



Brief summary of taxation, statistical and ecological reporting for representative offices and branches of foreign legal entities for 2016

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Tax	Tax Base	Rate	Deadline ² for tax payment	Filing obligations	Deadline for filing reports
Annual activity report, explanatory note for profit tax declaration³				Annually	No later than March 28th of the year following the reporting year.
Profit tax	Actual profit for the quarter on an accumulated basis. Income in the form of dividends received by foreign legal entities from Russian legal entities.	20% including: 2% — federal budget; 18% ⁴ — regional budget. 15% ⁵	Payments on a quarterly basis: no later than the 28th of the month following the reporting quarter. Final tax payment for the year: no later than March 28 of the year following the reporting year.	Interim quarterly tax declarations Annual tax declaration	Quarterly declarations — no later than the 28 th of the month, following the reporting quarter. Annual declaration — no later than 28 March of the year, following the reporting year
Withholding tax on income payable to a FLE from sources in the RF⁶	Income that is not related to the permanent establishment of this FLE on Russian territory, including (but not limited to): <ul style="list-style-type: none"> • Dividends • Interest on loans • Royalties • Income from rent • Leasing and freight operations • Income from international shipments 	20% — general rate 15% — on dividends 10% ⁷ — on income paid from rent, leasing, freight of ships, aircraft, trailers, and other transportation equipment, used in international shipments.	Tax should be withheld and paid within 1 days following the income payment to the FLE. For dividends, tax payment must be effected within 1 days.	Quarterly reports The reporting process for withholding tax is in line with reporting for profit tax.	Quarterly — no later than the 28 th of the month, following the reporting quarter Report for the 4th quarter — no later than 28 March of the year, following the reporting year

1 Please note that we summarized most common statutory, taxation, statistical and ecological reporting for RLE not taking into account special taxation regimes and special types of activities (financial institutions, insurance companies, organizations engaged in mining, agriculture etc).

2 When statutory deadline for tax payment or report filing falls for week end or official holiday, the deadline is prolonged to the first working day after the due date.

3 An explanatory note is recommended by the Moscow tax authorities, it should contain detailed information on an FLE's activity in Russia. The tax authorities of other regions might also have similar requirements. This issue is to be clarified with the regional tax authorities.

4 Regional rates can be reduced according to the decision of the regional authorities, but not by more than 4,5%.

5 Please note that these rates can be reduced based on Double Tax Treaty provisions.

6 To be withheld by the tax agent from the amount of income due to an FLE. Please note, that the reports should be submitted to the tax authorities even if the income paid out is not subject to the taxation.

7 Please note that these rates can be reduced, based on Double Tax Treaty provisions.

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Tax	Tax Base	Rate	Deadline² for tax payment	Filing obligations	Deadline for filing reports
VAT⁸	Value of goods (works, services) sold on Russian territory, transfer of goods (works, services) for own needs, installation and construction work for own use. VAT ⁹ , payable to the authorities, is determined as the difference between VAT charged to customers (output VAT) and VAT paid to suppliers of goods (works or services) and customs (input VAT), provided that certain criteria are met.	18% — standard rate 10% — rate for certain foodstuffs, goods for children, medicines, books and periodical literature. 0% — export, international passenger transportation and some other operations. Some types of activities are VAT exempt (such as services in areas of medicine, education and culture).	1/3 of the tax amount payable is due no later than the 25th of each month of the quarter, following the reporting quarter.	Quarterly tax returns VAT returns must be submitted to tax authorities through electronic communication channels.	Quarterly — no later than the 25th of the month following the reporting quarter.
	For imported goods, the taxable base is determined as their customs value, plus import duties and excises, where applicable.	10% — rate for certain foodstuffs, goods for children, medicines, books and periodical literature. 18% — standard rate,	VAT for import operations is paid to customs authorities, during the clearance process. Later this input VAT is off-set against output VAT.	No special obligation	
Withholding VAT tax on revenue payable to a FLE¹⁰	Income paid to an FLE, not registered as a taxpayer in Russia, for services provided on Russian territory.	18% — standard rate 10%	VAT withheld is due to the budget at the day of income payment to FLE.	Withheld VAT is disclosed in a separate section of the ordinary VAT return.	Quarterly — no later than the 25th of the month following the reporting quarter.

⁸ Companies have the right to exemption from VAT if the amount of net sales revenue for three successive months was no more than RUB 2,000,000. The procedure for obtaining VAT exemption requires presenting confirmation documents to the tax authorities no later than the 20th of the month, when the exemption is applied for 12 months consecutively.

