

# Legislative Tracking



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**13 April 2016**

**Official Internet portal for legal information**

<http://publication.pravo.gov.ru/Document/View/0001201604130009>

## **Protocol on amendments to the Double Tax Treaty between Russia and Austria approved**

The Government of the Russian Federation has approved the Protocol on amendments to the Treaty between the Government of the Russian Federation and the Government of the Republic of Austria on the avoidance of double taxation on revenues and capital of 13 April 2000 and the associated Protocol. The draft proposes the following main amendments:

- removing the requirement of a minimum amount of participation in equity for the purposes of applying the lower 5% withholding tax rate on dividends (according to the current version of the Treaty, the minimum amount of participation is USD 100,000 or the equivalent);
- clarifying the definition of dividend, in particular, treating as dividends payments on shares in mutual funds or similar collective forms of investment (with the exception of collective forms of investment for investing in real estate);
- stipulating that revenues from the assignment of shares or similar rights of which more than 50% is represented directly or indirectly by real property, may be taxed at the place of such property (with the exception of revenues from assignment of shares received during the reorganization of a company, as well as outstanding shares); in this case, the withholding tax paid in Russia may offset the corresponding tax in Austria;
- bringing the article of the Treaty governing the exchange of information between competent authorities into line with generally accepted standards and the Model Agreement of the Russian Federation on the avoidance of double taxation;
- specifying the procedure for exchanging information, in particular stipulating that states must use all available options for obtaining the requested information;
- establishing the procedure for cooperation in collecting taxes;
- stipulating that exemptions provided for in the Treaty are not applicable if the main purpose or one of the main purposes of carrying out a particular transaction was to obtain the exemption provided for by the Treaty.

**14 April 2016**

**Official website of the Russian Government**

<http://government.ru/media/files/LqJN7wXUMbwfpgkKwMqqd6NIOep6Ya8R.pdf>

### **Environmental duty approved for categories of goods subject to recycling following their useful life**

Resolution of the Government of the Russian Federation #284 of 9 April 2016 establishes the environmental duty for 36 categories of goods subject to recycling following their useful lives, which is to be paid by producers and importers that do not provide for their own recycling of waste from the use of goods.

**14 April 2016**

**Official website of the Russian State Duma**

[http://asozd2.duma.gov.ru/addwork/scans.nsf/ID/22CF46D8B3D16BF843257F95003B7E41/\\$File/1045257-6\\_14042016\\_1045257-6.PDF?OpenElement](http://asozd2.duma.gov.ru/addwork/scans.nsf/ID/22CF46D8B3D16BF843257F95003B7E41/$File/1045257-6_14042016_1045257-6.PDF?OpenElement)

### **Legislation to ban utility companies from having beneficial owners in offshore jurisdictions submitted to State Duma**

Draft law #1045257-6 has been submitted to the Russian State Duma; it proposes the following amendments to Federal Law # 115-FZ of 7 August 2001 "On Countering the Legalization (Laundering) of Funds Obtained by Criminal Means and the Financing of Terrorism:"

- banning utility companies from having beneficial owners in offshore jurisdictions;
- requiring utility companies to update information on their beneficial owners at least once a year and to retain this information for no less than five years;
- requiring utility companies to provide information on their beneficial owners upon request by the competent state bodies, as well as to disclose this information in reports in such cases as required by the legislation.

The legislation stipulates that failure to fulfill the established requirements can result in the revocation of the utility company's license.

If passed, the law will enter into force 180 days from its date of publication.

**13 April 2016**

**ConsultantPlus**

<http://www.consultant.ru/law/hotdocs/46173.html>

### **Possible approval of procedure for monitoring the value of construction resources**

The Russian Ministry of Construction, Housing and Utilities has prepared a draft Resolution of the Government of the Russian Federation, "On Approval of the Procedure for Monitoring the Value of Construction Resources." The document was designed to ensure the reliability of construction cost estimates and includes the following main provisions:

- a federal agency under the Ministry of Construction will monitor the value of construction resources;
- monitoring will be based on information on the value of construction resources obtained from suppliers and producers of construction resources, as well as from individual state bodies;
- the estimated price of construction resources will be made publicly available in the federal information system.

**14 April 2016**

***Kommersant***

<http://www.kommersant.ru/doc/2963014>

### **Ministry of Natural Resources proposes state support for extraction of raw alloys for metallurgical enterprises**

The Russian Ministry of Natural Resources has prepared proposals for state support of developing raw alloy deposits for Russian metallurgical enterprises. In particular, the following is proposed:

- state guarantees for the Federal Reserve Agency to acquire the final products – metals and alloys;
- 0% Mineral Extraction Tax (MET) rate for the first five years of import substitution projects;
- application of lower monopoly tariff rates;
- development of public-private partnerships in technology.

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