

OVERVIEW OF TAX EVENTS FOR MAY 2015

REGULATORY DEVELOPMENTS

The Russian Government has approved a list of VAT-exempt materials for scientific research which do not have Russian substitutes. The list includes 180 items (Resolution No. 469 dated 15 May 2015).

government.ru, 19 May 2015

On 19 May in Brussels, representatives of Russia and Belgium signed a Convention for the avoidance of double taxation. It includes provisions on exchanging information in accordance with OECD guidelines. This document will replace the Convention which has been in effect for nearly 20 years.

ria.ru, 19 May 2015

A Protocol has been signed to amend the treaty dated 13 October 2014 between the governments of China and Russia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

ria.ru, 8 May 2015

On 22 May, the State Duma adopted a law that clarifies regulations on controlled foreign companies and on taxation in the context of the amnesty of capitals.

On the same day the State Duma adopted in the first reading the government's draft law aimed at improving tax regulation and to develop electronic document flow in tax relationships. New forms (formats) of tax returns (VAT calculations and documents used for VAT calculations) will come into force not later than one month after the date when they are officially published.

ria.ru, 22 May 2015

On 15 May, the State Duma adopted in the first reading a draft law “On amending parts one and two of the Russian Tax Code” that should establish unified rules to offer protection against tax abuses.

www.duma.gov.ru 15 May 2015

Russian business believes that in order to improve the investment climate, the tax burden should be decreased for foreigners and foreign companies that work in Russia.

www.vedomosti.ru, 26 May 2015

PRACTICE

The Russian Federal Tax Service has developed new forms of reports for foreign banks that are in line with the Russian equivalent of the American Foreign Account Tax Compliance Act (FATCA). The document will be adopted in the third quarter of 2015. The next step would be to approve the timeframes for foreign banks to submit reports to Russian tax authorities and the sanctions for non-compliance with this regulation.

izvestia.ru, 20 May 2015

In its efforts to combat transit transactions, the Russian Central Bank has introduced a new criterion which banks should use to evaluate their corporate clients. It is the ratio of the amount of taxes paid by the company from its settlement account to its turnover on this account. If an inconsistency is apparent, the bank should promptly notify the Federal Service for Fiscal Monitoring of this.

izvestia.ru, 26 May 2015

The Russian Federal Tax Service has launched a uniform data processing centre that will help to establish comprehensive control over the VAT payments.

www.nalog.ru, 26 May 2015

The commercial court for Moscow circuit has sustained a decision of the tax authority which assessed additional RUB 290 million of profit tax, default interest and fines against the Russian subsidiary of a French bank BNP Paribas. In 2009-2010, when BNP Paribas granted corporate loans, it transferred to the parent company 80% of its interest income. Loans were issued to large companies and the bank obtained guarantees (stand-by letters of credit) from BNP Paribas to comply with the N6 Standard.

Vedomosti, 13 May 2015

In June the commercial court for Moscow Region will consider cassation appeals:

- of Mazda Motor Rus, a Russian representative office of Japanese car manufacturer Mazda, against the decision of the lower court that when the company calculated the profit tax base for 2009, it overstated its losses by intentionally increasing the purchase prices for Mazda cars.
- of LLC Oriflame Cosmetics (a Russian structure of Oriflame) against the decision of the lower court that an additional RUB 537 million of tax payments were lawfully assessed against the company.

www.kommersant.ru/doc/2724923 20 May 2015,

www.rapsinews.ru, 12 May 2015