

Legislative Tracking



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Our daily Legislative Tracking is available at

<http://www2.deloitte.com/ru/ru/pages/tax/articles/legislative-tracking-2016.html>.

These reviews are prepared solely to inform readers, and the application of any information contained in such reviews to specific situations should be determined by the respective circumstances.

20 February 2016

Consultant Plus

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=153927>

Russian organization is to act as a tax agent when paying income to a foreign entity that is not a beneficiary owner

The Russian Ministry of Finance has clarified in Letter No 03-08-05/6650 of 9 February 2016 that if a Russian company pays income to a foreign entity that is not the actual beneficiary of this income in cases where the actual beneficial owner is known and acknowledged as a Russian tax resident, no tax is to be withheld from the foreign entity. However, the Russian company must act as a tax agent in regard to the income received by a Russian tax resident that is the actual beneficiary owner in cases envisioned by the Russian Tax Code at the stipulated tax rates.

The Ministry also clarifies that if a foreign company to which the income is paid does not intend to apply the reduced tax rates available under the relevant Double Tax Treaty and does not disclose the information on the actual beneficiary owner, the tax agent must withhold the tax at the rates stipulated by items 2-4 art. 284 of the Russian Tax Code.

The Ministry of Finance has already stated that Russian companies must act as tax agents in cases when the actual beneficiary owner of the income paid to a foreign entity is a Russian tax resident (see Ministry of Finance Letters No [03-03-06/61256](#) of 26 October 2015 and No [03-08-05/48756](#) of 24 August 2015).

24 February 2016

RBK Daily

<http://www.rbc.ru/newspaper/2016/02/24/56c7488d9a7947561c533862>

Russian Ministry of Labor suggests increasing social contributions to the Pension Fund

The Russian Ministry of Labor has suggested increasing the social contribution rate to the Russian Pension Fund starting in 2017 for salaries exceeding the basic level and increase it by 2% annually until 2021.

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