

# Legislative Tracking



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

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**7 August 2015**

**Garant: federal legislation monitoring**

<http://www.garant.ru/products/ipo/prime/doc/71051236/>

### **Procedure for entering information on public-law entity founders of legal entities into the Unified State Register of Legal Entities**

In this letter it is reported that to enter information on public-law entity founders of legal entities and on the body in control of such founders into the Unified State Register of Legal Entities, interested legal entity should submit an application to the registering body using Form No. R14001.

Federal Tax Service Letter No. ED-4-14/13467@ of 31 July 2015

<http://www.garant.ru/hotlaw/federal/642839/>

### **Customs duties reduced on goods imported from RF**

The Decree of the Russian Government of August 5, 2015, No 786 amends the Decree of the Russian Government of August 30, 2013, No [754](#) establishing customs duties on the goods imported from Russia outside the Customs Union member countries. In particular, export customs duties have been reduced on seafood, seeds, mineral products, undressed hides, wood and woodworks, precious and semi-precious stones and metals, iron-and-steel waste and scrap, refined copper, its compounds and alloys, other basic metals wastes and products. The Decree applies to all legal transactions concluded on or after September 1, 2015.

**7 August 2015**

**Consultant Plus**

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=148496>

### **Deducting expenses on additional charges to state bodies during the construction of property items for the purposes of profit taxation**

In this letter it is reported that if during the construction of property items additional charges are anticipated for state bodies and local authority bodies, which must be met in order to implement the construction of the property item and later sell it, then it is recommended that these expenses on additional charges be considered as economically justified expenses on the completion of work/rendering of services which meet the criteria of Article 252 of the RF Tax Code.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=148318>

### **Personal income tax on damages payments to employees**

In this letter it is reported that compensation for damages to an individual appeared during the performance of his/her work duties and paid by an organisation based on a compensation agreement for damages, is not subject to personal income tax. However, payments for emotional damage not based on a court decision are not considered compensation payments and are subject to personal income tax.

RF Ministry of Finance Letter No. 03-04-06/40168 of 13 July 2015

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183983>

### **Clarifications to the excise tax declaration regarding export transactions exempt from bank guarantees**

In its letter of August 4, 2015, No ГД-4-3/13643@ the Russian Federal Tax Service informs that organizations released from the obligation to present a bank guarantee to get exempt from excise tax when exporting excise goods shall fill in Subsection 2.4 of Section 2 of the Declaration in accordance to the requirements applied to the organizations presenting bank guarantees.

In particular, prior to introducing relevant changes to the Declarations such organizations are recommended to:

- apply the line code 20001 when booking export transitions for excise goods subject to the tax export procedure outside Russia within the tax period;
- indicate the line code 50003 when filing documents stipulated by clause 7 article 198 of the Russian Tax Code to a tax authority;

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183988>

### **Sales levy payers clarified by the Federal Tax Service**

In its letter of August 4, 2015, No ГД-4-3/13686@ the Russian Federal Tax Service informs that businesses selling movable and immovable assets treated as sales objects regardless of the quantity of the objects shall be deemed as sales levy payers. Moreover, activities for retail market organization shall be classified as sales activities for the purposes of sale levy calculation and payment.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183990>

### **No sales levy on own goods**

In its letter of August 4, 2015, No ГД-4-3/13688@ the Russian Federal Tax Service informs that sales tax shall not be applied to the sale of own goods by companies possessing no sales outlets. Alongside with this, the sales levy

may be imposed on an organization selling own, purchased or other goods via sales outlets.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183991>

### **Customer service organizations exempt from sales duty**

In its letter of August 5, 2015, No ГД-4-3/13687@ the Russian Federal Tax Service informs that organizations and individual entrepreneurs rendering consumer services to public, including funeral arrangements, clothes and shoe repairing, hairdressing services, metal repairing and other services and selling relevant goods shall not be deemed sales levy payers in the context of selling relevant goods.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183992>

### **Catering organizations exempt from sales duty**

In its letter of August 5, 2015, No ГД-4-3/13689@ the Russian Federal Tax Service informs that organizations rendering catering services, including the sale of purchased goods for their services, shall not be deemed as sales levy payers.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=183995>

### **Submitting foreign account cash flow statements by individuals**

In its letter of April 30, 2015, No ЕД-4-2/7568@ the Russian Federal Tax Service informs that tax authorities shall have no right to demand cash flow statements from individuals being residents of Russia for the accounts (deposits) in foreign banks prior to adopting the Decree by the Russian Government on the documents presentation procedure.

