

## Russia

1. Russia was first reviewed during the 2017/2018 peer review. This report is supplementary to Russia's 2017/2018 peer review report (OECD, 2018<sup>[1]</sup>). The first filing obligation for a CbC report in Russia commences in respect of financial years beginning on or after 1 January 2017. Russia also allowed its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

### Summary of key findings

2. Russia's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[2]</sup>) relating to the domestic legal and administrative framework, with the exception of:

- the recommendation that Russia amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.
- the recommendation that Russia amend its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period. This recommendation remains unchanged since the 2017/2018 peer review.

3. Russia's 2017/2018 review included a recommendation that provide clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has provided more explanation and the recommendation is therefore removed.

### Part A: The domestic legal and administrative framework

4. Russia has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

#### *(a) Parent entity filing obligation*

5. Russia's 2017/2018 peer review included a recommendation that Russia clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has clarified that the basis for modifications to the reporting requirements is that unmodified reports contain information the disclosure of which would be contrary to public policy (*ordre public*) under the provisions of Article 21 of the

Multilateral Convention on Mutual administrative assistance in Tax Matters. Further, in order to qualify for the modified reporting, an MNE must perform a special procedure certain requirements before submitting the modified report, and is not exempt from submission. Having received an appropriate consent, then a CbC report should be submitted with competent authorities of other jurisdictions. The procedure relating to receiving an appropriate consent is an administrative formality, Russia confirms that some organization which are strategic enterprises have already received the consent and submitted the report. The recommendation is removed.

***(b) Scope and timing of parent entity filing***

6. No changes were identified with respect to the scope and timing of parent entity filing.

***(c) Limitation on local filing obligation***

7. Russia's 2017/2018 peer review included a recommendation that Russia amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

***(d) Limitation on local filing in case of surrogate filing***

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

***(e) Effective implementation***

9. Russia's 2017/2018 peer review included a recommendation that Russia amend its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period. This recommendation remain in place.

10. Russia's 2017/2018 peer review identified that Russia had no specific processes to take appropriate measures in case Russia is notified by another jurisdiction that it has reason to believe with respect to a Reporting entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting entity with respect to its obligation to file a CbC report. No recommendation was made but the point was to be monitored. Russia now reports that the appropriate monitoring is part of the process of monitoring compliance with general tax legislation. An MNE will be contacted in writing to discuss any errors or incomplete data and any systematic failure with filing obligations or failure to react adequately to enquiries will result in sanctions being imposed. The monitoring point is therefore removed.

***Conclusion***

11. Russia's 2017/2018 review included a recommendation that provide clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has provided more explanation and the recommendation is therefore removed

12. There is no change in relation to the domestic legal and administration framework for Russia in terms of the other recommendations. Those recommendations in the 2017/18 peer review remain in place.

## Part B: The exchange of information framework

### *(a) Exchange of information framework*

13. As at 31 May 2019, Russia has 59 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Russia has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Russia's exchange of information framework, no inconsistencies with the terms of reference were identified.<sup>1</sup>

### *(b) Content of information exchanged*

14. Russia has processes in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. It has provided details in relation to these.

### *(c) Completeness of exchanges*

15. Russia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. It has provided details in relation to these.

### *(d) Timeliness of exchanges*

16. Russia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAs. It has provided details in relation to these.

### *(e) Temporary suspension of exchange or termination of QCAA*

17. Russia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA. It has provided details in relation to these.

### *(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance*

18. Russia has processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority. It has provided details in relation to these.

### *(g) Format for information exchange*

19. Russia confirms that it uses the OECD XML schema and User Guide (OECD, 2017<sup>[3]</sup>) for the international exchange of CbC reports.

### *(h) Method for transmission*

20. Russia indicates that it uses the Common Transmission System to exchange CbC reports.

### *Conclusion*

21. Russia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the

exchange of information framework. Russia meets all the terms of reference regarding the exchange of information.

### **Part C: Appropriate use**

22. No changes were identified in respect of appropriate use.

#### ***Conclusion***

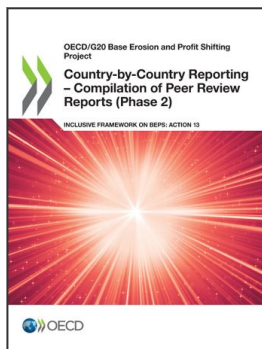
23. Russia meets all the terms of reference relating to the appropriate use of CbC reports.

## Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Russia amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference.
Part A	Domestic legal and administrative framework	It is recommended that Russia amends its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## Notes

<sup>1</sup> No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction



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