

Legislative Tracking



If you would like advice with regard to any of these issues, please do not hesitate to contact the Tax and Legal Department of Deloitte CIS at +7 (495) 787 06 00 (Moscow) or + 7 (812) 703 71 06 (St. Petersburg).

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Consultant Plus

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=149372>

Application of thin capitalization rules to borrowings from a foreign sister company

The letter of the Ministry of Finances of 12 August 2015 No 03-08-05/46443 notifies that indirect dependence of a Russian borrowing company from a foreign lending company can be the result of their submission to a single center – mother company or individual, even if there is no direct submission of the borrower to the lender (owing stocks or shares in registered capital).

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=149458>

Determination of the consolidated criteria to acknowledge controlled deals carried out via an agent

The letter of the Ministry of Finances of 14 August 2-145 No 03-01-18/47201 notifies that determination of a consolidated criterion for the purposes of acknowledging controlled transactions carried out via an agent should consider the moment of transferring ownership of goods / works / services, and provisions of article 25 of the Russian Tax Code in regards to income recognition.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=149455>

Clarifications of the Ministry of Finances on deals between affiliated parties and definition of market prices

The letter of the Ministry of Finances of 14 August 2015 No 03-01-18/47038 clarifies certain aspects of applying section V.1 of the Russian Tax Code. In particular, the letter clarifies the procedure for defining comparability of transactions whose parties are represented by affiliated parties, and specifics of acknowledging prices as market when applying prices subject to regulation.

<http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=QUEST;n=149552>

Procedure to withhold personal income tax when paying out income to a foreign entity when the actual beneficiary is an individual – tax resident of the Russian Federation

The letter of the Ministry of Finances of 14 August 2015 No 03-01-18/47038 notifies that for the pay outs of income to a foreign entity the actual right to which belongs to an individual being the Russian tax resident, the tax agent has to withdraw the corresponding personal income tax and transfer the amount in favor of the foreign entity excluding the corresponding personal income tax amount.

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Official Website of the Russian Government

<http://government.ru/media/files/INaI78TIS3cA94R0E1EKEJCr9RQAHc44.pdf>

Potential amendments to the authorities of surveillance authorities when conducting state inspections

The Russian Government is reported to have prepared amendments to the draft law No 674850-6 "On amending the Federal Law "On protecting rights of legal entities and individual entrepreneurs when carrying out state control (surveillance) and municipal control." In particular, the amendments specify the procedure for requesting documents and information being a tax secret or other legally protected secret, and grant the possibility to a person being inspected to get acquainted with the documents and information obtained through interdepartmental interactions. As a reminder, the draft law №674850-6 was approved by the Russian State Duma at the first reading on 24 February 2015.

<http://government.ru/activities/19571/>

Potential increase of penalties for rough violations of accounting rules

The Russian Government is reported to have received a draft law "On amending articles 4-5 and 15-11 of the Code of Administrative Offences" prepared by the Ministry of Finances. In particular, the draft law stipulates for increasing the penalty range for rough violations of accounting rules from 5,000 to 10,000 rubles (the current law stipulates for the penalty range from 2,000 to 3,000 rubles).

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Official Website of the Russian State Duma

[http://asozd2c.duma.gov.ru/addwork/scans.nsf/ID/9CA614B4F8676DC043257E4B0033CF89/\\$FILE/796968-6_20052015_46470144-1.pdf?OpenElement](http://asozd2c.duma.gov.ru/addwork/scans.nsf/ID/9CA614B4F8676DC043257E4B0033CF89/$FILE/796968-6_20052015_46470144-1.pdf?OpenElement)

Possible amendments to the apostilization procedure of documents taken abroad

The Russian State Duma is reported to have received for its review a draft law No 796968-6 "On apostilization of Russian official documents to be taken abroad". In particular, the draft law acknowledges as official those documents that have been issued by executive authorities, courts, procuracy authorities, educational establishments and public notaries. Moreover, the

apostilization terms cannot exceed 5 days. If approved, the Federal Law will enter into force after 180 days of its official publication.

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Federal Portal of Draft Laws and Regulations

<http://regulation.gov.ru/projects#npa=39775>

Potential extension of moratorium on CTG creation

The Russian Ministry of Finances is reported to have started working on the draft federal law "On amending article 8 of the Federal Law of 24 November 2011 No 366-Ф3 "On amending part two of the Russian Tax Code and separate legislative acts of the Russian Federation." In particular, the main objectives of the draft federal law are to extend the moratorium on creation of CTGs until 1 January 2019 and regulate separate issues on tax administration of CTGs. The draft law will presumably enter into force in January 2016.

<http://regulation.gov.ru/projects#npa=39688>

Potential amendments to the procedure of suspending and resuming issuance of securities

The Bank of Russia is reported to be working on the draft regulation "On procedure to suspend and resume securities issuance, declaring an equity issuance (additional issuance) void." The regulation will not apply to state and municipal securities, bonds of the Bank of Russia. The draft regulation is currently undergoing an independent anti-corruption expertise.

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