

Legislative Tracking



To inquire about any of the issues raised in this newsletter, please 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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15 February 2016

Consultant Plus

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=153598>

Ministry of Finance clarifies the concept of transparency in the taxation of dividends paid to a foreign organization

The Ministry of Finance has issued a letter clarifying the provisions of item 1.1, article 312 of the Russian Tax Code, which provides for the principle of transparency in the taxation of dividends paid to a foreign organization that is not the actual recipient of income. Letter of the Ministry of Finance No 03-08-05/3852 of 29 January 2016 states that the provision applies only in cases where the dividends are paid to an entity that is a resident of a state that has a DTT with Russia in place.

The provision, therefore, does not apply to foreign organizations registered in the Cayman Islands, since no DTT exists between Russia and the Cayman Islands. In this situation, a Russian company must withhold a 15% tax on the payment of dividends to a shareholder that is a resident of the Cayman Islands according to subclause 3, clause 3, article 284 of the Russian Tax Code, even if the sole participant of this Cayman Islands company is a Russian resident.

15 February 2016

Official Website of the Russian State Duma

[http://asozd2c.duma.gov.ru/addwork/scans.nsf/ID/56C176F8CA65DB8A43257F5B002868D4/\\$FILE/997654-6_16022016_997654-6.PDF?OpenElement](http://asozd2c.duma.gov.ru/addwork/scans.nsf/ID/56C176F8CA65DB8A43257F5B002868D4/$FILE/997654-6_16022016_997654-6.PDF?OpenElement)

Excise duties on gasoline and diesel fuel may be increased

The State Duma has received for its review Draft Law No 997654-6, which amends Art. 193 of the Russian Tax Code to increase the excise duties on gas and diesel fuel. The Draft Law proposes increasing excise duties on motor gasoline (by RUB 2 per liter), diesel fuel (RUB 1 per liter), straight run gasoline and medium distillates as of 1 April 2016.

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