

OVERVIEW OF TAX EVENTS FOR NOVEMBER 2016

REGULATORY DEVELOPMENTS

Estonia, Georgia, Mauritius, Aruba, Bermuda and Cayman Island have been excluded from the list of states and territories that do not share tax information with Russia.

***Order No. mmv-7-17/527@ of the Russian Federal Tax Service
dated 30 September 2016***

On 30 November, the Russian President signed an array of amendments to the Russian Tax Code, including those intended to implement the main trends of tax policy for 2017 – 2019. Regions have been granted the right to waive the moratorium introduced until 2020 with respect to the revision of cadastral value.

The Russian Government has submitted to the State Duma a draft law intended to improve the taxation of intangible assets and transactions involving such assets.

The Russian President announced the upcoming tax reform. The proposals are to be reviewed in 2017, adopted in 2018 and start operating since 2019. They will be implemented for an extended period, at least for the next presidential term.

<http://kremlin.ru>, 1 December 2016

The Finance Ministry has developed the draft amendments to the Tax Code necessary to introduce in Russia a system of VAT refunds for foreigners on their purchases (tax free).

www.vedomosti.ru, 30 November 2016

The Russian Ministry of Industry and Trade is drawing up a strategy for the development of e-commerce, including tax aspects. The draft will be presented in early 2017.

www.kommersant.ru, 30 November 2016

Prime ministers of the EAEU member states have approved the draft of the new Customs Code of the Eurasian Union. This will enable them to adopt the document by the end of 2016. The main amendments will involve the delegation of some powers to the EEC level and the simplification of customs procedures for business.

www.kommersant.ru, 17 November 2016

PRACTICE

The XII All-Russian Tax Forum took place from 29 November until 1 December at the Chamber of Commerce and Industry. At the forum, sessions were held on various topical issues of taxation. Law firm Pepeliaev Group arranged two round tables to discuss the current state of affairs in tax administration and the legal enactment of a general anti-abuse rule (GAAR).

***www.nalog.ru, 1 December 2016,
tpp-inform.ru 30 November 2016***

The Federal Tax Service has raised additional tax assessments during tax audits by 13%, while at the same time cutting the number of such audits.

www.vedomosti.ru, 23 November 2016

Budget revenues have more than doubled to reach RUB 48 billion over the 9 months since the new concept for the administration of tax authorities was implemented.

www.nalog.ru, 10 November 2016

The Russian Federal Tax Service has established a centralised federal database containing data about 4.8 million legal entities, 3.8 million individual entrepreneurs and 163 million individuals (including foreigners). The database also contains information regarding property taxes and proprietary items.

www.nalog.ru, 22 November 2016

A test version of the electronic service “VAT office for online service providers” now has an English version and an “Online personal account”.

www.nalog.ru, 8 November 2016

The Russian Federal Tax Service is considering the possibility of utilising the technology of distributed ledgers (block chains), which is still to be legalised in Russia.

www.kommersant.ru, 24 November 2016

The Plenum of the Russian Supreme Court has toughened the requirements for initiating criminal cases over tax evasion. An investigator is recommended to ask on all occasions for the opinion of the tax authority as to whether tax legislation was breached.

rapsinews.ru, 22 November 2016

The Russian Supreme Court has held that damage from a crime that has been committed may be reimbursed not only by the accused, but also by others. Compensation for damage caused to the Russian state budget through tax evasion is payment in full of tax arrears, default interest and fines before the court of first instance sets a court hearing under a criminal case.

www.kommersant.ru, 29 November 2016

Additionally:

In 1Q2016, the number of criminal cases initiated based on the facts of tax evasion grew by 36%.

www.kommersant.ru, 22 November 2016, izvestia.ru, 11 November 2016