

SECTION II. TAXPAYERS AND LEVY PAYERS AND PAYERS OF INSURANCE CONTRIBUTIONS. TAX AGENTS. REPRESENTATION IN TAX AFFAIRS

[title as amended by Federal Law No. 243-FZ of 03.07.2016]

CHAPTER 3. TAXPAYERS AND LEVY PAYERS AND PAYERS OF INSURANCE CONTRIBUTIONS. TAX AGENTS

[title as amended by Federal Law No. 243-FZ of 03.07.2016]

Article 19. Taxpayers, Levy Payers and Payers of Insurance Contributions *[title as amended by Federal Law No. 243-FZ of 03.07.2016]*

Taxpayers, levy payers and payers of insurance contributions shall be understood to mean organizations and physical persons who or which bear an obligation in accordance with this Code to pay taxes, levies and insurance contributions respectively. *[as reworded by Federal Law No. 243-FZ of 03.07.2016]*

Branches and other economically autonomous subdivisions of Russian organizations shall, in accordance with the procedure prescribed by this Code, fulfil the obligations of those organizations with respect to the payment of taxes, levies and insurance contributions at the location of those branches and other economically autonomous subdivisions. *[as amended by Federal Laws No. 154-FZ of 09.07.1999, No. 243-FZ of 03.07.2016]*

In cases provided for in this Code, foreign unincorporated entities shall be deemed to be taxpayers.

[third part inserted by Federal Law No. 376-FZ of 24.11.2014]

Article 20. Interdependent Persons

1. For taxation purposes “interdependent persons” shall mean physical persons and (or) organizations between whom there exists a relationship that may influence the conditions or economic results of their activities or the activities of the persons whom they represent, specifically where: *[as amended by Federal Law No. 154-FZ of 09.07.1999]*

1) one organization has a direct and (or) indirect participating interest in another organization and the aggregate amount of that participating interest exceeds 20 per cent. The amount of an indirect participating interest of one organization in another via a sequence of other organizations shall be determined as the product of the direct participating interests which the organizations within that sequence possess in one another;

[subsection 1 as reworded by Federal Law No. 154-FZ of 09.07.1999]

2) one physical person is subordinate to another physical person in terms of official status;

3) the persons concerned are married to each other or related to each other by blood or by marriage or are connected by a relationship of adopter and adopted or guardian and ward in accordance with the family legislation of the Russian Federation.

2. A court may declare persons to be interdependent on other grounds not provided for in clause 1 of this Article if the relationship between those persons may influence the results of transactions involving the sale of goods (work and services).

[clause 2 as reworded by Federal Law No. 154-FZ of 09.07.1999]

Article 21. Rights of Taxpayers (Levy Payers, Payers of Insurance Contributions) *[title as amended by Federal Law No. 243-FZ of 03.07.2016]*

1. Taxpayers shall have the right:

1) to receive from tax authorities at the location where they are registered free information (including in written form) on current taxes and levies, tax and levy legislation and regulatory legal acts adopted in accordance therewith, the procedure for the calculation and payment of taxes and levies, the rights and obligations of taxpayers and the powers of tax authorities and their officials, and to receive tax declaration (computation) forms and explanations on how to complete them; *[as amended by Federal Laws No. 58-FZ of 29.06.2004, No. 137-FZ of 27.07.2006]*

2) to receive from the Ministry of Finance of the Russian Federation written explanations on issues relating to the application of the tax and levy legislation of the Russian Federation, and to receive from financial authorities of constituent entities of the Russian Federation and municipalities written explanations on issues relating to the application of the tax and levy legislation of constituent entities of the Russian Federation and regulatory legal acts of municipalities concerning taxes and levies respectively; *[as amended by Federal Laws No. 58-FZ of 29.06.2004, No. 137-FZ of 27.07.2006]*

3) to use tax reliefs wherever justified and in accordance with the procedure established by tax and levy legislation;

4) to receive a deferral, instalment plan or investment tax credit in accordance with the procedure and subject to the conditions established by this Code; *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

5) to the timely crediting or refund of amounts of taxes, penalties and fines that have been paid or recovered in excess; *[as amended by Federal Law No. 154-FZ of 09.07.1999]*

5.1) to perform a reconciliation of settlements in respect of taxes, levies, penalties and fines jointly with the tax authorities, and to receive a statement of the joint reconciliation of settlements in respect of taxes, levies, penalties and fines;
[subsection 5.1 inserted by Federal Law No. 229-FZ of 27.07.2010]

6) to represent their interests in relations governed by tax and levy legislation in person or through a representative; *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

