



B #:	1214-15
Date:	August 13, 2015
To:	All Participants
Category:	Dividends
From:	International Services
Attention:	Operations, Reorg & Dividend Managers, Partners & Cashiers
Subject:	<u>Tax Relief</u> – Country: RUSSIAN FEDERATION REVISED QUICK REFUND ANNOUNCED – 8.27.15 8PM Issue Name: SISTEMA 144A CUSIP: 48122U105 <u>Record Date:</u> 07/16/2015 <u>Payable Date:</u> TBD <u>CA Web Instruction Deadline :</u> 07/21//2015 8:00 P.M. QUICK REFUND CA Web Instruction Open : immediately following DR PD QUICK REFUND CA Web Instruction Close : 08/27/15

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

QUICK REFUND ANNOUNCED – 8.27.15 8PM

SISTEMA 144A has announced a dividend. Deutsche Bank acts as Depository for the company's Depository Receipt ("DR") program.

On DR Pay Date, all holders will have the opportunity to receive their full treaty benefits or 15% statutory withholding rate for non-treaty holders. All non-disclosed holders will receive this dividend net 15% statutory rate.

Effective January 1, 2014 there are new requirements on obtaining withholding tax relief on Russian DRs. These new requirements are standardized and apply 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 and the new maximum withholding rate is the statutory rate of 15%.

Deutsche Bank is required to provide beneficial holder residency disclosure on an aggregate basis. This disclosure includes:

a) Country of tax residence and entity type for a Double Tax Treaty Rate claim,

OR

b) Country of tax residence and entity type for the Statutory Rate (15% withholding)

Participants that choose not to disclose the country of tax residence and entity type will receive their dividend less 15% withholding tax as the default rate. At the time this notice went to publication there were no penalties in Russian law for DR holders in the case of non-disclosure.

Participants can use DTC's Corporate Actions Web (CA Web) instructions tab to certify all or a portion of their position entitled to the applicable withholding tax rate. Use of these instruction methods will permit entitlement amounts to be paid through DTC. By electing, Participants agree to the Agreements, Representations and Indemnification contained in this notice.

DIVIDEND EVENT DETAILS

COUNTRY OF ISSUANCE	RUSSIAN FEDERATION
ISSUE	SISTEMA 144A
CUSIP#	48122U105
DEPOSITARY	DEUTSCHE BANK
DR RECORD DATE	JULY 16, 2015
DR PAY DATE	TBD
DR GROSS DIVIDEND RATE ON PAY DATE	TBD
ORD GROSS DIVIDEND RATE ON PAY DATE	0.47 RUB
RATIO	20 ORD : 1 DR
NON-DISCLOSURE WHT RATE	15%

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, apostilled, certificate of residency with specific language regarding tax treaties between Russian and the country of residence. This could be 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. 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 month period to provide audit documentation to the authorities with a possibility for a 3 month 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, penalties, and for maintenance and provision of all supporting mater

CHARGES & DEADLINES

FILING METHOD	BATCH	PAYMENT METHOD	WITHHOLDING TAX RELIEF PROCESSING FEE	MINIMUM SERVICE CHARGE PER ENTITY AND COUNTRY DISCLOSED	FINAL SUBMISSION & ELECTION DEADLINE (ALL TIMES EST)
RELIEF AT SOURCE	PAYMENT ON DR PAY DATE	VIA DTC	\$0.005 per DR	NONE	JULY 21, 2015 8PM
QUICK REFUND	IMMEDIATELY FOLLOWING PAY DATE	VIA DTC	\$0.005 per DR	NONE	AUGUST 27, 2015 8PM

NOTE: ALL DOCUMENTATION MUST BE SUBMITTED TO GLOBETAX BY THE DEADLINE EXPRESSED ABOVE. SUBMISSIONS WITHOUT SIGNED DOCUMENTATION WILL NOT BE PROCESSED.

PROCESS STEPS

- Go to <https://esp.globetax.com/> and disclose your holders by
 - Country of Residence
 - Entity Type (either legal entity or individual)
- Sign the ESP generated cover letter and summary (Exhibits A & B respectively for manual submission)
- Mail signed originals into GlobeTax (**PDF copies must be received by deadline date with originals in route at the time of deadline**)
- Use the ESP generated share summary at maximum rate as per treaty to complete your elections at DTC's CA Web

IMPORTANT: TO RECEIVE YOUR DIVIDEND WITH MAXIMUM RATE AS PER TREATY YOU MUST BOTH COMPLETE THE DISCLOSURE TO GLOBETAX AND A CORRESPONDING CA WEB CERTIFICATION AT DTC.

ESP Electronic Submission Portal

powered by **GLOBETAX**

Deutsche Bank Trust Company Americas 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 Deutsche Bank Trust Company Americas 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 Deutsche Bank Trust Company Americas / GlobeTax.

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

<https://esp.globetax.com/>

Please contact Leann Maurice at 1-212-747-9100 if you have any questions about this process.

