



LT Digest

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Legislative initiatives

[State Duma to consider draft law amending tax legislation](#)

The following amendments are envisaged:

- To reduce the period of desk tax audit from three months to one month
- To set forth that a repeated field tax audit triggered by the repeated filing of a corrected tax return can only be conducted to confirm the reduction of tax (increase of reported losses) based on the corrected data
- To introduce requirements for reviewing the materials collected by the tax authorities during additional tax control procedures, in particular, to envisage execution of a mandatory statement following such additional procedures
- To increase the recognition threshold for domestic controlled transactions to RUB 3 billion and introduce a threshold for controlled transactions with foreign interrelated parties of RUB 60 million
- To refine the procedure for confirming the right to zero VAT on exports:

[State Duma to consider draft law amending tax legislation](#)

[Russian Government approves draft protocol on tax information exchange among CIS countries](#)

[Draft law developed to regulate currency transactions between residents and non-residents involving transferrable letters of credit](#)

[Minkomsvyaz develops draft resolution approving list of data subject to disclosure at authorities' request](#)

[New national security standard for banking and financial transactions approved](#)

[MinFin clarifies on application of zero tax rate to gains from sale of equity stake](#)

[MinFin summarises deoffshorisation campaign results for 2016](#)

[Roadmap towards crowdfunding regulations developed](#)

[FinTech Association prepares manual for Masterchain platform](#)

[CBR to enhance protection of cyber-crime reports exchange with banks](#)

[Singapore's Commercial Affairs Department \(CAD\), Monetary Authority of Singapore \(MAS\) release clarifications on transactions with tokens](#)

- To repeal the rule that zero VAT is applicable to export sales only if the buyer is a foreign entity
- To prohibit repeated requests for earlier submitted documents
- To exclude ownership/leasehold rights from the requirements for rolling stock used for international freight transportation

The draft law is viewed as positive and is aimed at reducing the excessive administrative barriers.

[Official website of the Russian State Duma](#)

Russian Government approves draft protocol on tax information exchange among CIS countries

The protocol provides for electronic exchange of information among the tax authorities of the CIS member states on certain types of income of companies and individuals, as well as on certain types of assets, registered/located in a CIS member state, and their owners, for tax enforcement purposes.

As far as the companies, the scope of exchanged information includes the income sourced in one member state and taxable in another (dividends, coupon income, royalties, rental income, proceeds from sale of securities, shares, units, stakes, movable and immovable property, etc.), as well as the income sourced through a permanent establishment in another CIS member state.

[Official website of the Russian Government](#)

Draft law developed to regulate currency transactions between residents and non-residents involving transferrable letters of credit

The following changes to the existing legislation are suggested:

- To allow the use of transferrable letters of credit in currency transactions between residents and non-residents
- To define the compliance criteria for currency repatriation obligations arising out of currency transactions with transferrable letters of credit
- To expand the list of documents that can be requested by the currency control authorities, including the documents confirming settlements made through a transferrable letter of credit
- To refine the compliance criteria for tax repatriation obligations arising with residents, setting forth that a resident will be deemed to have discharged its obligations if the funds have been credited to the banking account less the corresponding bank's fee, if it is provided for in the respective contract between residents

If adopted, the law will come into force on 1 June 2018.

As a reminder, Federal Law No. [212-FZ](#) of 26 July 2017 sets out the properties of transferrable letters of credit.

[Federal draft legislation portal](#)

Minkomsvyaz develops draft resolution approving list of data subject to disclosure at authorities' request

The organisations providing capabilities for transfer and dissemination of information in the Internet (social networks or messengers) will be obligated to provide the law enforcement authorities at their request with the following user information: nickname, full real name, date of birth, passport details, languages spoken, phone number, e-mail address, messages sent, location, e-payments made, etc.

The draft contains requirements to the equipment and software used by such information transfer provider.

As a reminder, according to the so-called anti-terrorism package of laws, information transfer providers are obligated to store (using Russia-based storage infrastructure) the information on receipt, transfer, delivery, and/or processing of voice and text messages, images, sounds, videos, and other types of messages of users and user data for one year.

Starting from 1 July 2018, retention requirements will be extended to apply to the transferred content itself with a mandatory storage period of six months

[Federal draft legislation portal](#)

New national security standard for banking and financial transactions approved

The document contains requirements for setting up all the main information security processes, including countering the malware, information leaks, and violating the integrity of the information infrastructure.

Security issues for mobile users are considered separately.

The document also sets forth the requirements for information protection at all lifecycle stages of mobile apps and internet banking apps.

Migration to the new standards will enable the financial companies to improve their security levels and ensure a stable service for their customers.

The standard is scheduled for adoption starting 1 January 2018.

