

newsletter

TAX | RUSSIA |

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MONTHLY TAX UPDATE

- **Letter of the Ministry of Finance of the Russian Federation and the Federal Tax Service of the Russian Federation No. CA-4-7/17536 dated 30 September 2013**

The Ministry of Finance of the RF and the Federal Tax Service of the RF outlined that a taxpayer is subject to the responsibility according to Article 119 of the Tax Code of the RF (the "TC RF") for failure to submit tax declarations for tax periods but not subject to the responsibility for non-compliance with deadlines of submission of the tax returns for reporting periods, i.e. Article 17 of the Resolution of the Plenum of the High Arbitration Court No. 57 dated 30 July 2013 should be taken into account.

- **Letter of the Ministry of Finance of the Russian Federation and the Federal Tax Service of the Russian Federation No. OA-4-13/16590@ dated 16 September 2013**

The Ministry of Finance and the Federal Tax Service of the RF clarified that absence of the apostille on the certificates confirming the tax residency of a foreign taxpayer could not be the grounds for holding a tax agent responsible in accordance with the TC RF.

- **Letter of the Ministry of Finance of the Russian Federation No. 03-04-07/37870 dated 13 September 2013 and Letter of the Federal Tax Service of the Russian Federation No. BC-4-11/16779@ dated 18 September 2013**

The Ministry of Finance of the RF and the Federal Tax Service of the RF outlined a number of issues regarding the application of the new rules of property tax deduction (*see our Flash report dated September 2013*). In particular, such new rules could apply only on the conditions that (i) a taxpayer has not applied for property tax deduction before and (ii) documents confirming the right on property ownership should be executed after 1 January 2014.

- **Letter of the Federal Tax Service of the Russian Federation No. MMB-20-3/96@ dated 21 October 2013**

The Federal Tax Service proposed to utilise a form of universal transfer act (the "UTA") based on the form of the VAT invoice, i.e. in the case of using the UTA, the additional issuance of the VAT invoice as well as a delivery note for the sale of goods and the act of acceptance for rendering of services (works) are not required. The use of the UTA is only recommended for taxpayers and does not restrict the right of taxpayers to use other forms of primary accounting documents. The list of the transactions for which the UTA could be used (for example, goods dispatches, rendering of certain services, etc.) and recommendations for filling out the UTA form are also specified.

- **Decision of the High Arbitration Court No. 10012/13 dated 16 September 2013**

The High Arbitration Court stated that the notification about controlled deals adopted by the Order of the Federal Tax Service No. MMB-7-13/524@ dated 27 July 2012 complies with TC RF.

- **Decision of the High Arbitration Court No. 10992/13 dated 12 September 2013**

The High Arbitration Court stated that the Letter of the Federal Tax Service No.ShS-22-3/634@ dated 12 August 2009 complies with TC RF, i.e. tax agents who withhold VAT from advanced payment to the foreign legal entities for the future delivery of goods (works, services) could treat such VAT as offsetable only after such goods (works, services) are accounted, providing all confirmation documents are in place.

- **Resolution of the Federal Arbitration Court of the Moscow region No.A40-145762/12-20-656 dated 13 September 2013**

The Federal Arbitration Court stated that provision of the guarantee could not be treated as rendering of service in accordance with TC RF and consequently is not subject to VAT.

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