

Legislative Tracking

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[Russian State Duma to consider repeal of regressive scale of social contributions to Pension and Social Security Funds](#)

[New rules for off-plan construction compensation fund](#)

[Russian State Duma to consider draft law on mandatory contributions to off-plan construction compensation fund by insurance companies and banks securing performance of construction projects](#)

[Strategy for combating illicit trafficking of industrial goods approved](#)

[Central Bank of Russia unveils new information security standards](#)

[Alcohol producers propose mechanism for selling alcohol online](#)

[Russian Federal Tax Service to disclose tax offenders and paid tax amounts](#)

[European Commission to refine rules of taxation of e-sellers](#)

Deloitte events.

Deoffshorisation: a year in review

Webinar, 21 December 2016

Led by Deloitte's industry specialists, the webinar will offer insights into the following important topics:

Controlled foreign entities (CFC) rules:

- Application of CFC rules;
- Calculation of the CFC's profit;
- Applicability of CFC profit tax exemption and criteria of foreign control.

Disclosures:

- Procedure for disclosure;
- Information sources used by the tax authorities.

Beneficial entitlement to income:

- Overview of the concept of beneficial ownership;
- Information the tax authorities and courts rely on to establish the beneficiary of income;
- Case studies of applying the concept of beneficial ownership.

Tax residency:

- Russian tax residency of foreign entities.

Indirect sale of real estate:

- Indirect sale of real estate in Russia.

Date: 21 December 2016

Time: 11:00-12:00 (msk)

The webinar will be conducted in Russian.

Participation is free.

To register for the webinar please fill out the [registration form](#) (webinar's materials will be emailed to registered participants).

Please follow the [link](#) for access instructions.

To join by phone, please dial

+7 (495) 228 33 00 and use the ID 7215658120.

Legislative initiatives

Russian State Duma to consider repeal of regressive scale for social contributions

The Russian State Duma is to consider draft law No. 48498-7 that proposes the following social contribution rates for 2017-2018:

- 22% for mandatory pension contributions;
- 2.9% for mandatory disability and maternity contributions (1.8% for foreign citizens and stateless persons temporarily staying in Russia);
- 5.1% for mandatory health insurance contributions.

In other words, the draft law proposes repealing the regressive rate currently used for contributions to the Pension Fund and to the Social Security Funds.

[Official State Duma Website](#)

Guidelines for off-plan construction compensation fund approved

Russian Government Resolution No. 1310 of 7 December 2016 approves the guidelines governing the operation of the state off-plan construction compensation fund.

The fund is established on the basis of the Housing Development Institute's fund, which is a part of the Agency for Housing Mortgage Lending.

The fund will be created from developers' payments (contributions) and investment income.

Contributions will be collected at the rate of one percent of the estimated construction value, payable in a lump sum before the first off-plan buying contract is registered with the state authorities.

Developers will be required to make contributions to the fund starting 1 January 2017 for all projects where the first off-plan buying contract is registered after 1 January 2017.

The Resolution also sets forth the fund's investment rules, the mandatory contributions procedure and the payout guidelines.

[Official website of the Russian Government](#)

Russian State Duma to consider draft law on mandatory contributions to off-plan construction compensation fund for insurance companies and banks securing performance of construction projects

The Russian State Duma is to consider draft law No. 48437-77 aimed at providing additional protection for buyers of property off the plan.

The draft calls for the following amendments:

- To oblige the insurance companies and banks that secure developers' performance to make contributions to the off-plan construction compensation fund;
- To stipulate that off-plan buyers' claims totaling RUB

1 billion or less (for one multi-unit residential building) will be settled by the insurance companies/banks that the respective developer has insurance/surety contracts with; claims exceeding RUB 1 billion in total will be paid out of the off-plan construction compensation fund;

- To simplify the bankruptcy procedure for developers, while making special provisions for systemically important ones;
- To provide for completing the projects started by developers then going bankrupt by engaging (as part of their bankruptcy procedure) a new developer, capable of undertaking the off-plan construction obligations, or, should no such developer be found, through efforts of a housing cooperative established by the off-plan buyers.