ELIGIBILITY MATRIX FOR RELIEF AT SOURCE / QUICK REFUND

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
NON – DISCLOSURE/ STATUTORY WITHHOLDING RATE – 15%	0%	Non-Disclosed Countries	NONE
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
RUSSIAN TAX RATE - 13%	2%	A Disclosed and applying for the tax rate of: Russian Federation	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
DTT - 12%	3%	Disclosed and applying for DTT rate of : Finland	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
DTT - 10%	5%	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, Malta, Macedonia, 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
FAVORABLE - 5%	10%	Disclosed and applying for DTT rate of Kuwait, Qatar, Saudi Arabia	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY

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 AT SOURCE AND QUICK REFUND PROCESS. THE HIGHER RATES GENERALLY APPLY TO CONDITIONAL SITUATIONS (I.E. HOLDING A MINIMUM AMOUNT OF OUTSTANDING SHARES OR A SPECIAL ENTITY TYPE). THESE CONDITIONAL TAX RATES WILL NEED TO BE APPLIED FOR DURING A STANDARD REFUND PROCESS. FOR MORE INFORMATION PLEASE CONTACT GLOBETAX

DESCRIPTION OF VARIOUS DOCUMENTATION

DOCUMENT NAME	DESCRIPTION	ORIGINAL/COPY	SIGNATURE REQUIREMENT
COVER LETTER (EXHIBIT A)	AGREEMENT TO DISCLOSE INFORMATION TO DEUTSCHE BANK/ GLOBETAX FOR RELEVANT SECURITY	ORIGINAL	PARTICIPANT
DISCLOSURE SUMMARY (EXHIBIT B)	SUMMARY OF SHARES HELD BY COUNTRY OF RESIDENCE AND HELD BY ENTITY TYPE. FORM IS TO BE POPULATED WITH DR AMOUNTS	ORIGINAL	NONE

CONTACT DETAILS

PRIMARY CONTACT	GINA GIANNOU
DOMESTIC PHONE (U.S.)	1-800-876-0959
DOMESTIC FAX (U.S.)	1-866-888-1120
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	GINA_GIANNOU@GLOBETAX.COM
COMPANY	DEUTSCHE BANK / GLOBETAX
STREET ADDRESS	90 BROAD STREET 16 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	WONJAE LEE

FREQUENTLY ASKED QUESTIONS (FAQs)

GENERAL QUESTIONS

QUESTION	ANSWER
DO I NEED TO PROVIDE A 6166 OR A COR?	NO, ONLY ESP GENERATED FORMS WILL BE REQUIRED BY GLOBETAX DURING THE DISCLOSURE PROCESS. HOWEVER, YOUR SHARES ARE SUBJECT TO AN AUDIT WHERE A 6166/COR MAY BE REQUESTED OF YOU BY RUSSIAN AUTHORITIES.
IS IT REQUIRED TO USE ESP TO DISCLOSE?	NO, IF YOU ARE NOT ABLE TO UTILIZE THE ESP SYSTEM PLEASE REFER TO THE EXHIBITS AT THE END OF THIS NOTICE.

FREQUENTLY ASKED QUESTIONS (FAQs) CONT.

GENERAL QUESTIONS

QUESTION	ANSWER
WHAT HAPPENS IF I CANNOT COMPLETE MY DISCLOSURE BY THE RELIEF AT SOURCE DEADLINE?	THERE IS AN OPPORTUNITY FOR QUICK REFUND SUBMISSION IMMEDIATELY FOLLOWING THE DR PAY DATE.
IS THERE A DIFFERENCE BETWEEN THE RELIEF AT SOURCE AND QUICK REFUND?	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.
IS THERE AN OPPORTUNITY FOR STANDARD REFUND?	AT THE MOMENT THIS NOTICE WAS PUBLISHED THERE IS NO DEFINED STANDARD REFUND PROCESS. PLEASE CONTACT GLOBETAX FOR ADDITIONAL INFORMATION.
IS IT POSSIBLE FOR ME TO DISCLOSE THE SHARES FOR 15% WITHHOLDING EVEN IF THE COUNTRY OF RESIDENCE HAS A DTT.	YES. YOU MAY INDICATE THE SHARES BY COUNTRY OF RESIDENCE THAT WISH TO DISCLOSE OWNERSHIP RESIDENCY, BUT NOT OBTAIN TREATY BENEFITS.
IS IT POSSIBLE TO DISCLOSE SHARES FOR AN EXEMPT RATE, A RATE OF 0% WITHHOLDING?	A PARTICIPANT MAY SUBMIT FOR A QUALIFYING EXEMPT ENTITY BUT DEUTSCHE BANK/ GLOBETAX SERVICES CANNOT GUARANTEE THE PAYMENT OF SAID EXEMPTION. FOR ADDITIONAL INFORMATION, POTENTIAL TO RECLAIM, AND SUBMISSION REQUIREMENTS PLEASE CONTACT GLOBETAX.
CAN RESIDENTS OF A DTT COUNTRY WITH AN ENTITY TYPE CONSIDERED TRANSPARENT DISCLOSE THEIR SHARES TO RECEIVE THE DIVIDEND AT THE TAX TREATY RATE?	THE SHARES OF TRANSPARENT ENTITIES SHOULD BE DISCLOSED AT THE UNDERLYING HOLDER LEVEL. ALWAYS CHECK THE SPECIFICS OF THE RELEVANT TAX TREATY TO ENSURE YOU ARE PROPERLY DISCLOSING THE SHARES OF THE ENTITY AND COUNTRY OR RESIDENCE WITH RESPECT TO THE RUSSIAN FEDERATION.
WILL DEUTSCHE BANK /GLOBETAX ACCEPT CLAIMS FILED DIRECTLY TO THEM BY BENEFICIAL OWNERS?	DEUTSCHE BANK / GLOBETAX ONLY ACCEPTS CLAIMS FILED BY THE DTC PARTICIPANT WHO HELD THE SECURITIES THROUGH DTC AND ONLY TO THE EXTENT THAT THE DTC PARTICIPANT HAS REPORTED THESE HOLDINGS TO US AS VALID.

