

Legislative Tracking



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6 September 2016

Federal portal for draft regulations

<http://regulation.gov.ru/projects#npa=41254>

Publication of completed draft law on submission of documentation on multinational enterprise groups and implementation of international exchange of financial account information

The Russian Ministry of Finance has prepared a completed version of the draft law on the submission of documentation on multinational enterprise groups and the implementation of the international exchange of financial account information.

The following amendments have been introduced to the draft law:

- The possibility for the tax authorities of foreign jurisdictions to participate in field and desk tax audits if envisaged under international agreements;
- The procedure for submitting notifications on participation in a multinational enterprise group and instances in which notifications need not be submitted is established;
- The concept of country-by-country information on multinational enterprise groups is defined, in particular, country-by-country information is held to include the global- and national-level documentation of participants in multinational entity groups and country-by-country reporting;
- The contents and procedure for the submission of country-by-country information are determined;
- A new section devoted to the fulfilment of Russia's international agreements on taxation and cooperation in tax matters, including the automatic exchange of information, has been introduced;
- Financial organisations are obligated to submit information on clients, payees, and entities and individuals that are foreign tax residents and directly or indirectly control said clients and payees, to the Federal Tax Services;
- Financial organisations are liable for violations as regards the automatic exchange of tax information.

6 September 2016

E-justice: catalogue of commercial cases

Russian Supreme Court Position on payment priority in bankruptcy cases

Russian Supreme Court Ruling No. [307-ES14-8417](#) on Case No. A21-2012/2008 of 29 August 2016 and No. [306-ES16-1979](#) on Case No. A49-8064/2011 of 29 August 2016 have been published. These rulings resolve disputes between the tax authorities and liquidators as regards violation of the order of payment priority in insolvency (bankruptcy) cases.

The tax authorities disputed the liquidators' inclusion of the organisations' accounts payable, arising during business activities undertaken during bankruptcy proceedings, in the third payment priority category, when, according to the tax authorities, they should be included in the same category as taxes.

Courts of three instances ruled in favour of the liquidators in these cases.

The Russian Supreme Court overturned the decisions of the lower instances and sent the cases for reconsideration, stating that expenses on the upkeep and storage of the debtor's property until sale could come under maintenance payments, and other expenses should be included in the fourth payment priority category.

The Court also clarified that the designation of all expenses that directly support the debtor's chain of technological production and sales processes as maintenance payments and their priority over obligatory payments contradicts the priority rules and the principle of proportionality of satisfaction of creditors' claims. According to the Court, this approach essentially constitutes a tax avoidance scheme and generates unjustified advantages for the taxpayer over other market participants, providing the opportunity to carry out business activities for a long period during bankruptcy proceedings, while not making obligatory payments.

During the reconsideration of the cases, the Russian Supreme Court indicated that the actions of the liquidator must be assessed to determine whether they were taken in good faith and that the circumstances must be analysed to determine whether they do indeed necessitate the liquidator's deviation from the priorities envisaged under the law when settling accounts payable.

7 September 2016

Rossiyskaya gazeta

<https://rg.ru/2016/09/06/strany-eaes-budut-vypuskat-tovary-pod-edinym-brendom.html>

Initiative to introduce unified brand for release of goods on to EEU territory

The member states of the Eurasian Economic Union (EEU) are planning to release their goods under a single brand "Made in the EEU".

The Eurasian Economic Commission is developing the criteria for “Eurasian goods”.

The new identification mark may be introduced in 2017.

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