



Anti-crisis update on taxation in Russia

Draft Federal Law N 84984-8

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Exemption from late payment penalties



Abolition of the charge of the two-fold rate penalty from the 31st day of the delay

From 09 March 2022 to 31 December 2023



The penalty shall be charged in the amount of $\frac{1}{300}$ of the key rate of the Central Bank of the Russian Federation



VAT: special arrangements for hotel and tourism industry



0% VAT for rent services of tourism industry facilities commissioned after 1 January 2022 and included into the special list – for a period of 20 quarters after the facilities have been put into use



0% VAT for accommodation services in hotels or other accommodation facilities – until 30 June 2027 or for a period of 20 quarters

VAT: speed up of VAT recovery process for 2022 and 2023



Declarative procedure for VAT recovery will be available **for all taxpayers without bank guarantees** provided that:



- 1) A taxpayer is not under reorganization, liquidation or bankruptcy procedure;
- 2) The amount for recovery does not exceed the amount of taxes paid for the preceding calendar year. If it exceeds, the difference should be covered by a guarantee

Corporate income tax (1/5)

1

Thin capitalization for 2022–2023:

- Preferential intervals of threshold interest rates on debt obligations under Article 269 of the Russian Tax Code apply to the period up to the end of 2023 (it used to be up to the end of 2021)
- Controlled debt in foreign currency shall be determined based on the exchange rate of the RF Central Bank but not more than the rate @ 01 February 2022
- Starting from 1 February 2022 for determining the capitalization ratio for the last date of each reporting (or tax) period, the equity is determined without taking into account exchange rate differences (gains and losses)

Corporate income tax (2/5)

2

Forex differences

- Foreign exchange gains are included into income only in case of termination/fulfillment of assets/obligations (for the period from **2022 till 2024**)
- Foreign exchange losses are included into expenses only in case of termination/fulfillment of assets/obligations (for the period from **2023 till 2024**)

Corporate income tax (3/5)

3

Debt (loan) forgiveness

- The amount of debt related to loan arrangements with **any foreign company** existed @ 01 March 2022 and ceased in 2022 by means of debt forgiveness (or foreign individual) is exempt from tax

Corporate income tax (4/5)

4

Payment procedure

- In the course of 2022 taxpayers have the right to switch over to monthly advance payments based on their actual profits. It needs to be presented in accounting policies and tax authorities must be notified

Corporate income tax (5/5)

5

Tax maneuver for the IT industry

- The corporate income tax rate for 2022-2024 is 0% (instead of 3%)

Corporate property tax



In 2023 the cadastral assessment of real estate, the tax base of which is determined as their cadastral value, remains at the level as at 1 January 2022



PIT



Exempted from PIT:

Any kind of income received in a form of “material benefit” (материальная выгода) from 2021 to 2023

Interest income from deposits in Russian banks for 2021 and 2022

Other important issues



Transfer pricing

- 1) For 2022-2024 transactions, where one of the parties uses Investment tax deduction is out of the controlled transactions list
- 2) For 2022-2023 abolishment of fines for the violation of TP rules



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