

LT in Focus

Environmental duty rates for goods subject to recycling

On 9 April 2016, the Russian Government adopted **Resolution No. 284**, which sets environmental duty rates for groups of goods that are subject to recycling at the end of their useful life. This document was prepared by the Ministry of Natural Resources of the Russian Federation in order to implement Federal Law No. 458-FZ dated 29 December 2014, which amends Federal Law No. 89-FZ "On Industrial and Household Waste" (the "**Federal Law**"). Updates on changes in legislation on the environmental duty and treatment procedure can be found in our **LT in Focus of 10 December 2015**.

Environmental duty calculation

Environmental duty rates

Suggested response

Planned changes

Environmental duty calculation

As a reminder, the environmental duty is calculated by multiplying the environmental duty **rate** by the **weight** of the finished goods (or by the **number** of units of finished goods to be recycled (depending on the type of goods) put into circulation in the Russian Federation, or by the **weight** of the packaging used to manufacture the goods) and by the **recycling ratio** nominated in relative units.



Environmental duty rates

In accordance with the Federal Law, the environmental duty rate is formed based on the average cost incurred for the payment of the duty, transportation, processing and recycling of a single unit or unit of weight of a good that has reached the end of its useful life. The RF Government approved **the list** of finished goods, including packaging, to be recycled at the end of their useful life, and **the ratios** of waste recycling for **36** groups of goods. Rates are established for each of the **36** groups of goods.

The table below shows the groups of goods that will be subject to the highest environmental duty amounts in 2016 and/or 2017, i.e. groups of goods subject to the highest rates of the environmental duty and/or recycling ratios.

Group description	Environmental duty rate (RUB per ton)	Recycling ratio, %			Duty per unit of weight of packaging/finished goods, or amount of goods, RUB		
		2015	2016	2017	2015	2016	2017
Group No. 29 <i>Rechargeable Batteries</i>	33 476	0	10	15	0	3 348	5 021
Group No. 24 <i>Computers and Peripherals</i>	26 469	0	0	5	0	0	1 323
Group No. 25 <i>Communication Equipment</i>	26 469	0	0	5	0	0	1 323
Group No. 26 <i>Electronic Household Appliances</i>	26 469	0	0	5	0	0	1 323
Group No. 27 <i>Optic Devices and Photo Equipment</i>	26 469	0	0	5	0	0	1 323
Group No. 31 <i>Household Electrical Devices</i>	26 469	0	0	5	0	0	1 323
Group No. 31 <i>Household Non-Electrical Devices</i>	26 469	0	0	5	0	0	1 323
Group No. 33 <i>Power-Assisted Hand Tools</i>	26 469	0	0	5	0	0	1 323
Group No. 34 <i>Refrigerating and Ventilating Industrial Equipment</i>	26 469	0	0	5	0	0	1 323
Group No. 16 <i>Other Rubberware</i>	8 965	0	15	20	0	1 345	1 793
Group No. 15 <i>Tires, Casings and Rubber Bags, Recapping and Retreading</i>	7 109	0	15	20	0	1 066	1 422

Suggested response

We recommend that companies that bear the responsibility of paying the environmental duty, particularly if they use goods included in the above-listed groups, take the following measures:

1. Carefully review and calculate the possible options for fulfilling this responsibility;
2. Check accounting system records for data to be filled in the reporting forms;
3. Analyze ways to automate the reporting process;
4. Prepare and justify the calculation methodology for the environmental duty, including possible optimization.

Planned changes

We also would like to remind you that draft reporting and administrative forms for the environmental duty are being prepared currently, including:

- The draft form for the calculation of the environmental duty (it is expected that the form will be divided into two sections: the first section will include general information about the manufacturer/importer of finished goods and packaging, the second one - the calculation of the environmental duty);
- Draft forms of the application for reconciling environmental duty payments, and the draft reconciliation form itself;
- Draft forms of applications for offset/refund of excess environmental duty paid;
- Draft forms of resolutions on offset/refund/denial of offset or refund of excess environmental duty paid.

Contacts

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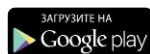
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