

OVERVIEW OF TAX EVENTS FOR JULY 2016

REGULATORY DEVELOPMENTS

At the beginning of July the Russian President signed a number of tax laws:

- on the ratification of 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

ria.ru, 3 July 2016

- on the transfer to tax authorities of powers to administer insurance contributions from extra-budgetary funds, on 1 January 2017.

www.nalog.ru, 4 July 2016

- amendments to the Law on cash register equipment: in one year cash registers in Russia should have access to the Internet, and in two years all entrepreneurs will be obliged to create online receipts

www.rbc.ru, 7 July 2016

- on partially decriminalising economic crimes, including tax crimes

ria.ru, 29 June 2016

- starting from 1 January 2017 foreign companies will have to pay a tax on online sales of electronic software and content in Russia

rg.ru, 05 July 2016

For information:

(www.nalog.ru, 15 and 7 July 2016)

The Russian Federal Tax Service organises meetings with representatives of internet industry and of major auditor and law firms, during which the new Law is discussed. A test version is provided of an electronic service for the registration of foreign internet companies.

In the wake of the idea being expressed to lower the threshold for duty-free cross-border online sales, the Russian Federal Tax Service, together with other relevant agencies, is preparing a proposal to introduce VAT for foreign online trading platforms.

www.kommersant.ru, 15 July 2016

The Russian Federal Tax Service is proposing amendments to the List of states and territories that do not cooperate in the area of exchanging tax information. These include: Cayman Islands, Bermuda, Mauritius, Aruba, as well as Hong Kong, Estonia and Georgia.

regulation.gov, www.vedomosti.ru, 15 July 2016

The Russian Government has submitted to the State Duma a draft law to ratify the new convention between the governments of Russia and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income as well as a Protocol to it.

ria.ru, 15 July 2016



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The Analytical Centre for the Russian Government has presented a report which evaluates the new climatic regime's significance and the threats it poses to the Russian economy. It emphasises the potentially adverse effect of the Paris Agreement on the fuel and energy sector as well as the iron and steel industries, and criticises the idea of introducing any carbon taxes.

www.kommersant.ru, 19 July 2016

PRACTICE

On 18 July *Boris Titov*, the Authorised Council on Human Rights of Entrepreneurs, presented his annual report to the Russian President. The tax burden remains one of the Russian economy's major problems.

doklad.ombudsmanbiz.ru

When tax authorities audit businesses together with the police, the average amount of additional tax assessments rises sharply: researchers of the Financial University under the Russian Government have discovered that when tax authorities act independently, they reassess upwards RUB 7.5 million per audit on average, and when the police are involved, this amount doubles or triples.

www.rbc.ru, 15 July 2016

Before 1 July 2017 information that has ceased to be a tax secret should be published on the Russian Federal Tax Service's website. The development is provided for by Federal Law No. 134-FZ dated 1 May 2016.

www.nalog.ru, 30 June 2016

In the case of *Minaevsky Business Centre*, the Russian Supreme Court has agreed that tax inspectorates may audit prices in uncontrolled transactions between related parties and, what is more, they can use any methods in doing this.

www.vedomosti.ru, 26 July 2016