

OVERVIEW OF TAX EVENTS FOR DECEMBER 2015



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LEGISLATION AND REGULATIONS ADOPTED

The Russian President has signed a law that will improve VAT refunds under the declarative regime. In particular, there has been a reduction from RUB 10 billion to RUB 7 billion in terms of the minimum amount of taxes paid in the three calendar years preceding the year in which the application is filed for the right to use the declarative regime.

The Russian President signed an Order, according to which Russia will suspend, starting from 1 January 2016, the Commonwealth of Independent States Free Trade Zone Agreement with regard to Ukraine. One of the important provisions of the Agreement is that the countries which are parties to the Agreement apply to each other national regimes with regard to domestic taxes, duties, laws and rules relating to the sale and purchase, transportation, distribution, use and processing of goods on the domestic market.

ria.ru, 16 December 2015

The Russian Government has increased the recycling fee for cars by 65%. The relevant Decree came into force on 1 January. From now on, manufacturers of passenger cars will pay RUB 33,000 per car, while for trucks the fee will be RUB 247 500 per unit.

The Russian Government has submitted to the State Duma a draft law to ratify the new agreement between the governments of Russia and China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

Additionally:

(itar-tass.com, 7 December 2015)

The agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income between the Governments of Russia and the Hong Kong Special Administrative Region of the People's Republic of China is expected to come into force at the beginning of 2016. The draft agreement has been approved by the Russian Government.

(<http://ria.ru>, 29 November 2015)

In the nearest future, Russia plans to enter into a double tax treaty with Oman.

Deputies of the State Duma from the Liberal Democratic Party of Russia have submitted a draft law to the Parliament, in which they propose charging VAT on the purchase by Russian users of software and content from foreign Internet companies.

www.vedomosti.ru, 24 December 2015

For your information:

(izvestia.ru, 10 December 2015)

The Russian Minister of Communications has supported the idea of introducing VAT on foreign software.

A draft law has been submitted to the State Duma to introduce excise tax on goods harmful for health, such as potato chips and soda.

www.vedomosti.ru, 24 December 2015

Foreign citizens will be able to become foreign nationals according to a simplified scheme. To this end, the candidate will need to pay RUB 1 million as taxes annually during three years. Moreover, the annual revenues of the immigrant must be at least RUB 10 million. These rules are stipulated in the draft law that the Russian Government approved for submission to the State Duma.

www.kommersant.ru, 29 December 2015

By July 2018, all businesses will have to replace their cash registers with new ones that will enable them to send information about their transactions to the tax authorities in the online mode. The relevant draft law has already been submitted to the State Duma.

*www.rbc.ru, 9 January 2016,
Vedomosti, 18 December 2015*

By 1 May, the Russian Government is to submit to the Presidential Administration its proposals to create a 'unified tool' for administering customs and tax payments and compulsory contributions to social funds.

www.kommersant.ru, 25 December 2015

The Russian President has supported the proposal of the Russian Chamber of Commerce and Industry to create a list of non-tax compulsory payments and stipulate in statute that they are to be paid according to the general procedure.

ria.ru, 29 December 2015

PRACTICE

The Head of the Russian Federal Tax Service Mikhail V. Mishustin has participated in a session of the Bureau of the Forum on Tax Administration (FTA), which took place in the OECD's headquarters in Paris. Members of the Bureau approved the Guidance with regard to concepts of tax control for transnational corporations and tax administrations.

www.nalog.ru, 2 December 2015

From 1 January, the Federal Tax Service will communicate in electronic form only with the Russian Federal Migration Service on the federal level when the latter submits to the tax authorities information, such as a notification that a foreign employee has been registered/de-registered with the migration authorities at the place where he or she resides.

www.nalog.ru, 28 December 2015

Tax audits have become even more biased: the trend has been noticed by 92% of more than 50 companies surveyed. 16% of them remarked that their tax audits became longer, while 74% reported that in 2015 the tax authorities started to request them to submit more documents. The number of requests has also increased with regard to application of double tax treaties.

Vedomosti, 22 December 2015

Opinion:

(Vedomosti, 23 December 2015)

Taxpayers are often accused of creating tax schemes. However, government officials are also able to create a façade and indulge in wishful thinking. The Head of Pepeliaev Group's Analytical Department Vadim Zaripov talks about how officials increase the tax burden on business without increasing tax rates.

The new system for automated monitoring of VAT (ASK VAT-2) has determined that, in 2015, one in ten companies in Russia had serious discrepancies in their VAT reports as compared with the reports of their counterparties. Such companies are now being audited by the tax authorities.

izvestia.ru, 28 December 2015



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According to the statistics of the Russian Supreme Court, more than 40,000 tax disputes were examined in the first six months of 2015, about half of which (52%) were resolved in favour of the tax authorities. The courts awarded to taxpayers only RUB 2.6 billion (24%) of the total of RUB 10.8 billion that was claimed.

izvestia.ru, 28 December 2015

The Supreme Court has once again postponed the deadline for examining the claim of Oriflame Cosmetics LLC (the Russian company of the Oriflame Group) to review the decisions of lower courts with regard to whether it was lawful to assess to the company about RUB 537 million of additional tax payments (the claim was submitted at the beginning of August).

www.rapsinews.ru, 15 December 2015

The Supreme Court will not review judicial decisions overturning the claim of Volkswagen Group Rus (Russian subsidiary of Volkswagen) to invalidate additionally assessed tax payments of about RUB 583 million). The ground for assessing additional taxes was the tax inspectorate's conclusion that the company was not justified in applying the tax benefit stipulated in the Law of Kaluga Region 'On profit tax' dated 10 November 2003.

www.rapsinews.ru, 21 December 2015

The Russian Union of Right Holders has filed a claim with the Moscow State Commercial ('Arbitration') Court against Hewlett-Packard A.O. CJSC (the Russian company of the Hewlett-Packard group (HP)) to collect about RUB 114 million of compulsory payments. Preliminary hearings are scheduled for 19 February. In opinion of the claimant, the defendant: (i) failed to submit in full, in violation of legislative requirements and terms and conditions of the agreement, information about equipment and tangible media imported into Russia; and (ii) understated the amount of payments.

ria.ru, 29 December 2015