

THE REVIEW OF MEETINGS OF THE GOVERNMENT OF THE RUSSIAN FEDERATION IN NOVEMBER 2015

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At the meeting of the Government of the Russian Federation held on 16 November 2015, the draft law providing for reduction from Rb 10bn to Rb 7bn of the aggregate tax amount paid for three calendar years preceding the year in which the taxpayer received the right to switch over to a simplified VAT refund procedure was considered.

On **16 November 2015**, at the meeting of the Government of the Russian Federation draft federal law on Amendment of Article 176¹ of the Budget Code of the Russian Federation was considered. According to the above draft law, the aggregate tax amount paid for the three calendar years preceding the year in which the taxpayer received the right to switch over to a declarative VAT refund procedure was reduced from Rb 10bn to Rb 7bn.

It is to be reminded that according to Article 176¹ of the Tax Code of the Russian Federation the declarative VAT refund procedure consists in the fact that the taxpayer may receive the right to VAT refund prior to completion of a cameral tax inspection. It is to be noted that that simplified VAT refund procedure may be used by the following categories of taxpayers:

1) legal entity-taxpayers which paid taxes for the past three calendar years (VAT, excises, corporate profit tax and severance tax) not below the definite amount (Rb 10bn as of November 2015);

2) regardless of the amount of taxes paid in the previous period, individuals and legal entities which provided along with their tax return a banking guarantee envisaging the bank's obligation to pay on behalf of the taxpayer to the budget against the claim of the tax authorities tax amounts unduly received by (credited to) the taxpayer as a result of refund of the tax in accordance with the declarant procedure if the decision on tax refund was cancelled partially or completely;

3) taxpayers — residents of territories of advanced socioeconomic development — who provided along with their tax returns in which the right to tax refund was declared the management company's surety agreement (a copy of a surety agreement) providing for the obligation of the management company to pay on behalf of the taxpayer to the budget against a claim of tax authorities tax amounts unduly received by (credited to) the taxpayer as result of refund of the tax in accordance with the declarant procedure if the decision on refund of the declared tax amount in compliance with the declarant procedure is cancelled fully or partially. ●