following the text of the comment in the Staff’s letter.

Set forth below are the responses to the Staff’s comments, which for the convenience of the Staff have been provided in each case

respect to the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2013 (the “Annual Report”).

Corporate Finance (the “Staff”) of the Securities and Exchange Commission by letter to Mr. Sergey Solonin, dated September 23, 2014, with

On behalf of QIWI plc. (“QIWI” or the “Company”), we are writing to respond to the comments received from the staff of the Division of

Dear Mr. James:

File No. 001-35893

Filed March 12, 2014

Form 20-F for the Fiscal Year Ended December 31, 2013

RE: QIWI plc

Attention: William H. Thompson, Accounting Branch Chief

U.S.A.

Washington, D.C. 20549

100 F Street, NE

Division of Corporation Finance

Securities and Exchange Commission

Via EDGAR

October 6, 2014

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follows:

The respective roles and responsibilities of the Company’s CEO and the Company’s chief operating officer (the “COO”) are as

executive officer (the “CEO”), reviews selected items of segment’s statement of comprehensive income.

In reviewing the operational performance of the Company and allocating resources, the CODM, who is the Company’s chief

the internal reorganization of QIWI.

Response:

The Company acknowledges the Staff’s comment and respectfully advises the Staff that the CODM has not changed as part of

responsibilities of the COO.

operating decision maker to be the CEO and not the COO, Mr. Agakov. In your response, describe to us the roles and

tell us whether the CODM changed as part of the internal reorganization. If not, tell us how you determined the chief

Comment 2:

We note on page F-44 that the chief operating decision maker (CODM) was determined to be the CEO, Mr. Solonin. Please

segments.

information is available. The Company did not aggregate any operating segments for purposes of determining reportable

make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial

Company may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company’s CODM to

2014, pursuant to IFRS 8, the Company has one operating segment that engages in business activities from which the

that it has carefully considered the requirements of paragraphs 5 through 10 of IFRS 8 and concluded that from January 1,

segment profit before tax and segment net income for the Company as a whole. The Company respectfully advises the Staff

January 1, 2014, the review and analysis of QIWI’s operations performed by the CODM is based on segment net revenue,

segments in the presentation of operating results to the chief operating decision maker of the Company (the “CODM”). From

result, since January 1, 2014, the Company does not separate Qiwi Distribution, Visa Qiwi Wallet and “Corporate and other”

resulted in the growing interconnectedness and interrelation between Qiwi Distribution and Visa Qiwi Wallet segments. As a

Response:

The Company acknowledges the Staff’s comment and respectfully advises the Staff that the development of the business has

Visa Qiwi Wallet reflects wide variances in the growth and profitability rates of these business operations.

IFRS 8 are met. In this regard, we note the historical presentation of separate reportable segments for Qiwi Distribution and

aggregated for purposes of determining reportable segments, please tell us how the aggregation criteria in paragraph 12 of

the reorganization and the basis for such identification under paragraphs 5 through 10 of IFRS 8. If operating segments are

reportable segments from three reportable segments to one in fiscal 2014. Please tell us the operating segments identified after

Comment 1:

We note your disclosure regarding your planned internal reorganization around functional lines and the resulting reduction in

Segments, page 57

5A. Operating Results, page 56

Item 5. Operating and Financial Review and Prospects, page 56

Page 2

October 6, 2014

Securities and Exchange Commission

inability of customers to make payments when due.

Management maintained an impairment of loans and receivables in order to account for estimated losses resulting from the

allowances for the amounts receivable from certain agents.

267 million in 2013 and from RUB 54 million in 2011 to RUB 202 million in 2012 mainly resulted from additional

operations” pages 71 and 74 of the Annual Report, the increase in bad debt expense from RUB 202 million in 2012 to RUB

Response:

The Company acknowledges the Staff’s comment and respectfully advises the Staff that as disclosed in section “Results of

you expect the significant increase in bad debt expense in these two periods is indicative of future results and why or why not.

and in 2012 compared to 2011, please elaborate on the reasons for the increased bad debt expense and also indicate whether

Comment 3:

Where you indicate there was an increase in bad debt expense related to agent accounts receivable in 2013 compared to 2012

Results of Operations, page 69

monthly basis for major market segments.

