

# PETERKA PARTNERS

THE CEE LAW FIRM

## COVID - 19 IN RUSSIA: LATEST TAX DEVELOPMENTS

As Russia, as well as countries around the world, is implementing necessary measures to support its economy amid the coronavirus (COVID-19) threat, PETERKA & PARTNERS Russia is providing analysis of the latest tax legal developments to inform our clients and business partners.

Below you will find information on the recent tax developments, related to the Coronavirus (COVID-19).

### Decrease in cumulative social contribution rate from 30% to 15%

The new tax law, effective since April 1, 2020, has introduced a decrease in the social contribution rate for small and medium-sized enterprises from 30% to 15%. The decreased rate is relevant to remuneration exceeding the minimum wage (approximately 12 thousand rubles) and calculated as 10% to be paid to the Pension Fund and 5% to the Medical Insurance fund.

### Tax support measures: temporary ban on field tax audits and tax payment deferral for certain taxpayers

The powers of the Russian Government with regard to tax administrative measures have been extended considerably. Within the year 2020 the Government is entitled to extend the deadlines for tax and social contribution payments, to extend the deadlines for submission of tax returns and other documents, to specify additional grounds for tax deferrals, and to postpone and cancel tax control measures. Regional authorities are entitled to extend the deadlines for tax payments under special tax regimes, including for the unified agricultural tax, unified simplified tax, as well as for regional and local taxes.

At the current stage the Government has taken certain measures, including the following:

- extended the deadlines for tax payments (including corporate income tax, unified agricultural tax, unified simplified tax) for 3-6 months for small and medium-sized enterprises included in the Register as of March 1, 2020, and involved in the industries mostly negatively affected by the coronavirus. Micro-enterprises are entitled to an extension of the deadlines for social contribution payments for 4-6 months.
- extended the deadlines for submission of tax returns by 3 months,
- introduced suspension of the field tax audit up to May 31, 2020, no blocking of bank accounts is available.
- introduced additional grounds for deferral of tax payments: for the companies involved in the most negatively affected industries and for strategic companies subject to certain conditions.

For any legal matters arising in these special circumstances, please do not hesitate to contact our COVID-19 Help desk at [covidhelpdesk@peterkapartners.com](mailto:covidhelpdesk@peterkapartners.com).