

# Legislative Tracking



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#### **No. 20, October 2014**

##### **Russian Tax Courier**

pp. 5, 29, 31, 32, 34, 58, 59, 62, 74

### **Right of tax authorities to conduct tax audits for a period exceeding three years**

This ruling entitles tax authorities to perform tax audits for periods exceeding three years.

RF Supreme Court Ruling No. 304-KG14-737 of 9 September 2014

### **Procedure for invoice registration in sales ledgers and logs for received/issued invoices**

This letter clarifies the procedure for registering invoices in sales ledgers and received/issued invoice logs in cases where goods were shipped on the last day of the quarter, but the invoice document was sent on the 15<sup>th</sup> of the month following the quarter.

Federal Tax Service Letter No. № ED-4-2/14546 of 28 July 2014

### **Reflection of uncollectible accounts payable in organization income**

This letter states that, when calculating income tax, an organization may exclude payable accounts on payment of taxes and fees deemed to be uncollectible.

RF Ministry of Finance Letter No. 03-03-06/1/15510 of 7 April 2014

### **Accounting for forgiven loans issued to increase net assets of an organization**

This letter clarifies accounting for forgiven loans issued in order to increase the net assets of an organization.

RF Ministry of Finance Letter No. 03-03-06/1/30267 of 16 July 2014

### **Accounting for severance benefits paid to employees upon termination of their employment contract as expenses deductible for profit tax purposes**

This letter states that, upon termination of a contract in connection with the dismissal of an employee or a reduction in the organization's staff, as well as on other grounds not provided for in Article 178 of the RF Labor Code, an organization may consider the payment of termination benefits as expenses deducted for profit tax purposes.

RF Ministry of Finance Letter No. 03-03-06/1/34831 of 16 July 2014

### **Imposing VAT on the cost of permanent improvements**

This Resolution states that if a tenant donates permanent improvements to the landlord, the cost of said improvements is not subject to VAT. In the considered case, according to the court, the intended meaning of Article 39 of the RF Tax Code was absent, since the tenant performed improvement work on the leased property only for his/her own benefit, and not for that of the landlord.

Arbitration Court of the Moscow District Resolution No. F05-9531/2014 of 3 September 2014

### **Applicability of personal income tax on compensation due to personal vehicle use for business purposes**

This Resolution states that compensation due to personal vehicle use for business purposes is not subject to personal income tax, even if the organization's employee operates the vehicle on the basis of power of attorney.

Arbitration Court of the Northwest District Resolution No. A56-50900/2013 of 28 August 2014

### **Requiring additional documents confirming the reliability of counterparties from an organization**

This Resolution states that tax authorities may not demand additional documents proving the reliability of counterparties from an organization if a desk audit returned no abnormalities.

Arbitration Court of the West Siberian District Resolution No. A03-18421/2013 of 1 September 2014

### **Procedure for reflecting cost of developing and upgrading computer systems**

This letter explains how to account for the cost of developing and upgrading software.

RF Ministry of Finance Letter No. 03-03-06/1/43640 of 1 September 2014

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