operational data including transaction volume, number of users on an annual basis and the number of users on

segment net revenue, segment profit before tax and segment net income for the Company as a whole as well as certain

•

The CEO regularly reviews the financial and operational reports of the Company. These reports primarily include

projects of the Company; and

•

The CEO is actively involved in the day-to-day operations of the Company and regularly chairs meetings on key

Remuneration Committee;

•

The CEO manages the remuneration of the Company’s executives within policies set by QIWI’s Compensation and

the following factors:

In determining that the CODM was the CEO, QIWI considered the aforementioned roles of responsibilities of CEO as well as

efficiency.

performance of the Company’s projects on an ongoing basis and conducts assessments of resource allocation

of the allocation of resources of the Company and advises the CODM in this respect. The COO also monitors the

responsible for allocating the resources required for the fulfillment of the project. At the same time, the COO is aware

•

The COO is primarily responsible for new projects of the Company. When a new project is introduced, the COO is

financial analysis of the project and the overall strategy of the Company.

projects that the Company undertakes (including significant transactions, such as mergers and acquisitions) based on

divergences compared to the budgeted numbers. In addition, the CEO has decision-making authority over various

by the Board of Directors. The CEO provides quarterly reports to the Board of Directors, giving analysis of key

budgeting process, carefully analyses the budget once prepared by the management team and brings it to the approval

•

The CEO is responsible for general execution of the Company’s operational and financial targets. He oversees the

Page 3

October 6, 2014

Securities and Exchange Commission

restrictions, taxation of dividends and other restrictions.”

subsidiaries. Earnings of its foreign subsidiaries are not easily distributable to the Company due to currency control

Page F-64: “The Company itself is a holding company, and majority of its consolidated earnings are earnings of its foreign

retained earnings to its shareholders.”

and liabilities. Likewise, it does not indicate that the Group could return or distribute the reported RUB value of capital and

these financial statements does not indicate that the Group could realize or settle, in RUB, the reported values of these assets

Central Banks. The translation of assets and liabilities denominated in the currencies listed above into RUB for the purposes of

rates may differ from the official rates but the differences are, generally, within narrow parameters monitored by the respective

Related official exchange rates are determined daily by the Central Bank of the Russian Federation (further CB RF). Market

Page F-18: “The currencies listed above are not fully convertible outside the territories of countries of their operations.

included in its Annual Report:

10(b) (i) and 13, the Company disclosed the following information in the notes to the consolidated financial statements

Response:

The Company acknowledges the Staff’s comment and respectfully advises the Staff that according to IFRS 12 paragraphs

Group.

regarding the nature and extent of restrictions on your ability to access or use assets and settle liabilities of entities within the

Comment 4:

Please tell us your consideration of the applicability of the disclosure requirements in paragraphs 10(b)(i) and 13 of IFRS 12

2. Principles underlying preparation of consolidated financial statements, page F-12

Notes to the consolidated financial statements, page F-9

ended June 30, 2014 compared to the six months ended June 30, 2013.

result, the charge for bad debt expense related to agent accounts receivable was reduced by RUB 84 million in the six months

expense in the six months ended June 30, 2014 in comparison to the six months ended June 30, 2013 by RUB 40 million. As a

and has increased its efforts in collecting accounts receivable. These improvements have resulted in a decrease of bad debt

bad debt expense related to agent accounts receivable. In 2014, the Company introduced a new overdraft management policy

The Company does not believe that the increase in bad debt expenses in 2012 and 2013 is an indication of future increase in

debts with the Company, which resulted in charging bad debt losses in the amount of RUB 110 million.

and reserving receivables from five agents who stopped operating in the Company’s payment system without settling their

The increase of bad debt expense in 2012 compared to 2011 primarily resulted from specific provisions for overdue balances

several agents, which resulted in charging bad debt losses in the amount of RUB 134 million.

through the Company’s payment system and making payments to the Company. The Company instituted proceedings against

result of reserving several specific over-aged agents’ balances in 2013: several agents stopped accepting customer payments

The allowance for doubtful accounts and loan losses increased at December 31, 2013 compared to December 31, 2012 as a

terms.

specific receivables and loans, historical write-off experience, customer credit worthiness, and changes in customer payment

When evaluating the adequacy of the impairment of loans and receivables, management based its estimates on the aging of

Page 4

October 6, 2014

Securities and Exchange Commission

or Natalia Starygina of Ernst & Young LLC on +7 495 7559700.

Kingdom, facsimile +44 20 7 072 7026. If you would like to discuss any aspect of the Company’s response, please call me on +44 207 519 7026

Please send a copy of any additional correspondence to the undersigned at 40 Bank Street, Canary Wharf, London E14 5DS, United

\* \* \* \* \*

legal entities when they remit the dividend to the QIWI plc in accordance with Russian Tax Code.

financial statements included in its Annual Report (Page F-67), QIWI presents tax on dividends paid by Russian operational

In the caption “tax on dividends” in the reconciliation of theoretical to actual tax expense in note 27 to the consolidated

received by QIWI plc from the non-resident companies have not been subject to defence contribution.

are engaged in trading activities (i.e. the active versus passive investment income test is met) and as such the dividends

dividends received from abroad and respectfully advises the Staff that the entities from which it receives dividend payments

The Company also acknowledges the Staff’s comment whether the Company has been subject to defence contribution on

relate.

that hold shares in these companies indirectly at the end of the second tax year from the end of the tax year to which the profits

not applicable to the profits of Cypriot tax resident companies, to the extent that these profits are attributable to non-residents

as at December 31, 2013 are non-Cypriot tax residents. Cypriot law provides that the deemed dividend distribution rules are

Response:

The Company acknowledges the Staff’s comment and respectfully advises the Staff that the Company’s ultimate shareholders

income tax expense under the caption “tax on dividends” and if not, what this line item represents.

Company from abroad. Tell us whether these taxes on dividends are reflected in the reconciliation of theoretical to actual

please help us understand the extent to which you have been subject to defence contributions on dividends received by the

for the account of its shareholders. Likewise, and with a view toward providing enhanced disclosure in Note 27. Income Tax,

also help us understand how you account for any special contribution for defence amounts payable or paid by the Company

been subject to special contribution for defence assessments on deemed dividend distributions to your shareholders. Please

Comment 5:

With a view toward providing enhanced disclosure in future filings, please help us understand the extent to which you have

3.12 Special contribution for defence of the Republic of Cyprus, page F-26

3. Summary of significant accounting policies, page F-16

treaties.”

paid out of Russia, reduced to as low as 5% for some countries (including Cyprus), with which Russia has double-taxation

income tax at the standard rate of 20% applied to their taxable income. Withholding tax of 15% is applied to any dividends

Page F-65: “The Company’s subsidiaries and associates incorporated in the Russian Federation are subject to corporate

Page 5

October 6, 2014

Securities and Exchange Commission

Yakov Barinsky

Alexander Karavaev

Sergey Solonin

QIWI plc

Robyn Manuel

Yolanda Guobadia

cc:

Securities and Exchange Commission

Pranav Trivedi

/s/ Pranav Trivedi

Sincerely,

Page 6

October 6, 2014

Securities and Exchange Commission

Title:

Chief Executive Officer

Name:

Sergey Solonin

/s/ Sergey Solonin

QIWI plc

federal securities laws of the United States.

•

the Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the

respect to the Filing; and

•

Staff comments or changes to disclosure in response to Staff comments do not foreclose the Commission from taking any action with

•

the Company is responsible for the adequacy and accuracy of the disclosure in the Filing;

hereby acknowledges that:

Staff’s letter relating to the Form 20-F for the fiscal year ended December 31, 2013 (the “Filing”) of QIWI plc (the “Company”), the Company

In connection with the comments of the Staff of the Securities and Exchange Commission (the “Commission”), set forth in the

Dear Mr. Thompson:

File No. 001-35893

Filed March 12, 2014

Form 20-F for the Fiscal Year Ended December 31, 2013

Re: QIWI plc

Attention: William H. Thompson, Accounting Branch Chief

U.S.A.

Washington, D.C. 20549

100 F Street, NE

Division of Corporation Finance

Securities and Exchange Commission

October 6, 2014

The Russian Federation

Moscow, 117648

Severnoe Chertanovo Microdistrict, 1A, building 1

QIWI PLC