All tax information contained in this Important Notice is based on a good faith compilation of information obtained from multiple sources. The information is subject to change. 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: COVER LETTER – THIS DOCUMENT MUST BE PREPARED ON THE LETTERHEAD OF THE APPLICANT

Date: **(Date of Filing)**

DEUTSCHE BANK TRUST COMPANY AMERICAS/ GLOBETAX
90 Broad Street – 16th Floor
New York, NY 10004-2205
Attn: Depositary Services – Russian Federation

We, **(Participant)**, also identified as participant number **(Registered DTC #)**, hereby state that the below respective amount of DRs were held on the DR record date of **(RD 16/07/2015)** for the security **(SISTEMA 144A)** **(CUSIP: 48122U105)**. The ratio is **(2)** DR to **(1)** Ordinary Shares. The information is as follows:

We would like to apply for tax rate based on the following information:

SEE ATTACHED BREAKDOWN

We certify that to the best of our knowledge the individual beneficial owners are eligible for the preferential rates as stated herein and we declare that we have performed all the necessary due diligence to satisfy ourselves as to the accuracy of the information submitted to us by these beneficial owners.

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

Russian authorities may audit the electing participants and their beneficial owners for up to three calendar years after the dividend payment. At a minimum, audits may require an original certificate of tax residency with specific language for any individual or entity that elects for a favorable rate of or exclusion from withholding tax. Such certificate of residence must be (i) dated as of a date prior to, and remain current and valid as of, the payment date of the dividend or distribution in respect of which a favorable rate or exclusion from withholding tax is claimed, (ii) attested by the competent authority of the country in which the beneficial owner resides and (iii) contain a consular attestation or apostille. There is expected to be a three (3) month period to provide audit documentation to the authorities with the possibility of a three (3) month extension. Please note the Russian authorities maintain the right to request additional information and/or forms at any time and from time to time. Participants and beneficial owners (i) acknowledge and agree that they shall be responsible and liable for any tax relief and for any Russian withholding taxes or other taxes or charges levied on income, payments or other distributions attributable to the DSs and/or the underlying shares (collectively, “Russian Taxes”) and (ii) undertake to maintain and provide all supporting materials at all times upon request, including in the event of an audit.

In consideration of the services provided by Deutsche Bank Trust Company Americas and/or Deutsche Bank AG contemplated hereby and the assistance provided by the issuer of the shares underlying the DSs (the “Issuer”), we agree to indemnify, defend and hold Deutsche Bank Trust Company Americas, Deutsche Bank AG, the Issuer, and each of their respective affiliates, agents, advisors, directors, officers and employees harmless from and against any and all losses, liabilities, taxes, claims, judgments, proceedings, actions, damages, fines or penalties and any costs or expenses of any kind whatsoever (including, without limitation, any fees and expenses of counsel), arising out of or relating to this document or to any information provided by the undersigned in or in connection with this document including, without limitation, (i) any failure to provide any certificate(s) of tax residency or any other documentation or information certifying or otherwise pertaining to the eligibility of any beneficial owner for claims of reduction of or exclusion from Russian Taxes, (ii) any failure or alleged failure on the part of the undersigned or any beneficial owner to pay or cause to be paid the required amount of Russian Taxes (as determined by the applicable Russian authority) in respect of any dividend or distribution, and (iii) any claims asserted by a Russian taxing or governmental authority or any other party arising out of such failure or alleged failure to pay.

Sincerely,

(AUTHORIZED SIGNATURE)

NAME OF OFFICER AT PARTICIPANT INSTITUTION
PARTICIPANT INSTITUTION
ADDRESS
PHONE

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

Issue: SISTEMA 144A, Cusip: 48122U105
 Record Date: 16 JULY 2015

COUNTRY OF RESIDENCE	TREATY RATE LEGAL ENTITY	DRS DISCLOSED LEGAL ENTITY	TREATY RATE INDIVIDUAL	DRS DISCLOSED INDIVIDUAL	STATUTORY RATE 15%	DRS DISCLOSED STATUTORY LEGAL ENTITY	DRS DISCLOSED STATUTORY INDIVIDUAL	TOTAL DRS

DRs claimed by withholding rate:

5%:

10%

12%

13%:

15% Disclosed:

15% Undisclosed: