

12 October 2017**Press release****GOLTSBLAT BLP PROVES TO THE SUPREME COURT THAT ADJUSTMENT OF IMPORT VAT DEDUCTIONS IS UNLAWFUL**

Goltsblat BLP, the Russian practice of the international law firm Berwin Leighton Paisner (BLP), won a landmark dispute in the Supreme Court of Russia for Wine Brandy Plant Alliance-1892 LLC against Russia's Federal Tax Service's Inter-district Office for Major Taxpayers No. 3.

The tax office had charged the plant an additional RUB 48 m in import VAT, refusing to make a partial deduction (A40- 189344/14). The dispute related to imports of French spirits for production of cognac in 2010–2011. The tax office held that the plant bought the spirits from the importers at inflated prices, so the VAT and deductions were overstated too. The dispute lasted for almost three years. Lower courts dismissed the taxpayer's claims, but Goltsblat BLP's team assisted the client through all instance courts and ultimately asserted its interests, convincing the Supreme Court's Panel for Economic Disputes that the tax authority's position was unjustified.

The Supreme Court ruled that adjustment of the deduction of import VAT (paid at the customs when importing goods into Russia) was unlawful, including in the case of market value adjustment of the imported goods for tax purposes in the context of pricing control by the tax authorities.

Goltsblat BLP's team was led by Partner and Head of Tax Practice **Evgeny Timofeev** and included Head of Tax Dispute Resolution Group **Alexander Erasov**, Senior Associate **George Gutiev**, and Associates **Dmitry Malkin** and **Natalia Artemenko**.

Evgeny Timofeev comments: "We are content with the result. It is unfortunate, though, that we had to go as far as the Supreme Court to get a decision driven by statutory law rather than "revolutionary expedience".

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Goltsblat BLP – the Russian practice of Berwin Leighton Paisner (BLP), a leading international law firm headquartered in London, with its offices operating in major commercial and financial centres throughout the world – Moscow, Abu Dhabi, Beijing, Berlin, Brussels, Dubai, Frankfurt, Hong Kong, Paris, Singapore, Tel Aviv and Yangon. As many as 100 lawyers qualified in Russian, English and US law are based in Goltsblat BLP's office in Moscow, with lawyers in BLP's international offices numbering over 1000. Among Goltsblat BLP's clients are over 1700 companies, including major multinational investors operating in Russia (including 130 Forbes Global clients), Russian and international banks and financial institutions and Russian industry-leading companies. www.gbplaw.ru