

## LT in Focus

# New rules on pollution charges

Russian Government Resolution No. [255](#) of 3 March 2017 sets forth the new rules for calculating and collecting the environmental pollution charges. The rules will apply effective 1 January 2016, except for certain provisions that will come into force as of 1 January 2019 and 1 January 2020. This issue offers a snapshot of new applicable rules, clarifications from the Federal Agency for Natural Resources Management (Rosprirodnadzor), and comments from Deloitte's specialists.

### [Types of environmental pollution](#)

### [Who shall pay pollution charges?](#)

### [How are pollution charges calculated?](#)

### [Incentives and preferences](#)

### [Declaration and control](#)

### Types of environmental pollution

Federal Law on Environmental Protection obliges legal entities and individual entrepreneurs to register all polluting facilities with the competent public authorities.

The types of environmental pollution include:

- Air pollution by stationary sources;
- Water pollution;
- Soil pollution from production and household waste landfills.



**Yulia Orlova**  
Partner, Tax & Legal  
Metals

*The registration of polluting facilities is handled by Rosprirodnadzor. Land lots and standalone production equipment are exempt from registration. If an organisation generates waste, but produces no other negative environmental impact, it will not be treated as operating a polluting facility and, therefore, will not have to register with Rosprirodnadzor. This may apply to offices and social infrastructure facilities.*

**"2017 is the year of ecology in Russia. The new pollution charges rules coupled with other legislative initiatives evidence the government's commitment to fostering investments in more environment-friendly production and mitigating the negative environmental effect. The legislators are willing to incentivise the businesses that implement efficient environmental technologies by offering preferences and reducing respective environmental charges."**

### Who will pay pollution charges?

- Legal entities and individual entrepreneurs whose business operations in Russia, on the Russian continental shelf, or in the Russian exclusive economic zone produce a negative environmental impact.
- Legal entities and entrepreneurs that generate production waste.

*The entities that operate Category IV facilities are only exempt from the pollution charges.*

### How are pollution charges calculated?

Pollution charges may be calculated based on:

- The volume or mass of emitted air pollutants;
- The volume or mass of discharged waster pollutants;
- The volume or mass of dumped waste.

To calculate the charges within the permitted limits, the payment base is multiplied by the respective rate applicable to:

- ✓ Each stationary source;
- ✓ Each pollutant;
- ✓ Each waste hazard class.

## Incentives and preferences

- Special multipliers will apply to pollution charges as follows:
  - ✓ A multiplier of 0 (effective 1 January 2020) will apply, if the best available technologies are implemented (see LT in Focus of [6 December 2016](#)) (if the volume or mass of emitted air pollutants does not exceed the statutory rates);
  - ✓ A multiplier of 25 (to be raised to 100 as of 1 January 2020 for Category I and II facilities) will apply, if the volume or mass of pollutant emission or discharge exceeds the statutory rates.
  - ✓ A multiplier of 5 (to be raised to 25 as of 1 January 2020) will apply, if the statutory rates are exceeded, but the cumulative pollution is within limits.
- The verified expenses incurred to mitigate the negative environmental impact in line with the environmental efficiency improvement program and action plan shall be deducted from the pollution charges.

---

*Pollution charges (subject to compliance with the discharge, emission, and dumping limits) are deductible for profit tax purposes.*

---

## Declaration and control

The declaration for the calendar year must be filed not later than on the 10 March of the year following the reporting period.

*The declaration format and filing procedure are approved by Russian Ministry of Natural Resources Order No. 3 of 8 January 2017. The declaration is generally filed electronically via the payer's personal account on the Rosprirodnadzor's website. In certain instances, a hard copy of the declaration can be filed.*

\*\*\*\*\*

We hope that you will find this newsletter interesting and informative. Please feel welcome to contact us for more information on the topics covered.

Best regards,

**Deloitte CIS Partners**

# Contacts

## Tax & Legal



**Yulia Orlova**  
**Partner**  
Metals  
+7 (495)787 06 00 (ext. 1720)  
[yorlova@deloitte.ru](mailto:yorlova@deloitte.ru)



**Varvara Karpova**  
**Senior Consultant**  
Metals  
+7 (495) 787 06 00 (ext. 1167)  
[vakarpova@deloitte.ru](mailto:vakarpova@deloitte.ru)

## TaxSmart app



[deloitte.ru](http://deloitte.ru)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 244,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.