⁹ Taxpayers must maintain separate accounting records for expenses, and consequently for input VAT, related to activities taxable by VAT and VAT exempted. Failure to do so may mean that any input VAT will not be allowed for offset.

¹⁰ To be withheld by a tax agent from an amount of income due to an FLE.

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Tax	Tax Base	Rate	Deadline for tax payment	Filing obligations	Deadline for filing reports
Property tax	<p>For foreign entities performing their activities in Russia through a permanent establishment — the average annual net book value of fixed assets which are subject to property tax¹¹;</p> <p>for other entities — the value of immovable property determined by special state authorities</p> <p>For particular objects of real estate, the tax base is determined as the cadastral value as of 1st January for the tax period.</p> <p>From 1 January 2016 the advance tax payments with regard to real estate which tax base is determined as the cadastral value, is calculated for each quarter separately</p>	<p>Rates are established by regional authorities¹².</p> <p>Moscow — 2.2%</p> <p>For fixed assets based on cadastral value: Moscow and other regions - 2%</p>	<p>Deadlines for payments are established by regional authorities.</p> <p>Moscow: Quarterly — no later than 30th of the month following the reporting quarter Annually — no later than 30th March of the year following the reporting year.</p>	<p>The annual tax return. Quarterly reports are to be established by regional authorities.</p> <p>Moscow: Interim quarterly and final annual tax returns.</p>	<p>Quarterly — no later than the 30th of the month following the reporting quarter. Annually — no later than 30th March of the year following the reporting year.</p>
Transportation tax	Engine horsepower of vehicle	<p>Rates are established by regional authorities.</p> <p>Moscow: Rates vary from RUB 7 to 2,000, depending on the type of vehicle and its engine power.</p>	<p>Deadlines for payments are established by regional authorities.</p> <p>Moscow: The tax is paid once a year, no later than 5th February of the year, following the reporting year.</p>	<p>The annual tax return.</p> <p>Moscow: The annual tax return.</p>	Annually — no later than 1 st February of the year following the reporting year.

¹¹ According to the amendments put recently into the Russian Tax Code the movable property put on the books since 2013 will not be subject to property tax.

¹² Tax rate cannot exceed 2.2%. Regional authorities can also establish varied tax rates in accordance with the categories of taxpayers and property.

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Tax	Tax Base	Rate	Deadline for tax payment	Filing obligations	Deadline for filing reports
Land tax	The cadastral value of a plot of land determined in compliance with the land legislation of the RF, as of 1 January for the tax period (year).	Rates are established by local authorities (regional laws for the cities of Moscow and St. Petersburg) ¹³ . Moscow: Rates vary from 0.025% to 1.5%, depending on the category of the plot of land.	Deadlines for payments are established by local authorities. Moscow: Quarterly — no later than the last day of the month following the reporting quarter. Annually — no later than 1 st February of the year following the reporting year.	The annual tax return. Moscow The annual tax return.	Annually — no later than 1 February of the year following the reporting year.
Sales duty (effective in Moscow from 1 July 2015)	Number of sales objects or size of sales area.	Rates are established by local authorities (regional laws for the cities of Moscow and St. Petersburg). Moscow: Rates vary from RUB 21000 to RUB 81000 per a quarter for an object when the tax base is set as a number of objects and from RUB 50 to RUB 1200 per quarter per square meter when the tax base is set as the size of the sales area.	Not later than the 25th of the month following the period of taxation (a quarter).	Registration and de-registration of sales tax payers is done based on a notification provided by an entity or a sole proprietor. Sales tax payers have to notify authorities about any change in a trading object which will result in change of tax amount.	Within 5 business days starting from the date when duty object arises. Within 5 business days starting from the date of respective change.
Personal income tax (PIT)¹⁴	FLEs acting as tax agents are obliged to withhold and transmit the budget PIT,	13% — for tax residents ¹⁵ and highly qualified specialists ¹⁶	On a monthly basis, no later than the date of salary (or other income) payment.	Annual report with information of income and PIT of individuals received	2-NDFL forms with a electronic format file must be filed no later

¹³ Tax rate cannot exceed 0.3 - 1.5% depending on the category of a land plot. Local authorities and Moscow and St. Petersburg laws can also establish varied tax rates.

¹⁴ Please note that for the purpose of this calendar, we do not provide information on legislative requirements for individuals submitting personal PIT declarations (3-NDFL) and paying the tax individually.

¹⁵ Individuals (Russian and foreign), who spend more than 183 days in Russia during a 12 month rolling period (without taking into account breaks for study leave or medical care outside of Russia that do not exceed 6 months).

