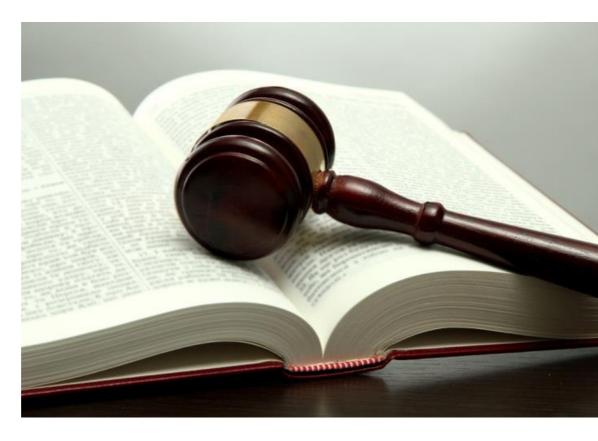
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Legislative Tracking



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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10 June 2016

Official website of the Central Bank of Russia

http://www.cbr.ru/press/pr.aspx?file=10062016_133019dkp2016-06-10T13 22 24.htm

Central Bank of Russia reduces key rate

On 10 June 2016, the Central Bank of Russia reported its decision to reduce the key rate from 11 to 10.5 percent per annum.

http://www.cbr.ru/press/pr.aspx?file=10062016_135000dkp2016-06-10T13_39_58.htm

Central Bank of Russia raises minimum reserve requirements on credit institutions' liabilities denominated in foreign currency

On 10 June 2016, the Central Bank of Russia reported its decision to raise the reserve requirements on credit institutions' liabilities denominated in foreign currency by 1 percentage point effective from 1 July 2016.

9 June 2016

Official website of the Russian Government

http://government.ru/meetings/23357/decisions/

Russian Government approves draft law ratifying Double Tax Treaty between Russia and Hong Kong

The Russian Government adopted the draft of the Federal Law "On the Ratification of 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".

For more details, please refer to LT in Focus of 11 December 2015 and 28 January 2016.

10 June 2016

ConsultantPlus

http://www.consultant.ru/document/cons_doc_LAW_199449/

Russian Ministry of Finance clarifications on certain provisions of DTT between Russia and the Netherlands regarding dividend payments

This Letter clarifies the procedure for the application of the dividend-related provisions in the DTT between Russia and the Government of the Kingdom of the Netherlands as follows:

- "Direct interest" means that a 25 percent equity stake must be directly held by the company to which dividends are paid, net of the shares owned by its subsidiaries or other related parties;
- "Equity investment" means both the acquisition of shares from primary and secondary issues and the purchase of shares on the securities market or directly from previous owners, given that the investment is made by the beneficial owner of dividends;
- If shares issued by a Russian entity are used as a contribution to the
 registered capital of a Dutch company, this will not be deemed to be an
 investment by the Dutch company in the Russian company paying
 dividends and, therefore, in this case, the dividends will be subject to a
 15 percent tax rate.

Russian Ministry of Finance Letter No. 03-08-13/30458 of 26 May 2016

9 June 2016

Official website of the Russian State Duma

http://asozd2.duma.gov.ru/addwork/scans.nsf/ID/81A64573EB572C7C43257FCC 00515FC1/\$File/1092321-6.PDF?OpenElement

Draft law on imposing additional restrictions on food retailers acquiring or leasing retail facilities

Draft law No. 1092321-6 has been submitted to the Russian State Duma for review. It would reduce the threshold value of a food retailer's share in the total food sales within a Russian federal subject, municipality or urban district for the application of restrictions on the acquisition/lease of additional retail area within the same constituent entity from 25 to 10 percent.

The draft law also proposes a 50 percent limit on the overall presence of foreign retailers within a particular federal subject, municipality or urban district of Russia.

10 June 2016

Vedomosti

http://www.vedomosti.ru/business/articles/2016/06/10/644953-rossiiskie-onlain-riteileri-nashli-novii-sposob-borbi-zarubezhnimi-konkurentami

Association of Internet Trade Companies proposes VAT on online retailers

The Association of Internet Trade Companies (AITC) came forward with an initiative to impose VAT on foreign online retailers if their revenue in the last three months exceeds RUB 2 million.

AITC will submit a paper on the initiative at the next session of the Working Group on E-Commerce in late June 2016.

Please note that draft law No. <u>962487-6</u> establishing the rules for VAT on services provided electronically by foreign entities was adopted by the Russian State Duma at the second reading on 8 June 2016 (for more details, please refer to LT of 29 December 2015 and 7 June 2016).

9 June 2016

Official website of the Moscow City Duma

http://duma.mos.ru/ru/0/news/novosti/pavel-posel%D1%91nov-kalkulyatorzastroyschika-budet-predstavlen-na-urbanisticheskom-forume-v-moskve

New IT tool for developers

The Moscow City Duma is working on a new online tool called "Calculator for Developers". It will provide information on the sequence of construction procedures that are mandatory for developers, as well as the relevant fees and due dates.

This tool will be available on the e-portal for public services.

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