

Legislative Tracking

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Deloitte events

Current issues in taxation and law for production companies

Round table, 29 November 2016

The agenda includes a number of relevant topics:

- Inter-country reporting and transfer pricing updates;
- Introduction of best available technologies (BAT): mechanisms for reducing environmental charges and application of tax and investment incentives;
- Overview of court practices concerning the application of tax incentives;
- Application of professional standards and other current labour law issues.

The roundtable offers an excellent opportunity for professional networking and knowledge-sharing. Representatives of the Russian BAT Bureau are invited to take part in the event.

Date: 29 November 2016

Time: 10 am - 2 pm (check-in starts at 9:30 am)

Venue: 5B Lesnaya str., Moscow (Belorusskaya metro station); Deloitte CIS office, 2nd floor, "Rome" and "Paris" conference rooms.

To register for the business breakfast, please fill out the [registration form](#). You will receive a confirmation email once your registration is complete.

Legislative initiatives

Amendments to draft law on fiscal roadmap

It is reported that Draft Law No. 10078-7 put together as part of the Russian fiscal roadmap awaits its second reading.

The following amendments are suggested:

- To raise the loss carryforward cap from 30 percent to 50 percent of the corporate profit tax base and to apply limitation during 2017–2019 only;
- To recognize interest-free loans between related parties as uncontrolled for transfer pricing purposes if the beneficiaries and parties to such transactions are registered in the Russian Federation.
- To exempt provision of sureties (guarantees) from VAT, if issued not by banks;
- To stipulate that for profit tax purposes no taxable income arises when free-of-charge sureties (guarantees) are granted, if such transactions are made between Russian non-bank organisations;
- To clarify the rules for accruing bad debt provisions, defining bad debt as the part of receivables in excess of payables for each counterparty;
- To increase the rate of excise duty on sparkling wines with protected geographical indication by RUB 5 (from RUB 14 to RUB 19 per litre), on other sparkling wines — by RUB 9 (from RUB 27 to RUB 36 per litre);
- To increase the ad valorem component of the excise duty on cigarettes from 13 to 14.5 percent;
- To clarify the rules for calculating the seasonal multiplier for excise duty on cigarettes, cigarillos, beedis, and kreteks sold by producers from

September to December;

- To stipulate a VAT recovery obligation for taxpayers who received subsidies to reimburse the cost of goods, works, or services purchased, regardless of the budget level such subsidies were paid from (the current version provides for VAT recovery in respect of federal subsidies only);
- To refine surety requirements for VAT refund purposes and for exemption from excise duties on exported excisable goods; in particular, to delete the requirement that a surety must be issued by a related party only;
- To entitle the constituent entities of the Russian Federation to reduce the regional component of the profit tax rate to 12.5 percent in 2017–2020 (instead of 13.5 percent as currently permitted);
- To raise the simplified taxation eligibility cap to RUB 150 mln of income and to set a deflator of 1.798 for the unified tax on imputed income.

For more details about the original draft law please refer to LT of [21 October 2016](#).

The second reading of the draft by the Russian State Duma is scheduled for 16 November 2016.

[Official web site of the Russian State Duma](#)

We hope that you will find the information in this edition interesting and informative. Should you have any questions on this subject, please do not hesitate to contact us.

Best regards,

Deloitte CIS Partners

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TaxSmart app



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