



## ASSOCIATION OF EUROPEAN BUSINESSES IN THE RUSSIAN FEDERATION

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### **Highlights from the AEB Open Event - “Development of the RF Tax System in 2007 and Prospects for 2008-2010”, December 6, 2007, PricewaterhouseCoopers, Moscow.**

The event featured a panel of high-profile representatives from the top firms in the field of taxation. It was attended by over 70 specialists in taxation.

Issues covered at the event included: major amendments to the Russian Tax Code regarding taxation of dividends and innovations in PIT and UST, VAT, revenue and property taxes.

#### Prospects for Development of the RF Tax System in 2008-2010

**Mikhail Orlov** (Chairman of the Expert Council of Tax Legislation of the RF State Duma) shared his views on the question of whether Russian tax reform is now coming to an end. His view is that tax reforms will be continued because the amendments to one law provide for changes to another. He also underlined that tax reform helps Russian economic development and brings a number of benefits.

Mr Orlov's view is that tax reforms must be conducted on a permanent basis, since the laws must be constantly updated to reflect the latest challenges and changes in the business climate. At present in Russia we are seeing a period of great activity, as new businesses and institutions are constantly being set up – something that will continue unabated for some time to come.

When speaking about the “end” of tax reform, this would be the stage where we already have a general idea of how the taxation system is structured and which taxes should be applied. In this sense, one could say that we have almost come to the end of the tax reforms, but there is still a long way to go in how taxes are applied. The main policy areas approved by the Russian government for the next three years will also demand some serious changes in the area of taxation.

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