPARENCY REQUIREMENTS AND THE ELIGIBILITY FOR THE RATE RATHER THAN THE 15% ARE UNCLEAR AND UNTESTED UNDER RUSSIAN LAWS. ALWAYS CHECK THE SPECIFICS OF THE RELEVANT TAX TREATY TO ENSURE YOU ARE PROPERLY DISCLOSING THE DRs OF THE ENTITY AND COUNTRY OF TAX RESIDENCE WITH RESPECT TO THE RUSSIAN FEDERATION.</p>
<p>WILL J.P. MORGAN /GLOBETAX ACCEPT CLAIMS FILED DIRECTLY TO THEM BY BENEFICIAL OWNERS?</p>	<p>J.P. MORGAN / GLOBETAX ONLY ACCEPTS CLAIMS FILED BY THE DTC PARTICIPANT OF RECORD.</p>

Warning and Disclaimer:

The Depository will not be responsible for the truth or accuracy of any submissions received by it and, by following the procedures set forth herein or otherwise submitting any information, all submitting holders of DRs, and their agents, shall be agreeing to indemnify and hold harmless the Depository and its agents for any and all losses, liabilities, fees and expenses (including reasonable fees and expenses of counsel) incurred by any of them in connection therewith or arising there from. The authorities will be relying upon the truth and accuracy of any and all submissions received by them in connection with the relief at source process and may hold submitting holders of DRs and their agents, liable and responsible for any losses incurred in connection therewith or arising there from. There is no guarantee that the tax authorities of the Russian Federation will accept any submissions made. Neither the Depository nor its agents shall be responsible or liable to any holders of DRs in connection with any matters related to, arising from, or in connection with the relief at source process described herein.

All tax information contained in this Important Notice is based on a good faith compilation of information obtained and received from multiple sources. The information is subject to change. Actual deadlines frequently vary from the statutory deadlines because of local market conditions and advanced deadlines set by local agents. To mitigate risk it is strongly advised that Participants file their claims as soon as possible as the depository and/or their agents will not be liable for claims filed less than six months before the specified deadline. In the event that local market rules, whether implemented by a local agent or a tax authority, conflict with the information provided in the important notice, either prior to or after publication, the local market rules will prevail.

EXHIBIT A - CUSTODIAL COVER LETTER THIS DOCUMENT MUST BE PREPARED ON
THE LETTERHEAD OF THE APPLICANT

Date:

J.P. Morgan/ GlobeTax
90 Broad Street – 16th Floor
New York, NY 10004-2205
Attn: Depositary Services – Russian Federation

We, <**FINANCIAL INSTITUTION OF RECORD**>, hereby state the below respective amounts of DRs were held on the DR record date **2 July, 2015** for the security **ROSTELECOM (CUSIP: 778529107)**. The ratios is 1 DR to 6 Ordinary Shares. The information is in the attached disclosure summary.

SEE ATTACHED SUMMARY - EXHIBIT B AND/OR EXHIBIT C

I / We certify that to the best of my knowledge the above beneficial owners are eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.

JPMorgan Chase Bank is not liable for failure to secure the refund and any funds erroneously received shall be immediately returned to JPMorgan Chase Bank, including any interest, additions to tax or penalties thereon. This is not tax advice. Please consult your tax advisor.

Sincerely,

(Authorized Signature)

Name
Institution
Address
Phone Number
Email

EXHIBIT B - DISCLOSURE SUMMARY BE SURE TO USE DR AMOUNTS NOT
ORDS

Issue: ROSTELECOM CUSIP: 778529107

Record Date: 2 July, 2015

Country of Residence	Treaty Rate	Treaty Rate Legal Entity DRs	Treaty Rate Individual DRs	Statutory Rate Legal Entity DRs	Statutory Rate Individual DRs	Total DRs

DRs claimed by rate:

0%:

5%:

10%:

12%:

13%:

15% DISCLOSED:

15% UNDISCLOSED:

TOTAL:

EXHIBIT C - DISCLOSURE SUMMARY FOR EXEMPT ENTITIES
 (THIS FORM MUST BE POPULATED WITH DRs NOT ORDs)

Issue: ROSTELECOM CUSIP: 778529107
Record Date: 2 July, 2015

Country of Residence	Entity Name	Tax ID Number (if applicable)	Treaty Rate	DRs	Reference to Exemption in Tax Code	Total DRs

DRs claimed by rate:

0%:

5%:

10%:

12%:

13%:

15% DISCLOSED:

15% UNDISCLOSED:

TOTAL: