

## LT In Focus

# Preparing and filing notifications on participation in multinational enterprise groups and country-by-country reporting

On 8 April 2016, the draft law “On the Introduction of Amendments to Part One of the Russian Tax Code” (regarding the preparation and filing of country-by-country reporting and notifications on participation in multinational enterprise groups (MNE groups) was published. The draft was developed in accordance with the Organisation for Economic Co-operation and Development (OECD) recommendations on the preparation and filing of country-by-country reporting. Below we have listed the main requirements of the law and the penalties for violations. The full text of the draft law (in Russian) can be found [here](#) (on the Federal Portal for Draft Regulations).

### Legislative requirements

### Liabilities for violating the legislative requirements

## Legislative requirements

The draft law proposes the addition of a “Country-by-Country Reporting” section to Chapter 14.4 of the Russian Tax Code, containing the following articles:

- Article 105.16-1. “Providing Notifications on Participation in Multinational Enterprise Groups”;
- Article 105.16-2. “Filing Country-by-Country Reporting”.

Taxpayers that are members of MNE groups will be obliged to notify the tax authorities about their participation in such groups in accordance with the procedures envisaged under the Russian Tax Code. They will also be obliged to file country-by-country reporting with the tax authorities in accordance with the procedures and timeframes established under the Russian Tax Code. The obligation to file country-by-country reporting will extend to MNE groups whose overall revenues for the financial year directly preceding the financial year for which the country-by-country reporting is to be filed total no less than RUB 50 billion.

Plans call for the law to enter into force on 1 January 2017. The new requirements will apply to financial years beginning in 2017.

## Liabilities for violating the legislative requirements

The draft law proposes the following fines for taxpayers who are members of MNE groups but fail to file country-by-country reporting or notifications, or file false information:

- In relation to notifications on participation in MNE groups — RUB 50,000;
- In relation to country-by-country reporting — RUB 100,000.

Our experts are ready to consult with you and assist in preparing any required documentation.

If you have any questions about the information presented here, please contact the following Tax & Legal specialists:

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