

TAXATION

Rulings.

In Russia tax authorities must issue a ruling as to how a particular transaction would be treated for tax purposes if so demanded by a taxpayer. Such rulings are not binding to the tax authority in respect to amount of tax to be paid. If a taxpayer relies upon the ruling either issued by the relevant authority to this taxpayer or to the public at large the taxpayer is not liable to a fine and, in relation to rulings issued after the 1st of January 2007, to an interest on the amount of tax unpaid.

Confidentiality.

Tax authorities are under general obligation to keep information provided by taxpayers as confidential with exceptions established by the federal law. Amendments to art. 21&32 of the Tax Code coming in force from January 1, 2007 aim to clarify and strengthen the taxpayer's right to launch a legal action against the tax authorities for damages as for the breach of confidentiality.

Payment of taxes and duties in roubles.

From January 1, 2007 tax and duties can not be paid by or, in case of overpayment, returned to a taxpayer in the foreign currency.

January, 2007