



Association  
of European  
Businesses

## Press-release

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### ***The Association of European Businesses is concerned by the situation with the notifications on controlled transactions***

The Association of European Businesses in the Russian Federation, which brings together European companies doing business in Russia, expresses its concern about the situation that has arisen in respect of the form of notifications on controlled transactions, which taxpayers have to present to the tax authorities in accordance with the new Russian rules governing transfer pricing.

The Taxation Committee of the AEB believes that the provisions of Russian Federal Tax Service Order No. MMB-7-13/524@, dated July 27, 2012, which approved the form and procedure for completion of notifications on controlled transactions, significantly broaden the list of information subject to disclosure as compared to that provided for by the Russian Tax Code.

Part of the information required cannot be entered into the form of the notification automatically, and the Order effectively precludes grouping data on homogenous transactions (while this being equally stipulated by the Russian Tax Code) in the event of any, apart from the quantitative, differences (right up as far as exchange rate fluctuations). This means that a large quantity of papers must be completed on the subject of the transaction, even for separate deliveries under a single transaction.

The Association believes that the current situation imposes a considerable additional burden on its members, over and above that which is stipulated by law. In its Letter No. 03-01-18/33520 of August 16, 2013, the Russian Finance Ministry concluded that the procedure for completing the notification form had to be revised. The Russian Federal Tax Service, however, has made no changes to the existing procedure.

The Association welcomes the fact that the matter of the conformity of the Order to the Russian Tax Code has been passed for consideration to the Praesidium of the Supreme Arbitration Court of the Russian Federation. The consideration of this matter by the highest judicial authority in the country, set for February 25 this year, is a critical event from the standpoint of ensuring the rights of foreign investors.

Frank Schauff, AEB CEO, commented that: *"This is such an important problem for our members who, belonging to multinational groups, by definition, conclude a large volume of controlled transactions, that the significance of its resolution cannot be overstated"*.

For further information, please contact Natalia Zaboltnina, AEB Press Secretary/Communications Manager at [natalia.zaboltnina@aebrus.ru](mailto:natalia.zaboltnina@aebrus.ru)

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