ПОСОЛЬСТВО
РОССИЙСКОЙ ФЕДЕРАЦИИ
В ИРЛАНДИИ

г. Дублин

EMBASSY
OF THE RUSSIAN FEDERATION

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No. 33/N

Senator Pat Breen
Leinster House
Kildare Street
Dublin 2

March 11, 2013

Dear Pat,

As agreed, please find enclosed some information on the Russian stance discussed issues.

Yours sincerely,

Maxim Peshkov
Ambassador

In 2007 a criminal case on a charge of tax dodging in the amount of about 4 billion RUB was initiated in respect of the fund "Hermitage Capital Management". The Head of the Fund's Moscow branch William Brawder was charged in absentia – he has not visited Russia since 2005.

During the investigation the implication in this case of Sergey Magnitsky, legal adviser of "Hermitage Capital Management", was discovered, and on November 24, 2008 he was detained by the employees of the Tax Crimes Division of the Department of Internal Affairs of Moscow. He was charged with evasion of taxes of the "Hermitage Capital Management" and on November 29, 2009 he was arrested.

During the investigation it was discovered that Sergey Magnitsky has created the illegal scheme of evasion from payment of taxes, using the firms registered in Kalmykia that were under control of fund "Hermitage Capital Management". Disabled persons were ostensibly working in these companies that allowed to receive a 50 percent privilege on payment of taxes. As a result more than 500 million RUB has not arrived in the budget.

On November 16, 2009 Sergey Magnitsky died in a pre-trial detention center «Motrosskaya Tishina». The death has come from cardiovascular insufficiency.

On November 24, 2009 the Investigatory Committee at Office of Public Prosecutor of the Russian Federation for Moscow has filed criminal charges upon Sergey Magnitsky death on the constituent element of offence provided by the Criminal Code of Russian Federation - failure to assist sick person and a negligence. Thereupon a number of the high-ranking employees of prison department were relieved from posts or brought to disciplinary responsibility.

The investigation on Sergey Magnitsky case is finished and in the near future will be submitted to the Court that completely corresponds to the Russian legislation.

In March 2013 a new criminal case against the head of investment fund "Hermitage Capital Management" William Brawder was initiated on its charge in

illegally obtaining OJSC "Gazprom" shares. The illegality of these transactions is connected to the law, forbidding the purchase of shares of strategic enterprises by foreign citizens, that has been operating in Russia in the period since 1999 to 2005, and these operations were spent by the false firms supervised by William Brawder. Thus, the damage for more than 3 billion RUB has been caused to the budget of the Russian Federation. Except that, William Brawder tried to influence the Gazprom decisions, that constitute a danger of national security of the Russian Federation. Under the statement of Investigatory Department of the Ministry of Internal Affairs of the Russian Federation this investigation is not connected to Sergey Magnitsky «tax case».

On December 14, 2013 the US President Barack Obama has signed the Law providing cancellation of the Jackson–Vanik amendment and containing «the Magnitsky Act».

«The Magnitsky Act», passed by the US Congress, is demonstrative and asserted because the United States could not keep the Jackson–Vanik amendment any more , but to cancel it simply so, "for nothing" did not want, the head of the Ministry of Foreign Affairs Sergey Lavrov has declared in interview to TV channel "Russia".

« The Magnitsky Act was a demonstrative move. I am strongly convinced that it was designed to show that life is not all honey [for Russia] after the Jackson-Vanik amendment was abolished », - quotes Lavrov the press-service the Ministry of Foreign Affairs of the Russian Federation.

Since Russia's accession to the WTO last August, the obsolete law prevented US businesses from enjoying the benefits of newly opened Russian markets, Lavrov said. "But they did not want to abolish it [Jackson-Vanik amendment] simply for free," he said.

Sergey Lavrov is convinced, that this law has appeared «absolutely from nowhere». «If the US federal authorities wanted to punish someone from Russians, by

restricting the entrance to the US territory, they could have done this without a pomp», - he added.

The enactment in Russia of the "Dima Yakovlev Law", closing the possibility to Americans to adopt the Russian children is the answer on «the Magnitsky Act», and a well-founded reaction to demonstrative default of the bilateral agreement by American side about adoption, rough infringement of the rights of the Russian children adopted in the USA. Russia has enough arguments, and they were repeatedly stated publicly.

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Discussion of any questions, that interest Irish Parliament members, also as well as parliament of any other country - an inalienable law of legislators, which nobody has the right to challenge. At the same time, decisions made following the results of discussions should be based on the objective data and information received from all parties, whose interests are affected during discussions. Unfortunately, the group of parlamentarians initiating the consideration of questions, concerning «the Magnitsky Act » at the Irish Parliament, took for a basis only naked assertions of the person who committed a number of economic crimes on territory of the Russian Federation. This approach, certainly, will not enrich bilateral Russian-Irish relations, and can have negative influence on the negotiations on the Adoption Agreement between Russia and Ireland being proceeded.