[Official CBR website](#)

Clarifications from government bodies

MinFin clarifies on application of zero tax rate to gains from sale of equity stake

The Russian Ministry of Finance reminded that according to Item 1, Article 284.2 of the Russian Tax Code, gains from the sale of an equity stake in/shares of a Russian company can be taxed at a zero rate, subject to a five-year uninterrupted legal ownership period.

According to the Ministry, for the taxpayer to retain the right to apply a zero rate, the stake's key characteristics must remain unchanged for the mentioned period, such as the size and nominal value.

[Consultant Plus](#)

Media review

MinFin summarises deoffshorisation campaign results for 2016

According to Aleksey Sazanov, Director of Taxation and Customs Policy Department at the Russian Ministry of Finance, during the first declaration period, over six thousand CFC controlled by Russian residents were identified.

investors, ensure their software is run on Russian-based infrastructure, etc.

[Kommersant](#)

FinTech Association prepares manual for Masterchain platform

The [document](#) defines the principles the platform is based on, the limitations on storing information in it, and the priority projects to be implemented on it.

The platform is envisaged as a national blockchain network for the exchange and storage of financial data.

The stakeholders include the Central Bank, Sberbank, AlfaBank, Otkritiye Bank, Tinkoff Bank, and Qiwi.

[Kommersant](#)

About RUB 3 billion in profit tax revenue was collected from CFCs.

Mr. Sazanov announced the upcoming legislative amendments concerning the CFCs' historic losses (including the procedure for loss carryforward and taxation of transactions with financial assets), which will be worked on during the autumn session of the State Duma. All amendments will be targeted and will not affect the general approach to CFC taxation.

[Izvestiya](#)

Roadmap towards crowdfunding regulations developed

The Bank of Russia presented a roadmap towards the development of regulations for on-line crowdfunding platforms, including the p2p lending.

CBR to enhance protection of cyber-crime reports exchange with banks

Banks will receive cyber-crime reports from FinCERT, the CBR's anti-cyber-crime unit, via protected channels. The reports are currently sent in encrypted files via the regular e-mail, so the risk of unauthorised access resulting in fraudulent scheme dissemination remains.

The new approach is similar to the operating System of digital interagency communication, which was developed pursuant to the law on state services. It will help to mitigate the risks mentioned.

[Izvestiya](#)

The new regulations will be piloted by crowdfunding platforms, including the p2p services, for a year until June 2018; a respective law will be developed based on the results of the pilot.

The CBR developed selection criteria for the pilot: a company should put together a capital of RUB 10 mln, disclose its beneficiaries with stakes exceeding 10 percent, underwrite the borrowers and identify

periods, and the investor risks losing the whole of invested amount.

CAD and MAS recommends checking the background of token sellers in the register of financial organisations, supported by MAS. If the seller is not regulated by MAS, the investor will not be able to use the relevant legislative protection. Earlier on, MAS released a statement on issue and sale of tokens.

[Official website of the Singapore's Commercial Affairs Department](#)

International legislation news

Singapore's Commercial Affairs Department (CAD), Monetary Authority of Singapore (MAS) release clarifications on transactions with tokens

CAD and MAS recommend that buyers make sure they are fully aware of the benefits and threats inherent in token products before investing in them. The regulators stress the fact that digital currencies are usually not transparent and highly speculative. If tokens do not carry/transfer the rights to a (proportionate) share of the issuer's assets, they are not covered. Investing in such tokens would be a highly speculative transaction, their market price fluctuating significantly over short

Deloitte publications

As implementation of greenhouse gas emissions reporting is under way, guidelines on determining absorption volume approved

As part of the Roadmap towards reducing the greenhouse gas emissions by 75 percent of 1990 levels by 2020, Guidelines on determining the absorption volume of greenhouse gases have been approved.

For more details, please refer to Legislative Tracking in Focus of [10 August 2017](#).

Automotive news, August 2017

Automotive [news](#) for March-June 2017 have been released.

In this issue you will find an update on the key changes of the federal legislation, clarifications from the Ministry of Finance and the Federal Tax Service, and court cases involving companies of the sector.

The Russian Investigation Committee and the Russian Federal Tax Service developed guidelines for establishing tax evasion

In its Letter No. [ED-4-2/13650@](#) of 13 July 2017, the Russian Federal Tax Service released the Guidelines for establishing the taxpayers' officers' tax evasion intent (the Guidelines). The document was prepared jointly with the Russian Investigation Committee and is meant to be used by the lower tax authorities.

For more details please refer to LT in Focus of [3 August 2017](#).

US Securities and Exchange Commission (SEC) followed by Monetary Authority of Singapore (MAS) clarified its stance on ICO and token sales

According to its recent rulings, certain types of tokens can be treated as securities and, therefore, are regulated by the federal securities law.

For more details please refer to LT in Focus of [3 August 2017](#).

We hope that you will find this edition interesting and informative. Should you have any questions on this subject, please do not hesitate to contact us.

Best regards,
Deloitte CIS Partners

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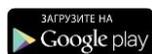


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