

# Legislative Tracking



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## **No. 10, May 2015**

### **Russian tax courier**

Pages 7, 8, 25, 54–56, 58, 59, 62, 64, 79

## **Desk audit of VAT returns in which tax refunds are declared**

In this letter, it is reported that the tax authorities may conduct desk tax audits of VAT returns in which tax refunds are declared within a shortened deadline.

RF Ministry of Finance Letter No. 03-07-15/14753 of 19 March 2015

## **Introduction of sales tax**

In this letter, it is reported that alongside companies engaged in retail, small-scale wholesale and wholesale trade through components of stationary and non-stationary trade networks and also through warehouses, organisations which engage in the wholesale trade of alcoholic products might be held liable to pay sales tax.

RF Ministry of Finance Letter No. 03-11-06/18129 of 1 April 2015

## **Submitting ledgers of VAT invoices received and issued**

In this letter, the procedure for submitting ledgers of VAT invoices received and issued from 1 January 2015 has been clarified.

Federal Tax Service Letter No. [ED-4-15/5629@](mailto:ED-4-15/5629@) of 6 April 2015

## **Validating business trip expenses paid for by bank card**

In this letter, it is reported that the supporting documents for business trip expenses paid for by bank cards of authorized persons are original documents related to the use of bank cards – ATM receipts, slips, etc. - bearing the signature of the authorised person.

RF Ministry of Finance Letter No. 03-03-06/2/19106 of 6 April 2015

## **Application of VAT with respect to construction work**

In this letter, it is reported that if construction work is performed at an active construction site located beyond the RF borders, then this work is not subject to VAT in the RF.

RF Ministry of Finance Letter No. 03-07-13/1/14204 of 17 March 2015

## **Restoration of VAT**

In this Resolution, it is stated that when writing-off equipment and selling it off as scrap, organisations must restore VAT, which was previously claimed for recovery.

Resolution of the Arbitration Court of the Volgo-Viatskii District No. F01-649/2015 of 23 March 2015

## **Fines for organisations not transferring personal income tax on time**

In this Resolution, it is stated that the tax authorities may not fine organisations for untimely payment of personal income tax if more than three years have passed since the day when the organisation's obligation to withhold tax arose.

Resolution of the Arbitration Court of the Povolzhskii District No. F06-21438/2013 of 27 March 2015

## **Insurance premiums on expenses paid to transport operators for transport of employees to their place of work**

In this Resolution, it is stated that expenses paid to transport operator companies for the transport of employees from their place of living to their place of work and back are not subject to insurance premiums.

Resolution of the Arbitration Court of the East Siberian District No. A19-15292/2014 of 2 April 2015

## **Corporate profit tax refunds**

In this Resolution, it is stated that the three-year period for the refund of corporate profit tax, which has been claimed for reduction, begins from the deadline for the submission of the annual tax declaration (should a taxpayer fail to meet the abovementioned deadline, they will still be entitled to file a claim with a court under the general rules on limitations).

Resolution of the Arbitration Court of the North-Western District No. A26-3646/2014 of 2 April 2015

## **Application of 10% VAT rate with respect to veterinary drugs**

In this letter, it is reported that organisations may apply VAT at a rate of 10% in relation to veterinary drugs imported and sold on RF territory if the codes for these goods according to the All-Russian Classification of Products and Commodity Nomenclature of Foreign Economic Activity of the Customs Union are included in the list approved by Resolution of the RF Government No. 688 of 15 September 2008, the registration certificates are available and the goods are included in the state register of medicines.

RF Ministry of Finance Letter No. 03-07-07/9575 of 26 February 2015

## **Determining VAT rates on sales of dry pet feed**

In this letter, the procedure for determining VAT rates on the sale of dry pet feed has been clarified.

RF Ministry of Finance Letter No. 03-07-07/13906 of 16 March 2015

## **Application of VAT rates with respect to book manufacturing services**

In this letter, it is reported that a rate of 18% VAT is applied to book manufacturing services.

RF Ministry of Finance Letter No. 03-07-07/6433 of 13 February 2015

## Corporate property tax on fixed assets

In this letter, it is reported that fixed assets of the third depreciation group that were acquired from interdependent parties over the period of 2013-2014 are subject to corporate property tax.

RF Ministry of Finance Letter No. 03-05-05-01/676 of 16 January 2015

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