

Legislative Tracking

Be in the know

[Russian Constitutional Court rules on review of compliance of sales tax laws with Russian Constitution](#)

[Russian Ministry of Finance begins development of draft law aimed at extending applicability of excise duty exemptions and declarative VAT refund procedure for exports of goods without bank guarantees](#)

Court practice

Russian Constitutional Court rules on review of compliance of sales tax laws with Russian Constitution

The Russian Constitutional Court published Ruling No. 2152-O of 11 October 2016 on an appeal brought by members of the Russian State Duma against the amendments to the Russian Tax Code introducing a sales tax, and Law of Moscow No. 62 "On the Sales Tax" of 17 December 2014 (Case No. 7548/15-01/2016).

The appeal held that both laws were adopted in breach of the procedural requirements. To be precise, the draft laws were not assessed for regulatory impact, for example, as regards triggering unjustified business expenses, and were not sent for consideration by the constituent entities of the Russian Federation as required for projects with joint federal and regional jurisdiction.

The Russian Constitutional Court dismissed the State Duma members' appeal on the following grounds:

- Not every deviation from an established federal legislative process shall be regarded as the breach of the Russian Constitution;
- Since the draft law assumed the introduction of certain unrelated amendments to the tax laws for the purpose of facilitating their application with regard to three types of taxes (VAT, personal income tax and profit tax), the inclusion of other similar-purpose amendments, including the one on sales tax, during the second and the third readings did not contradict the essential concept of the draft law adopted at the first reading;
- The draft law envisaged the introduction of the sales tax only in the cities with federal status, i.e. Moscow, St. Petersburg and Sevastopol, and as their right, not an obligation;
- The Russian State Duma submits the adopted federal laws for the approval or rejection of the Russian Federation Council, which, by virtue of its organisational structure and its role in the federal legislative process, is meant to represent the interests of the constituent entities of the Russian Federation;

- The existing laws of the Russian Federation do not require mandatory regulatory impact assessments for draft laws on taxes and levies developed by the members of the Russian State Duma.

The Russian Constitutional Court also indicated that the sales tax will apply to retail businesses targeted at local consumers, which normally build their operations taking into account local practices, therefore, there are

no grounds to consider the sales tax an obstacle to the free movement of goods across the Russian Federation.

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

Legislative initiatives

Russian Ministry of Finance begins development of draft law aimed at extending applicability of excise duty exemptions and declarative VAT refund procedure in export of goods without bank guarantees

The Russian Ministry of Finance announced the development of a draft federal law aimed at expanding the applicability of excise duty exemptions and declarative VAT refund procedures upon the export of goods without bank guarantees.

The draft law also suggests simplifying the existing approach to granting excise duty exemptions and the application of a declarative VAT refund procedure.

The draft law has not yet been officially published.

[Federal Portal for Draft Regulations](#)

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.

Sincerely,

Deloitte CIS partners

Contacts



Grigory Pavlotsky
Managing Partner
Tax & Legal
Deloitte CIS
gpavlotsky@deloitte.ru



Gennady Kamyshnikov
Managing Partner
Public Sector
gkamyshnikov@deloitte.ru



Oleg Berezin
Partner
Pharmaceuticals
oberezin@deloitte.ru



Artem Vasyutin
Partner
Travel Hospitality & Leisure
avasyutin@deloitte.ru



Yulia Orlova
Partner
Metals
yorlova@deloitte.ru



Andrey Panin
Partner
Oil & Gas, Energy & Resources,
Mining
apanin@deloitte.ru



Artem Vasyutin
Partner
Retail, Wholesale & Distribution
avasyutin@deloitte.ru



Vasily Markov
Director
Technology, Media &
Telecommunications
vmarkov@deloitte.ru



Tatiana Kofanova
Director
Automotive
tkofanova@deloitte.ru



Alexander Sinitsyn
Director
Banking & Securities, Insurance
asinitsyn@deloitte.ru



Yulia Krylova
Director
Real Estate
ykrylova@deloitte.ru



Oxana Zhupina
Director
Food, Beverages & Agriculture
ozhupina@deloitte.ru

TaxSmart app



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 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.