

Legislative Tracking



If you would like advice with regard to any of these issues, please do not hesitate to contact the Tax & Legal Department of Deloitte CIS at +7 (495) 787 06 00 (Moscow) or + 7 (812) 703 71 06 (St. Petersburg).

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28 July 2016

Official website of the OECD

<http://www.oecd.org/tax/aggressive/discussion-draft-beps-action-4-banking-and-insurance-sector.pdf>

OECD publishes draft on BEPS Action 4

On 28 July, the OECD published a public discussion draft on its official website concerning approaches to addressing BEPS involving interest in the banking and insurance sectors as part of Action 4 “Limiting Base Erosion Involving Interest Deductions and Other Financial Payments”.

The document highlights the following specific approaches to the implementation of BEPS Action 4 in the banking and insurance sectors:

- Banks and insurance companies typically have net interest income rather than net interest expense;
- The different role that interest plays in banking and insurance compared with other sectors;
- Banking and insurance groups are subject to regulatory capital requirements that restrict the ability of groups to place debt in certain entities.

The final document will include a summary of the main approaches currently applied by countries to prevent base erosion and profit sharing.

The main points of the document address the applicability of the fixed ratio rule and the group ratio rule to entities from bank or insurance groups.

The OECD proposes the following additional issues for discussion:

- The correlation between capital adequacy ratios for regulatory and tax purposes;
- The ways to invest adequate assets in separate divisions;
- The ways to increase the capital of one entity of a group using debt instruments and borrowings raised by another entity of the same group.

The draft includes a number of issues for discussion to be addressed before 8 September 2016.

5 August 2016

TASS Russian News Agency

<http://tass.ru/ekonomika/3513808>

Double Tax Treaty between Russia and Hong Kong takes effect

The Agreement Between the Government of the Russian Federation and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and the Protocol Thereto took effect on 29 July 2016.

For more details, please refer to LT in Focus of [11 December 2015](#) and [28 January 2016](#).

5 August 2016

Federal portal for draft regulations

<http://regulation.gov.ru/projects#npa=48201>

Liquidation of legal entities and individual entrepreneurs during customs audits may be prohibited

The Russian Ministry of Finance is preparing a draft Federal Law “On Amendments to Article 20 of the Federal Law “On State Registration of Legal Entities and Individual Entrepreneurs”, which would prohibit the liquidation of legal entities during a field customs audit. The draft law proposes that companies not be permitted to file a notification on the preparation of an interim statement of affairs with the registration authority before a customs audit report is issued, or, where required, before a decision is made following a customs audit with regard to the legal entity subject to liquidation.

8 August 2016

Official website of the Central Bank of Russia

<http://www.cbr.ru/analytics/?PrId=project&ch=943#CheckedItem>

Central Bank of Russia prepares draft statement on disclosure of interim consolidated statements by credit institutions

The Central Bank of Russia is preparing a Draft Statement “On Amendments to Central Bank of Russia Statement No. 3580-U “On Financial Reporting Requirements for Credit Institutions” of 2 March 2015. These amendments follow the adoption of Federal Law No. 262-FZ of 3 July 2016 which requires entities whose securities are admitted to on-exchange trading and credit institutions to disclose interim consolidated financial statements.

In particular, the draft requires the submission of interim financial statements subject to disclosure on a semi-annual basis to the Central Bank of Russia, and establishes the following disclosure deadlines:

- Annual financial statements and corresponding auditor’s reports: within 150 calendar days following the end of the year to which said statements refer;
- Interim financial statements: within 60 calendar days following the end of the reporting period.

The draft statement will apply to credit institutions other than parent credit institutions of banking groups or entities of a banking group.

The Central Bank of Russia has also prepared a [draft](#) statement obliging a parent credit institution of a banking group to audit interim consolidated financial statements for the first six months of the reporting year and disclose them together with the corresponding auditor's report.

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