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Tax incentives for organizations

Moscow

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(1) Property tax incentives



**Non-residential
apartments, buildings
and structures**

- ✓ Taxable at their cadastral value
- ✓ The property is used for manufacturing activities
- ✓ The property is not transferred for use to third parties
- ✓ The property is located within land plots designated for industrial / manufacturing / administrative buildings

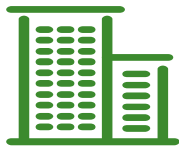
25%
*of the estimated tax
liability*



**Administrative,
business and shopping
centers**

- ✓ Taxable at their cadastral value
- ✓ As maximum 20% of the total area is occupied by offices, retail, food service or consumer service offerings
- ✓ The total area exceeds 3,000 sq m (valid until 1 January 2017)
- ✓ The incentive cannot be applied simultaneously with other incentives

25%
*of the estimated tax
liability*



Hotels

- ✓ Taxable at their cadastral value
- ✓ The tax base can be reduced by deducting:
 - The cadastral value of two times the smallest possible total area of the hotel rooms* OR
 - The cadastral value of the total building area
- ✓ The hotel must be accredited based on the hotel categorization system and have a relevant certificate in place

**Reduced
tax base**



Parking structures

- ✓ Applies to multi-storey parking structures
- ✓ Taxable at their cadastral value
- ✓ **Starting from 1 January 2016, the incentive does not apply** to multi-storey parking structures located in shopping and business centers

**Exempt from
taxation**

*The smallest total area of hotel rooms is estimated according to the requirements for the minimal room area for the relevant hotel category

(1) Property tax incentives



**Immovable property used
in the implementation of an
IPP***

- ✓ Taxable at their cadastral value
- ✓ The property is used for the implementation of an IPP in Moscow
- ✓ The incentive applies during the period of the IPP status (but not exceeding 10 years)

***Exempt from
taxation***



**Cinemas, retail space,
banks**

- ✓ Taxable at their cadastral value
- ✓ Tax is calculated with a coefficient of 0.1
- ✓ The property is occupied by restaurants, retail outlets, banking institutions or space for showing films (starting from 1 January 2016)
- ✓ The property is located on the ground (starting from 1 January 2016), 1st and 2nd floors of buildings located adjacent to areas and streets with heavy pedestrian traffic.

***10-fold reduction
of the tax liability***



**Immovable property located
within a technological or
industrial park**

- ✓ Taxable at their cadastral value
- ✓ The property is located within a technological or industrial park
- ✓ The incentive applies as long as the status of the technological or industrial park is valid

***Exempt from
taxation***



**Immovable property of an
industrial complex**

- ✓ Taxable at their cadastral value
- ✓ The incentive applies as long as the status of the industrial complex is valid

***50%
of the estimated tax
liability***

*Investment priority project

(2) Land tax incentives



Land plots used to implement an IPP

- ✓ The incentive applies to land plots used to implement an IPP in Moscow
- ✓ The incentive applies as long as the IPP status is valid (but no more than 10 years)

0.7%
of the estimated tax liability



Land plots occupied by technological or industrial parks

- ✓ The incentive applies to land plots occupied by technological and industrial parks
- ✓ The incentive applies as long as the status of the technological or industrial park is valid

0.7%
of the estimated tax liability



Land plots occupied by industrial complexes

- ✓ The incentive applies to land plots occupied by industrial complexes
- ✓ The incentive applies as long as the status of the industrial complex is valid

20%
of the estimated tax liability



Land plots occupied by manufacturing companies

- ✓ The share of profits from the sale of self-produced goods in the overall profits amounts to or exceeds 70%
- ✓ The land plots are located in one of Moscow's municipalities
- ✓ The land plots are designated for manufacturing buildings
- ✓ The incentive does not apply to land plots that are leased

from 20% to
67%
of the estimated tax liability

(3) Profit tax incentives



Profits from the implementation of an IPP

- ✓ The incentive applies to profits derived from the implementation of an IPP in Moscow
- ✓ The incentive applies as long as the IPP status is valid (but no more than 10 years)

15.5%



Profits derived from the activities within a technological and industrial park

- ✓ The incentive applies to the profits derived from activities within the territory of technological and industrial parks
- ✓ The incentive applies as long as the status of the technological or industrial park is valid

15.5%

(4) Sales tax incentives



Cinemas, theaters, museums, vending machines

- ✓ The incentive applies to organizations carrying out sales activities in movie theaters, theaters and museums in Moscow
- ✓ The incentive applies to organizations carrying out sales activities through vending machines
- ✓ Conditions: the share of the profits derived from the sale of tickets amounts to or exceeds 50% of the overall profits at the end of the relevant taxation period

Exempt from taxation

Contacts

Head of R&D and Government Incentives Group



Vasily Markov
Director
Tax & Legal Department
+ 7 (812) 703 71 06 (ext. 2556)
+7 (911) 840 80 77
vmarkov@deloitte.ru

Head of Legal Practice



Raisa Alexakhina
Partner
Tax & Legal Department
+7 (495) 787 06 00, ext. 2950
+7 (985) 787 62 27
ralexakhina@deloitte.ru

Manager of R&D and Government Incentives Group



Anna Vorontsova
Manager
Tax & Legal Department
+7 (495) 787 06 00, ext. 1371
+7 (910) 499 84 01
avorontsova@deloitte.ru

Senior Manager of Tax Dispute Resolutions Group



Alexei Sergeev
Senior Manager
Tax & Legal Department
+7 (495) 787 06 00, ext. 3402
+7 (910) 417 47 86
alsergeev@deloitte.ru



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