

Legislative Tracking

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Legislative initiatives

Russian State Duma approves draft law aimed at public railroad development modernisation

Draft law No. 1074366-6 aimed at boosting the development and modernisation of public railroads has passed the Russian State Duma's second and third readings.

The draft calls for the following amendments:

- Setting property tax rates in respect of public railroads as follows: 1 percent in 2017, 1.3 percent in 2018, 1.3 percent in 2019 and 1.6 percent in 2020;
- Introducing a reduction factor of 0 to 0.8 to property tax rates applied to public railroads recorded in accounting records after 1 January 2017 (the reduction factor can be applied for six years upon the commissioning of such property).

Plans call for the draft law to be considered by the Federation Council on 23 December 2016.

[Official website of the Russian State Duma](#)

Russian State Duma preserves lower social contribution rates for IT companies, adopts changes to taxation of rolling stock and sets up corporate R&D taxation procedure

Draft law No. 1155134-6 introducing amendments to the Russian tax legislation has passed the Russian State Duma's second and third readings.

The draft calls for the following amendments:

- Lifting restrictions on the application of lower tax rates for rolling stock manufactured on or after 1 January 2013 (the date of manufacturing is to be determined based on the manufacturer's specification);
- Preserving 14 percent social contribution rates for IT companies for 2017-2023, including 8 percent for pension, 2 percent for disability and 4 percent for health insurance contributions;
- Introducing a reduced burden for Skolkovo corporate R&D hubs;
- Amending certain aspects of the profit tax regime for Skolkovo residents in case of an excess of total revenue thresholds and/or loss of residency.

The original draft provided for lifting the restrictions on the beneficial tax rates for the rolling stock produced after 1 January 2013.

Plans call for the draft law to be considered by the Federation Council on 23 December 2016.

[Official website of the Russian State Duma](#)

Media review

Simplified international shipping pilot launched by Russian Post and Federal Customs Service

Russian Post has combined efforts with the Federal Customs Service in launching a pilot envisaging the simplified international shipment of goods.

The opportunity is now available for corporate clients at 470 distribution centres in 185 cities across Russia.

The simplified shipment procedure will be accessible to Russian producers and exporters applying the simplified taxation regime and exporters that do not qualify for VAT refunds.

Instead of a regular customs declaration, the eligible senders will be able to export goods on the basis of a document used by the Universal Postal Union.

The forms required for shipment can be filled out on a special website export.pochta.ru.

All export-related paperwork will be handled by Russian Post and the Federal Customs Service based on the declaration data and will not require the sender's presence.

[CNews](#)

Court practice

Russian Supreme Court publishes overview of court opinions

The Russian Supreme Court has published the fourth issue of the Overview of Court Opinions for 2016.

The Overview covers decisions issued on civil cases, bankruptcy and competition protection proceedings, cases arising out of administrative and other public offences as well as on the customs and tax disputes.

The issue sets forth the Russian Supreme Court's findings regarding the following tax disputes:

- In a dispute arising out of 18-percent VAT on exempt aircraft ground handling operations claimed for recovery, the Russian Supreme Court ruled that a person that purchases goods (work, services) during tax-exempt operations, but is issued a VAT invoice by a counterparty, should be deemed entitled to recovery as the tax was to be paid by the counterparty (cases No. [A40-58056/2015](#), No. [A40-58052/2015](#) and No. [A40-58056/2015](#). For more details, please refer to LT of [20 October 2016](#));
- In a dispute regarding the deductibility of severance payments, the Russian Supreme Court ruled that only economically justified severance payments may be treated as deductible expenses. For significant payment amounts that are fundamentally inconsistent with the employee's performance, the taxpayer will be liable to prove the nature of the payment and justify its economic relevance (case No. [A40-94960/2015](#), for more details please refer to LT in Focus of [1 November 2016](#));
- In a dispute concerning the relations between companies for tax collection purposes, the Russian Supreme Court concluded that if there is evidence

Federal Tax Service releases 9m 2016 performance report

The Russian Federal Tax Service has released [a report](#) outlining its performance in key focus areas in 9m 2016.

The report offers an insight into Russia's social and economic landscape, an overview of tax revenues administered by the Service and a summary of key changes to the fiscal framework.

The report also sets forth the statistics on key focus areas of tax administration, including tax controls, judicial and out-of-court dispute settlement, recovery of debts and representation of the Service's interests in bankruptcy proceedings as well as taxpayer registration and record-keeping data.

[Official Federal Tax Service website](#)

that tangible and other assets were transferred to another party (transfer of business) for the purposes of tax base reduction, and if the receiving party must have been aware of the purpose of the transfer, the tax authorities shall be entitled to charge taxes on the receiving party (case No. [A40-77894/2015](#));

- In a dispute concerning the filing of an amended tax return reflecting the adjustment of past years' MET expenses, the Russian Supreme Court noted that the overassessment of profit tax expenses shall not be treated as a tax assessment error, therefore, the adjustment of tax expenses does not require the filing of an amended profit tax return for prior periods (case No. [A25-269/2015](#)).

[Official website of the Russian Supreme Court](#)

Deloitte publications

Tax benefits in Russia. Key developments and changes in 2016

We are pleased to present a [video](#) review of the key developments and legislative changes relating to tax benefits in Russia in 2016.



Real Estate News, November 2016

Deloitte's specialists always have their finger on the pulse when it comes to the most important legislative initiatives and trends in taxation and law which may be of interest to companies in the real estate sector. With this in mind, we are pleased to present our latest edition of Real Estate News for [November 2016](#).

Aside from providing you with news in familiar sections, in this edition we invite you to participate in a short survey aimed at understanding the tax strategies of market players and their assessments of current legislative changes. The data we collect will be used anonymously to prepare an analytical overview that will appear in the next edition of Real Estate News.

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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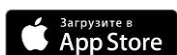


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TaxSmart app



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