

OVERVIEW OF TAX EVENTS FOR MARCH 2016

REGULATORY DEVELOPMENTS

The Russian Government has published a Resolution to freeze the tariff for truck traffic at RUB 1.53 per km for an indefinite term.

www.kommersant.ru, 29 February 2016

The State Duma has adopted in the first reading a draft law obliging software developers to pay VAT in Russia, irrespective of the country of origin of their products.

www.rbc.ru, 30 March 2016

Additionally:

Foreign e-stores operating in Russia and paying their taxes here may be released from customs duties. This option was discussed during the panel of the e-commerce subgroup of the working group responsible for implementing the Russian President's orders aimed at developing the Internet.

(ria.ru, 29 February 2016)

The Russian Finance Ministry is proposing that social welfare contributions be included in the Tax Code and be subject to tax regulation. The Ministry has also agreed with reducing the general social welfare rate to 28% (it is currently 30%), if a decision is adopted that the contribution base be unified and the threshold annual salaries, over which the rates are different, be abolished.

However, the Russian Ministry for Economic Development is against the proposal of the Finance Ministry that the thresholds for social welfare contributions be abolished.

www.kommersant.ru, 21 March 2016

PRACTICE

Alexey Sazanov has been appointed Head of the Department for Tax and Customs and Tariff policy at the Russian Finance Ministry.

www.vedomosti.ru, 30 March 2016

The Russian Federal Tax Service has developed a concept for the state registration of legal entities. The main idea behind it is that tax authorities should focus their efforts to prevent shell companies from being registered.

www.nalog.ru, 29 March 2016

Starting from 15 March, foreign companies that have voluntarily recognised themselves to be Russian taxpayers (tax residents) will have to pay taxes to the Russian budget on a par with Russian entities.

www.rg.ru, 29 February 2016

Volkswagen Group Rus LLC (a subsidiary of the German-based car group Volkswagen) has filed a supervisory appeal with the Presidium of the Russian Supreme Court asserting that legislation was violated under a case where company's claims were dismissed. The company sought to invalidate additional tax assessments of RUB 583,000,000. The grounds for assessing additional taxes were the tax inspectorate's conclusion that the company was not justified in applying the tax benefit stipulated in a regional law.

rapsinews.ru, 23 March 2016

The State Commercial Court for the Moscow Circuit has set aside the judgments of lower courts that dismissed the claims of Oriflame Cosmetics, the subsidiary of international group Oriflame. The company filed a claim against the tax authority seeking to invalidate its demand that an additional RUB 537,000,000 be paid. The case has been submitted for a new trial in the court of first instance.

Vedomosti, 23 March 2016

The owners of shopping malls in the Moscow Region have applied to courts seeking to contest decisions that their real estate should be subject to property tax based on the balance sheet value. The owners claim that the tax should be assessed based on the cadastral value of the properties. The courts have already issued positive judgments upholding the claims.