It shall be reminded that the Federal Law of July 21, 2014, No [218-FZ](#) “On Amending Some Regulatory Acts of the Russian Federation” obliged individuals to file foreign accounts cash flow statements to tax authorities. However, the [Draft](#) Decree of the Russian Government “On Approving Procedure to File Cash Flow Statements on Foreign Accounts (Deposits) by Individuals being Residents of the RF to Tax Authorities” has not been adopted as of today.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=148350>

### **Income tax applied to foreign companies offsetting loan obligations**

In its letter of July 14, 2015, No 03-08-05/40311 the RF Ministry of Finance informs that whenever the income of a foreign organization in the form of loan interests is not paid out while the obligation of a Russian company to repay the loan and interests are terminated by offsetting it with the foreign company’s obligation to increase the Russian company’s authorized

company, the Russian company shall be deemed the tax agent regarding the foreign company's income in the form of loan interests reclassified as dividends.

**7 August 2015**

**Official Internet Portal of Legal Information**

<http://publication.pravo.gov.ru/Document/View/0001201508070015>

### **Sales levy payer certificate template approved**

The Decree of the Russian Federal Tax Service of July 13, 2015, No MMB-7-14/276@ approves certificate template to register as a levy payer with a tax authority.

**7 August 2015**

**Federal portal for draft regulations**

<http://regulation.gov.ru/projects#npa=38715>

### **Draft directive on signing of the Treaty Between the RF and Hong Kong on the Avoidance of Double Taxation**

It is reported that the RF Ministry of Justice is preparing a draft RF Government directive "On the Signing of the Treaty Between the RF Government and the Government of the Hong Kong Special Administrative Region of the People's Republic of China on the Avoidance of Double Taxation and the Prevention of Tax Avoidance in Relation to Income Tax and its Protocols". The draft RF Government directive is currently undergoing independent anticorruption assessment.

<http://regulation.gov.ru/projects#npa=38714>

### **Possible amendments to tax accounting for intangible assets and transactions with them**

It is reported that the RF Ministry of Finance has begun developing a draft federal law "On the Introduction of Amendments to the RF Tax Code Regarding the Improvement of Tax Accounting for Intangible Assets and Transactions with them". The main reason behind this draft federal law is the understatement of the value of the results of intellectual activity and the number of transactions on the provision of rights to use the results of intellectual activities by organisations.

**7 August 2015**

**Russian Tax Courier, No. 16, August 2015**

<http://e.rnk.ru/npd-doc.aspx?npmid=97&npid=81863>

### **Application of new regulations on depreciation for reconstructed fixed assets**

In this letter it is reported that if changes to the technical characteristics of a reconstructed or modernised item lead to amendments to the All-Russian

Classifier of Fixed Assets, then it is considered that, a new fixed asset has been created as a result of these actions,. It is recommended that the new regulations on depreciation be applied for the creation of a fixed asset. Previously, the Ministry has provided other clarifications that if the useful life of an item is extended following reconstruction, modernisation or technical upgrade, a company may only change the useful life within the bounds of the useful lifetimes established for the fixed asset's previous depreciation group (RF Ministry of Finance Letters No. [03-03-06/1/5446](#) of 11 February 2014, No. [03-03-06/1/40974](#) of 3 October 2013 and No. [03-03-06/1/503](#) of 26 September 2012).

RF Ministry of Finance Letter No. 03-03-06/39775 of 10 July 2015

#### **7 August 2015**

##### **E-justice: catalogue of arbitrational cases**

[http://kad.arbitr.ru/PdfDocument/f09efd5a-7682-4e0a-b701-9a668affc686/A58-341-2014\\_20150731\\_Opredelenie.pdf](http://kad.arbitr.ru/PdfDocument/f09efd5a-7682-4e0a-b701-9a668affc686/A58-341-2014_20150731_Opredelenie.pdf)

#### **Legal justification of VAT on transferring immovable property as dividend payments**

RF Supreme Court Ruling No. 302-KG15-6042 of 31 July 2015 on Case No. A58-341/2014, which settled a dispute between OJSC Respublikanskaya Investitsionnaya Kompaniya and the tax authorities on the issue of the legal justification for charging VAT on the transfer of immovable property to a shareholder as dividend payment, has been published. The RF Supreme Court supported the position of the taxpayer and refused to examine the case. The court additionally stated that the transfer of immovable property as dividend payments does not constitute a taxable object for anything other than taxation of the shareholder's income, and thus is not an operation subject to VAT from the transferring party.

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