If approved, the draft law is expected to enter into force on 1 January 2017. The insurers/banks will be required to make contributions to the fund for projects where the first off-plan buying contract is signed after this date.

[Official State Duma Website](#)

Strategy for combating illicit trafficking of industrial goods approved

Russian Government Resolution No. 2592-r of 5 December 2016 approves the Strategy for Combating Illicit Trafficking of Industrial Goods for the Period until 2020 and the Planning Period until 2025.

Key strategy objectives:

- To improve the operational and the legal framework for activities aimed at combating the illicit trafficking of industrial goods in Russia;
- To develop and implement measures aimed at preventing and suppressing the illicit trafficking of industrial goods within Russia and in the EAEU countries;
- To set up a monitoring system for the illicit trafficking of industrial goods;
- To introduce the systems allowing to track the entire value chain of production, processing, transport, storage and sale of industrial goods.

The document also prioritises implementation of the anti-trafficking measures in some industries: in food, light, pharmaceutical, health, car, aviation, and agricultural machinery industries for the short term; in fuel, chemical, electronic, cabling and wiring, construction materials, machinery and kids products - for the mid term.

[Official website of the Russian Government](#)

Central Bank of Russia unveils new information security standards

The Central Bank of Russia informs of the development of a new information security standard for the Russian banking system.

The standard will apply to the Russian banks acting as money transfer operators or payment service infrastructure operators.

The new regulation aims to optimise the collection and

processing of technical data, ensure safety and inalterability of data on information security incidents during money transfers, as well as accessibility, integrity and confidentiality of data during further processing.

[Official website of the Central Bank of Russia](#)

Media review

Alcohol producers suggest mechanism for selling alcohol online

Alcohol retailers and producers have joined efforts to develop a mechanism for selling alcohol online.

According to it, orders will be delivered by full-time couriers that will carry terminals connected to the Unified State Automated Information System (USAIS). The couriers will accept non-cash payments only and will be required to make sure that the customer is at least 18 years old.

[Kommersant](#)

Russian Federal Tax Service to disclose information on tax offenders and paid tax

In 2017, the Russian Federal Tax Service plans to make information on tax offences, special tax regimes applied and taxes paid a public record.

The initiative is to be further extended to tax audits and their findings.

[Official Russian Federal Tax Service website](#)

International legislation news

European Commission to refine taxation rules for e-sellers

The European Commission has proposed amendments to the taxation rules for e-sellers, and in particular:

- To launch a single VAT payment portal for all EU countries;
- To terminate the tax-free regime for parcels from non-EU states worth under EURO 22;
- For cross-border online sales under EUR 10,000 by start-ups and microbusinesses, to charge VAT in

accordance with the seller's country rules;

- To allow the EU states to apply the same VAT rates to e-publications (e-books and e-newspapers) as they have for printed publications.

As a reminder, Russia also considers introducing VAT for foreign e-sellers (see LTs of [15 August 2016](#), [24 October 2016](#), [23 November 2016](#)).

[Official European Commission Website](#)

Deloitte publications

Best available technologies: cost cutting and incentives

Federal Law No [219](#)-of 21 July 2014 seriously changed the environmental regulatory landscape. The LT in Focus of [6 December 2016](#) overviews the key changes related to best available technologies and gives insights from Deloitte's specialists on the legal and tax implications for different industries.

New issue of IT Legal Drive

We are pleased to present a new [issue](#) of IT Legal Drive, offering an overview of the latest Russian IT and e-commerce trends and news for November 2016. To subscribe to the news, please follow the [link](#).

We hope you will find the information in this edition interesting and helpful. Our specialists are ready to answer any questions you may have on the issues covered in this edition.

Sincerely,

Deloitte CIS Partners

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TaxSmart app



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