

OVERVIEW OF TAX EVENTS FOR JANUARY 2016

REGULATORY DEVELOPMENTS

The Russian President has signed two acts to establish a unified administrator of public payments. The Russian Federal Tax Service (FTS) will be vested with: (1) the powers of social funds responsible for collecting insurance contributions; and (2) the fiscal obligations of the Russian Federal Customs Service (FCS) and of the Russian Federal Service for Alcohol Market Regulation. The latter two agencies will be preserved but will be removed from being controlled by the Russian Government to be under the jurisdiction of the Russian Finance Ministry.

The next step after the FTS and the FCS unite will be to toughen control over collecting taxes and customs payments. In the first quarter 2016, the Finance Ministry will draft the proposals for how VAT and customs duty payment procedure may be facilitated for all parties involved in foreign trade.

www.kommersant.ru, 16 February 2016

ria.ru, 29 January 2016

www.rbcdaily.ru, 26 January 2016

For information:

(ria.ru, 29 December 2015)

According to the survey undertaken by the Russian Chamber of Commerce together with law firm Pepeliaev Group, more than 50 similar but uncodified taxes and levies have been identified, the amount of which already surpasses 1% of GDP.

Insurance contributions to three non-budgetary funds, including the pension fund, fund of compulsory medical insurance and social fund, will be reformed. Different options are being considered. The tax service is advocating a unified charge. The rate of the unified charge should be at a level to ensure that the fiscal burden does not grow. Speaking long-term, the rate should become a unified rate and not depend on the amount of salaries.

Vedomosti, www.kommersant.ru, 25 January 2016

The Russian Government has increased the recycling fee for cars by 65%. The relevant decree came into force on 1 January. From now on, manufacturers of passenger cars will pay RUB 33,000 per car, while for trucks the fee will be RUB 247,500 per unit. Earlier, the Association of European Business requested that the fee not be indexed.

www.kommersant.ru, 2 January 2016

On 27 January, the Federation Council endorsed the law to ratify the Agreement between the Russian Government and the P.R.C. Government for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and the Protocol to it, as well as the Protocol amending the Agreement between Russia and the People's Republic of China.

www.duma.gov.ru, 26 January 2016

On 29 October, the State Duma adopted the following laws:

- "On amending Part I and Part II of the Tax Code of the Russian Federation and Federal Law "On amending Part I and Part II of the Tax Code of the Russian Federation (with regard to the taxation of the profits of controlled foreign companies and the income of foreign organisations)";
- "On amending article 269 of Part II of the Tax Code of the Russian Federation in terms of defining the concept of controlled debt" ("thin capitalisation").

ria.ru, 28 January 2016

On 26 January, the State Duma adopted a raft of legislation on how acts of federal executive authorities containing legal explanations may be challenged.



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The Russian President has issued various instructions to the Russian Government concerning the abolition of transport tax on heavy trucks given that a special charge on such trucks has been introduced.

A draft law has been put before the State Duma in an effort to legalise the use of online cashiers that would communicate to tax authorities all the data regarding retail sales.

www.rbc.ru, 9 January 2016

PRACTICE

The tax returns of every tenth company in Russia reveal serious discrepancies, as compared with those filed by the companies' contracting parties. The new automated VAT control system (ASK VAT-2) has helped to detect the discrepancies. Such companies are now being audited by the tax authorities.

izvestia.ru, 28 December 2015

The number of criminal cases over tax evasion has soared by 68% after the investigative bodies returned their right to initiate such cases without an additional check by the tax authorities.

ria.ru, 14 January 2016

According to the statistics of the Russian Supreme Court, more than 40,000 tax disputes were examined in the first six months of 2015, about half of which (52%) were resolved in favour of the tax authorities. The courts awarded to taxpayers only RUB 2.6 billion (24%) of the total of RUB 10.8 billion that was claimed.

Five months after the cassation appeal was filed, the Supreme Court denied Oriflame Cosmetics LLC a reconsideration of judgments issued in favour of the tax authority. The dispute dealt with the taxation of royalties paid abroad.

Vedomosti, 19 January 2016

The Moscow State Commercial Court dismissed a RUB 90.4 million claim of the Russian Union of Rightholders against Dell. The Union was seeking to recover 1% of the customs value of equipment intended for corporate purposes (servers, switchboards, and work stations).

www.kommersant.ru, 19 January 2016