

# 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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**22 March 2016**

**E-justice: catalogue of commercial cases**

[http://kad.arbitr.ru/PdfDocument/c5f7d8f9-ad25-453c-8a1c-13460679ebcd/A13-5850-2014\\_20160315\\_Postanovlenie%20kassacionnoj%20instancii.pdf](http://kad.arbitr.ru/PdfDocument/c5f7d8f9-ad25-453c-8a1c-13460679ebcd/A13-5850-2014_20160315_Postanovlenie%20kassacionnoj%20instancii.pdf)

### **Court rules against taxpayer in case of transfers of property as investments in the charter capital of foreign organisations**

On 15 March 2016, the Commercial Court of the North Western District issued a Resolution on case No. A13-5850/2014, which resolved a dispute relating to unjustified tax benefits in the form of withholding income tax when transferring property to offshore companies through 'technical' organizations registered in Cyprus.

In the case in question, the company transferred shares in a major Russian metallurgical company (OJSC Severstal) to Cypriot companies as an investment in the charter capital and a contribution to the assets; 50% of the Cypriot companies belonged to offshore companies registered in the British Virgin Islands. The tax authorities considered the actual aim of these operations to be the transfer of shares to offshore companies without charge, whereas the company should have paid income tax at the source.

The court of the first instance ruled in favor of the taxpayer, but the appeals and cassation courts supported the position of the tax authorities, rejecting as groundless (without giving a detailed explanation) the taxpayer's arguments that the transfer of shares in the Russian company to the Cypriot companies was aimed at securing the legal position of the ownership of the shares against exaction by bad-faith parties.

**22 March 2016**

**Vedomosti**

<http://www.vedomosti.ru/newspaper/articles/2016/03/22/634552-avtozavodam-kvoti-vietnam>

### **Quota for supplying vehicles to Vietnam approved**

Russian vehicle manufacturers will be allowed to import 2,550 assembled vehicles into Vietnam without paying customs duties over the course of three years, as well as 13,500 knocked-down kits over the course of five years. This measure is envisaged under the [Protocol](#) between the Russian Government and the Government of the Socialist Republic of Vietnam [signed](#)

on 21 March 2016. The Protocol enters into force 10 days from the receipt of the final notification on the completion of domestic procedures.

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