

**OVERVIEW OF TAX EVENTS FOR JULY 2015**

## REGULATORY DEVELOPMENTS

The final version of the Main Directions of Tax Policy for the years 2016 to 2018 was published on the website of the Russian Ministry of Finance.

[www.minfin.ru](http://www.minfin.ru) , 27 July 2015

Russia is preparing proposals for the BRICS countries regarding a set of measures that would encourage employers to pay official salary and social taxes, *Russian President Vladimir Putin* has announced.

[www.ria.ru](http://www.ria.ru) , 09 July 2015

A law was adopted on the free seaport of Vladivostok. The relevant regime will be applied in 15 municipalities of Primorsky Region for a minimum of 70 years. In addition to tax benefits and the free customs zone regime, additional protection is promised to residents of the seaport, with the managing company being able to file claims on their behalf. The changes are intended to form a tax regime that will be more favourable than that of Asia-Pacific countries.

The Russian Prime Minister has instructed the Ministry of Finance, Ministry of Economic Development and Ministry for the Development of the Far East to amend the Tax Code and other regulatory instruments by 1 November with a view to granting tax incentives to investors in the Far East. The Ministries are to work out legislative amendments to provide tax preferences to parties engaged in tourism and recreational activities in the region.

[www.nalog.ru](http://www.nalog.ru) , 22 July 2015

*Additionally:*

[www.duma.gov.ru](http://www.duma.gov.ru) , 24 July 2015

A draft law “On amending article 35 of the Federal Law ‘On the areas of advanced social and economic development in the Russian Federation’” has been put before the State Duma (the lower chamber of Russia’s Parliament). It provides that, from 1 January 2016, it will be possible to establish areas of advanced social and economic development in five constituent entities of Russia which are parts of the Siberian Federal District: the Republic of Buryatia, Irkutsk Region, Zabaykalsky and Krasnoyarsk Territories, and the Republic of Khakassia.

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The State Duma's Committee for Information Policy, Information Technologies and Communications handed down a negative opinion about the draft law regarding the 'global licence' to be introduced, which provides for a 'private copying levy' to be imposed on all Internet users.

[www.izvestia.ru](http://www.izvestia.ru) , 8 July 2015

Major film distributors have applied to the Russian President urging him to intervene and not to introduce VAT with regard to tickets for foreign films.

[www.kommersant.ru](http://www.kommersant.ru) , 9 July 2015

## PRACTICE

When developing a general approach to 'digitalisation', the OECD may take into account the practice of electronic tax administration, which is being actively introduced by the Russian Federal Tax Service.

[www.kommersant.ru](http://www.kommersant.ru), 8 July 2015

One more service has been made available on the official website of the Russian Federal Tax Service. This is "Information on individuals who are managers or founders (members) of several legal entities".

[www.nalog.ru](http://www.nalog.ru), 8 July 2015

In Istra District of Moscow Region, the first building of the specialised combined records archive of the Russian Federal Tax Service has been commissioned.

[www.nalog.ru](http://www.nalog.ru), 3 July 2015

### *Numbers:*

([www.rg.ru](http://www.rg.ru), 23 and 6 July 2015)

Over the first five months of this year, RUB 5.9 trillion have been received in the consolidated budget of Russia. This is 12.9 percent more than in the similar period of 2014. Such result has been obtained thanks to electronic services launched by the Federal Tax Service for different categories of taxpayers.

The rate of efficient debt collection by using enforced recovery measures has grown and is 69.9 percent.

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Since the beginning of 2015 taxpayers have voluntarily adjusted their tax bases by almost RUB 17 billion and additionally paid more than 2.5 billion to the government, which is 2.7 and 2.5 times more than in 2013 and 2014 respectively. Losses carried forward have been reduced by about 1.5 billion.

[www.nalog.ru](http://www.nalog.ru), 20 July 2015

Russian retailers' tax losses resulting from goods being stolen from shelves have reached RUB 1 billion. The Russian Federal Tax Service provided the statistics for 2014. The final amount has exceeded the 2013 figure by 68 percent and has doubled since 2012.

[www.kommersant.ru](http://www.kommersant.ru), 23 July 2015

On 1 June, sales tax started to be charged in Moscow. Major retailers are not concerned with the new tax because it will be set off against profit tax.

Just under 30,000 payers of the sales tax registered during the seven days in July which were set aside for doing so.

[www.rbcdaily.ru](http://www.rbcdaily.ru), 10 and 1 July 2015

On 14 July, the Russian Constitutional Court ruled that decisions handed down by the European Court of Human Rights should be enforced subject to the Russian Constitution, which should prevail over them.

[www.ksrf.ru](http://www.ksrf.ru), 14 July 2015

On 1 July, the Russian Constitutional Court handed down a decision in relation to a complaint filed by Sony Mobile Communication Rus LLC, a subsidiary of Sony. It held that the provision of the Tax Code that raises the VAT base by the amount of insurance payouts received under insurance contracts is inconsistent with the Russian Constitution.

[www.ksrf.ru](http://www.ksrf.ru), 6 July 2015

On 30 June, the Plenum of the Supreme Court adopted Resolution No. 28 "On certain issues arising when courts hear cases seeking that the cadastral value of real estate be invalidated".

[www.supcourt.ru](http://www.supcourt.ru), 30 June 2015

On 23 July, the State Commercial ('Arbitration') Court for the Moscow Circuit announced the operative part of its decision in the case Freshfields Bruckhaus Deringer (FBD) versus the Federal Tax Service's Inter-District Inspectorate No. 47. The court dismissed the cassation appeal of the law firm and upheld the decisions of lower courts.

The reason for the proceedings to be initiated was that additional profit tax, default interest and a fine of RUB 95 million had been charged further to the findings of the field tax audit for 2009-2011. The Russian representative office of the multinational law firm included expenses of its headquarters in its tax returns. The inspectorate concluded that, by doing so, the Russian office of FBD could have understated its tax base, because not all expenses were documented in a proper manner.

[www.pravo.ru](http://www.pravo.ru), 30 July 2015