

## Legislative Tracking

### Be in the know

[Russian Ministry of Finance confirms lack of mechanism for taxation of income from sales of shares/stakes in companies, more than 50 percent of assets of which directly or indirectly consist of property in Russia, by one foreign company in favour of another foreign company](#)

[Thirty-day freeze on retail of alcohol-containing non-food products](#)

[Initiative to extend scope of information published by PJSCs and state corporations](#)

[Updated list of activated exchange relationships for CRS information published](#)

#### Clarifications from government bodies

**Russian Ministry of Finance confirms lack of mechanism for taxation of income from sales of shares/stakes in companies, more than 50 percent of assets of which directly or indirectly consist of property in Russia, by one foreign company in favour of another foreign company**

Russian Ministry of Finance Letter No. SD-4-3/21486@ of 14 November 2016 reports that a foreign organisation not undertaking business activities in Russia through a permanent establishment is not obliged to act as a tax agent upon the payment of income from the sale of shares (stakes) in organisations more than 50 percent of the assets of which directly or indirectly consist of property in Russia, as well as financial instruments based on such shares (stakes), but not publicly traded.

Furthermore, in such a case the law does not envisage the obligation for the foreign selling company to calculate and pay corporate income or submit tax reporting to the tax authorities (if it does not carry out business activities in Russia through a permanent establishment and is not registered with the Russia tax authorities).

Please note that the Ministry issued similar clarifications in Letter No. [03-08-13/10299](#) of 11 March 2014.

[ConsultantPlus](#)

---

#### Legislative initiatives

**Thirty-day freeze on retail of alcohol-containing non-food products**

Russian Chief State Medical Officer Resolution No. 195 of 23 December 2016 freezes the sale of alcohol-containing non-food products with an ethanol content exceeding 25 percent with the exception of perfumery products and screen wash fluids.

[ConsultantPlus](#)

---

#### Media review

**Initiative to extend scope of information published by PJSCs and state corporations**

An initiative to oblige public joint-stock companies and state corporations to publish information on their activities as open data on the unified Open Data Portal is under discussion.

It is proposed that information that is already freely available, including corporate financial reporting, balance sheets and lists of related parties, be published as open data.

Aside from the abovementioned data, public joint-stock companies and state corporations are recommended to publish information about the companies themselves as open data, including banking information, their address, contact details, information on management, job vacancies and a list of services and products.

It is furthermore proposed that anonymous, consolidated data be made publicly available on labour

conditions at such companies, compensation for work in harmful and dangerous conditions, unpaid wages, employee headcount, environmental protection and industrial accidents and occupational health problems.

[\*Official Open Government website\*](#)

---

## **International legislation**

### **Updated list of activated exchange relationships for CRS information published**

An [updated list](#) of activated exchange relationships for Common Reporting Standard (CRS) information has been published.

As of December 2016, there are more than 1,300 bilateral exchange relationships activated for the automatic exchange of CRS information.

This list will be extended as further jurisdictions activate their bilateral exchange relationships.

[\*Official OECD website\*](#)

## Deloitte publications

### **S7 Airlines** Deloitte CIS supports first Russian blockchain letter of credit transaction

Deloitte CIS advised S7 Airlines (PJSC Siberia Airlines) on the application of blockchain technology, and provided legal support for the project.

Many innovative companies are currently engaged in blockchain technology research and development. However, today we witnessed the practical application of this technology for letter of credit settlements. Only a few similar transactions have been completed globally and this is the very first in Russia.

For more information, please see Deloitte's [official website](#).

### 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.

### 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.



\*\*\*\*\*

We hope that you will find the information in this edition interesting and informative. Should you have any questions on the issues covered, please do not hesitate to contact us.

Best regards,

**Deloitte CIS Partners**

# Contacts



**Grigory Pavlotsky**  
Managing Partner  
Tax & Legal  
Deloitte CIS  
[gpavlotsky@deloitte.ru](mailto:gpavlotsky@deloitte.ru)



**Gennady Kamyshnikov**  
Managing Partner  
Public Sector  
[gkamyshnikov@deloitte.ru](mailto:gkamyshnikov@deloitte.ru)



**Oleg Berezin**  
Partner  
Pharmaceuticals  
[oberezin@deloitte.ru](mailto:oberezin@deloitte.ru)



**Artem Vasyutin**  
Partner  
Travel, Hospitality & Leisure  
[avasyutin@deloitte.ru](mailto:avasyutin@deloitte.ru)



**Yulia Orlova**  
Partner  
Metals  
[yorlova@deloitte.ru](mailto:yorlova@deloitte.ru)



**Andrey Panin**  
Partner  
Oil & Gas, Energy & Resources,  
Mining  
[apanin@deloitte.ru](mailto:apanin@deloitte.ru)



**Artem Vasyutin**  
Partner  
Retail, Wholesale & Distribution  
[avasyutin@deloitte.ru](mailto:avasyutin@deloitte.ru)



**Vasily Markov**  
Director  
Technology, Media &  
Telecommunications  
[vmarkov@deloitte.ru](mailto:vmarkov@deloitte.ru)



**Tatiana Kofanova**  
Director  
Automotive  
[tkofanova@deloitte.ru](mailto:tkofanova@deloitte.ru)



**Alexander Sinitsyn**  
Director  
Banking & Securities, Insurance  
[asinitsyn@deloitte.ru](mailto:asinitsyn@deloitte.ru)



**Yulia Krylova**  
Director  
Real Estate  
[ykrylova@deloitte.ru](mailto:ykrylova@deloitte.ru)



**Oxana Zhupina**  
Director  
Food, Beverages & Agriculture  
[ozhupina@deloitte.ru](mailto:ozhupina@deloitte.ru)

### TaxSmart app



[deloitte.ru](http://deloitte.ru)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 225,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.