

**OVERVIEW OF TAX EVENTS FOR JUNE 2016**

## REGULATORY DEVELOPMENTS

The Russian President has signed the laws to ratify:

- the protocol to the Agreement between Russia and Singapore for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital;
- the Agreement between Russia and Hong Kong (China) for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital.

In addition, a set of laws has been signed that authorises the tax authorities to administer insurance contributions for compulsory pension, health and social insurance. Further, a law has been signed to improve the taxation system for owners of trucks with a maximum laden weight exceeding 12 tons.

The Russian Government has distributed powers between ministries and state agencies with regard to apostilles on Russian documents that need to be taken out of Russia. Tax and other documents relating to business are apostilled by the Russian Ministry of Justice.

*[www.kommersant.ru](http://www.kommersant.ru), 6 June 2016*

The Federation Council has approved a number of tax laws, including:

- “On amending the Federal Law “On currency regulation and currency control” which changes which bodies and agencies perform currency control;
- “On state cadastral valuation”, which creates a new state monopoly;
- “the law on the Google tax” which provides for VAT to be charged in relation to online operations when foreign companies are selling electronic services to Russians;
- on the transition to new cash register equipment;
- on partially decriminalising economic crimes, including tax crimes.

*[www.council.gov.ru](http://www.council.gov.ru), 29 June 2016*

The Russian Government is considering the possibility of creating free trade zones outside post-soviet area. The short-list includes: Egypt, Israel, India, China, Indonesia, Iran, Cambodia, Republic of Korea, Venezuela, Nicaragua, Peru, and Chile.

*[izvestia.ru](http://izvestia.ru), 20 June 2016*

## PRACTICE

Starting from 2018 the Russian Federal Tax Service will be able to automatically receive information about Russian clients of Cyprus banks.

*[www.vedomosti.ru](http://www.vedomosti.ru), 21 June 2016*

In 2015, the new automated VAT administration system has shown a significant effect. The project being currently implemented with regard to the integration of informational systems of the tax and customs services should result in significant growth of proceeds from VAT on imported goods in the following year. But the most significant area that causes losses to the budget system is salaries ‘in envelopes’.

*[www.vedomosti.ru](http://www.vedomosti.ru), 15 June 2016*

The number of criminal cases initiated under tax articles has increased by 1.5 times.

*[rg.ru](http://rg.ru), 30 May 2016*

### *Opinion:*

<http://www.rbcplus.ru/news/574a00587a8aa94aafad7dfc>

*Sergey Pepeliaev*, Managing Partner of Pepeliaev Group: “It seems as though an instruction has been given to increase the volume of taxes collected, at any cost. In this regard almost all companies are suffering from audits, even ‘white and fluffy’ companies carrying out their activities in Russia.

The Russian Constitutional Court has decided that charging heavy trucks for journeys on federal highways by means of the Platon system is not in violation of long-distance truck drivers’ rights. The court specified that “the charges that are determined should not be too high and too onerous for the drivers”.

*[www.kommersant.ru](http://www.kommersant.ru), 1 June 2016*

### *Opinion:*

<http://doc.ksrf.ru/decision/KSRFDecision235178.pdf>, [www.vedomosti.ru](http://www.vedomosti.ru), 07.06.2016)

The presence of a ‘parallel tax system’ in the form of public fees does not contradict the Russian Constitution, but requires additional legitimation, says Russian Constitutional Court judge *Gadis Gadgiev*, who partially disagrees with the reasoning of the decision of the Russian Constitutional Court.

The Russian Supreme Court will not reconsider court decisions allowing the Russian Union of Rightholders to recover from Sony Electronics CJSC debt under so-called ‘CD tax’.

*[rapsinews.ru](http://rapsinews.ru), 1 July 2016*

The Ninth Commercial Court of Appeal upheld the position of the Russian Union of Rightholders (RUR) in a claim against American computer manufacturer Dell. The court has decided that Dell must pay a royalty plus interest.

*[www.vedomosti.ru](http://www.vedomosti.ru), 31 May 2016*