¹⁶ Highly qualified specialists are eligible for 13% personal income tax rate (i.e. a rate applicable for tax residents) on income received from Russian employment even before qualifying as a Russian tax resident. Please note that according to the official clarifications, the Ministry of Finance qualifies the concept of income from the employment duties of a highly qualified specialist, covering only the salary, bonuses, and business trip payments.

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	based on salaries and benefits-in-kind, paid or provided to employees and other individuals.	35% — for prizes, insurance, receipts and interest with certain conditions 13% — for dividends, received by tax residents from Russian or foreign corporations 30% — for non-residents 15% — for dividends, received by non- residents from Russian corporations		income from FLE (2-NDFL form) ¹⁷ Quarterly report with calculation of PIT (6-NDFL)	than 1 April of the year, following the reporting year. Quarterly (1,2,3) – no later than the 30th of the month following the reporting quarter Annually (for 4th quarter) — no later than 1 st April of the year following the reporting year.
Personal information about Employees (FIO, INN, SNILS)				Monthly report to the Pension fund (from 1 st April 2016)	Monthly report – no later than 10 of the month following the reporting month
Information about Average Number of Employees	-	-	-	Annual report to the tax authorities	Annual report — no later than 20 January of the year, following the reporting year

¹⁷ If the employer provides any benefits-in-kind to the employees and cannot withhold and pay the applicable amount of tax, the information regarding benefits-in-kind received by the employees should be provided to the tax authorities no later than one month from the end of the tax period.

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Tax / Contribution	Tax Base	Rate	Deadline for tax payment	Filing obligations	Deadline for filing reports
Contributions to the Pension Fund (accumulated and insurance part)¹⁸	Payroll (salary, bonuses and other employee benefits). Contributions to the Pension Fund are calculated for insured persons registered with the Pension Fund. The tax base is capped at RUB 796 000 ¹⁹ accumulated from the beginning of 2016.	22% from the tax base, which is capped at RUB 796 000 and 10% from the amount, greater than the tax base.	Compulsory monthly payments must be paid no later than the 15th of the month, following the month when contributions are accrued by the employer.	Quarterly reports on Contributions to the Pension Fund and on Contributions to the Federal Medical Insurance Fund must be submitted to the Pension Fund.	Quarterly — by the 15th day (for reports in hard copy) and and 20th (for electronic reports) of the second month following the reporting quarter .
Contributions to the Federal Medical Insurance Fund¹⁸	The same as for Contributions to the Pension Fund.	Federal Medical Insurance Fund: 5,1%.	The same as for Contributions to the Pension Fund.	Quarterly reports on Contributions to the Pension Fund and on Contributions to the Federal Medical Insurance Fund must be submitted to the Pension Fund.	Quarterly — by the 15th day (for reports in hard copy) and and 20th (for electronic reports) of the second month following the reporting quarter .
Contributions to the Social Security Fund in case of temporary disability and due to maternity¹⁸	The tax base is capped at RUB 718 000 ²⁰ accumulated from the beginning of the 2016 year.	2.9%	The same as for Contributions to the Pension Fund.	Quarterly reports to the Social Security Fund.	Quarterly — no later than the 20th (for reports in hard copy) and 25th (for electronic reports) of the month following the reporting quarter.
Accident insurance contributions to the Social Security Fund²¹	Payroll and other payments to employees with certain exceptions (statutory welfare benefits, business-related expenses, etc).	Rates vary from 0.2% to 8.5% and are assigned on an annual basis by SSF depending on the type of RLE activity in Russia.	A monthly basis, due date corresponds to the date of salary payment, but should not be later than the 15th day of the following month.	Quarterly reports to the Social Security Fund.	Quarterly — no later than the 20th (for reports in hard copy) and 25th (for electronic reports) of the month following the reporting quarter.
Confirmation of the main type of company's activity				Annually report to the Social Security Fund.	Annually – no later than 15 th pf April of the year, following the reporting year.

¹⁸ Insurance contributions are not payable in respect of foreign nationals temporarily staying in Russia if they hold the status of a highly qualified employee or if the annual period of the labor contract does not exceed 6 month during one calendar year (except for accident insurance contributions to the Social Insurance Fund that are accrued for all employees).

¹⁹ The cap is adjusted by the Government on an annual basis.

²⁰ The cap is adjusted by the Government on an annual basis.

²¹ Companies should confirm the rate with the Social Security Fund for each year no later than 15th April of the current year.

Transfer pricing regulations

Documentation to Tax authorities	Criteria for controlled transactions	Deadline for submitting notification
<p>Notification on controlled transactions²²</p>	<ol style="list-style-type: none"> 1. Transactions between interdependent entities that are residents of the Russian Federation: <ol style="list-style-type: none"> a. The volume of a transaction (including those performed through the chain of intermediaries) exceeded RUB 1 billion. b. The volume of the transaction exceeded RUB 60 million in a calendar year and: <ul style="list-style-type: none"> – It involves operations with mineral resources subject to ad valorem rate of mineral extraction tax (MET), and one of the parties is a MET tax payer at ad valorem rate, or – One of the parties does not pay profits tax or pays it at a 0% rate (Skolkovo resident), or – One of the parties is a member of a regional investment project which pays corporate income tax to Federal budget at a 0% rate and (or) at a reduced tax rate to the Regional budget, or – One of the parties is a member of a regional investment project or a participant of the free economic zone, therefore receiving special benefits to the corporate income tax, while other party(ies) of the transaction is not a resident of this special economic zone / participant of a free economic zone (Crimean economic zone project), or – One of the parties is a license holder or an operator on a new offshore hydrocarbon deposit, accounting income (expenses) on such transaction for corporate income tax purposes on a special way, set up in the law, while the other party is not a license holder or an operator on a new offshore hydrocarbon deposit or it is a license holder or an operator on a new offshore hydrocarbon deposit, does not accounting income (expenses) on such transaction for corporate income tax purposes on a special way, set up in the law c. The volume of the transaction exceeded RUB 100 million in a calendar year and one of the parties pays unified tax on imputed income or unified agricultural tax. 2. Transactions with the foreign organizations: <ol style="list-style-type: none"> a. Transactions with interdependent entities (including through a chain of intermediaries). b. Transactions with a counterparty whose place of registration or place of living or place of tax residence is an offshore zone if the transaction amount exceeds RUB 60 million. c. Transactions in the foreign trade of the following commodities: oil and oil products, ferrous and non-ferrous metals, mineral fertilizers, precious metals and jewelry) if the transaction amount exceeds RUB 60 million. 	<p>No later than the 20th of May, following the calendar year when controlled transactions were accomplished.</p>

²² Please find detailed information for notifications on controlled transactions in the art. 105.16 of the Tax Code

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Non-tax reporting

Report	Filing obligations	Deadline for filing reports
Ecological levy ²³	Special reporting forms for different pollution types: atmospheric pollution, water pollution, waste disposal, noise and others. The levy has graduated rates (depending on the type of pollution).	Annually — both reporting and payment no later than 1 March, following the reporting year ²⁴ .
Environmental duty	Special reporting forms with regard to the list of goods, including packaging, subject to the new law and waste disposal ratio. The duty has graduated rates (depending on the type of goods or their packaging) ²⁵ .	Annually — both reporting and payment no later than 15 April, following the reporting year ²⁶
Statistical reporting ²⁷	Form P-4: Monthly — for entities with more than 15 employees Quarterly — for entities with less than 15 employees	Monthly — no later than the 15th of the month, following the reporting month Quarterly — no later than 15th of the month, following the reporting quarter
The structure of reporting package depends on the type of activity and size of a company ²⁸	Form 1-Enterprise: Annually for all entities (except small-scale businesses, banks, insurance and financial organizations)	Annually — no later than April 1 after the reporting year
	Form 1-VES for an entity with a share of foreign capital	Annually — no later than 24 March, following the reporting year
	Form P-6 for entities receiving or making foreign investments	Quarterly — no later than 20th of the month, following the reporting quarter
	Form 1-DA for for an entity working in the service sector	Quarterly — by the 15th day of the second month following the reporting quarter

If you have any questions, please contact Deloitte professionals in the Outsourcing and Tax compliance group at our Moscow office on +7 (495) 787 06 00.

²³ The Ecological levy is not considered to be a tax payment and is regulated by the State Body Rostekhnadzor. The appropriateness and procedures for reporting and payment should be negotiated with this body.

²⁴ For specific violations the deadline for 4Q 2015 is the 20th of January. Payments for specific instances for 4Q 2015 are to be no later than 1 March 2016.

²⁵ If the goods or their packaging are no longer usable, they must be recycled, or the manufacturer or importer must pay an environmental duty. Goods produced for export or that are not intended to be used domestically in Russia are not subject to environmental duty.

²⁶ The first reporting period is 2016 year.

²⁷ Please note that these reports do not provide for any taxes and levies to be paid, but only disclose overall accounting figures with regards to the various activities of an entity. The full list of reports should be clarified with local statistical office.

²⁸ The current list includes only the main statistical forms that should be filed. In addition to these, there are other forms specifically assigned to each type of activity or property of an RLE.



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