7) to present to tax authorities and their officials explanations relating to the calculation and payment of taxes and relating to reports on tax audits;

8) to be present when an on-site tax audit is conducted;

9) to receive copies of the report on a tax audit and the decisions of the tax authorities, and tax notices and tax payment demands; *[as amended by Federal Law No. 154-FZ of 09.07.1999]*

10) to demand that officials of the tax authorities and other authorized bodies comply with tax and levy legislation in their actions towards taxpayers; *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

11) not to comply with unlawful acts and requirements of tax authorities, other authorized bodies and their officials which are at variance with this Code or other federal laws; *[as amended by Federal Law No. 58-FZ of 29.06.2004]*

12) to appeal in accordance with the established procedure against acts of tax authorities and other authorized bodies and actions (inaction) of their officials; *[as amended by Federal Laws No. 154-FZ of 09.07.1999, No. 58-FZ of 29.06.2004]*

13) to the observance and preservation of tax secrets; *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

14) to full compensation for losses caused by unlawful acts of tax authorities or unlawful actions (inaction) of their officials; *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

15) to participate in the process of the examination of tax audit materials or other acts of tax authorities in cases provided for by this Code. *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

1.1. Taxpayer physical persons shall also have the right to submit documents (information) to tax authorities and receive documents from tax authorities that are used by tax authorities in exercising their powers in relations governed by tax and levy legislation via multifunctional centres for the provision of state and municipal services at which this facility has been organized in accordance with decisions of the highest state executive bodies of constituent entities of the Russian Federation in cases where this Code provides for such documents (information) to be submitted to tax authorities and received from tax authorities via multifunctional centres for the provision of state and municipal services.

Where a taxpayer physical person submits documents (information) to a tax authority via a multifunctional centre for the provision of state and municipal services, the day on which they are submitted shall be considered to be the date on which they are accepted by the multifunctional centre for the provision of state and municipal services. In this respect, the multifunctional centre for the provision of state and municipal services shall issue to the taxpayer physical person a receipt or other document confirming acceptance of the documents (information).

[clause 1.1 inserted by Federal Law No. 325-FZ of 29.09.2019]

2. Taxpayers shall also have other rights established by this Law and other acts of tax and levy legislation.

3. Levy payers and payers of insurance contributions shall have the same rights as taxpayers. *[as amended by Federal Law No. 243-FZ of 03.07.2016]*

4. Any of the participants in an investment partnership agreement shall have the right to appeal in accordance with the established procedure against acts of tax authorities and actions (inaction) of their officials.

[clause 4 inserted by Federal Law No. 336-FZ of 28.11.2011]

Article 22. Safeguarding and Protection of the Rights of Taxpayers (Levy Payers, Payers of Insurance Contributions) *[title as amended by Federal Law No. 243-FZ of 03.07.2016]*

1. Taxpayers (levy payers, payers of insurance contributions) shall be guaranteed administrative and judicial protection of their rights and legitimate interests. *[as amended by Federal Law No. 243-FZ of 03.07.2016]*

The procedure for the protection of the rights and legitimate interests of taxpayers (levy payers, payers of insurance contributions) shall be determined by this Code and other federal laws. *[as amended by Federal Law No. 243-FZ of 03.07.2016]*

2. The rights of taxpayers (levy payers, payers of insurance contributions) shall be safeguarded by corresponding obligations of officials of tax authorities and other authorized bodies. *[as amended by Federal Laws No. 58-FZ of 29.06.2004, No. 137-FZ of 27.07.2006, No. 243-FZ of 03.07.2016]*

The failure to fulfil or improper fulfilment of obligations relating to the safeguarding of the rights of taxpayers (levy payers) shall result in the liability provided for in federal laws. *[as amended by Federal Laws No. 137-FZ of 27.07.2006, No. 243-FZ of 03.07.2016]*

Article 23. Obligations of Taxpayers (Levy Payers, Payers of Insurance Contributions) *[title as amended by Federal Law No. 243-FZ of 03.07.2016] [article as reworded by Federal Law No. 137-FZ of 27.07.2006]*

1. Taxpayers shall be obliged:

- 1) to pay legally established taxes;
- 2) to register with tax authorities where such an obligation is laid down in this Code;
- 3) to maintain records of their income (expenses) and taxable objects in accordance with the established procedure where such an obligation is laid down in tax and levy legislation;
- 4) to submit tax declarations (computations) to the tax authority where they are registered in accordance with the established procedure where such an obligation is laid down in tax and levy legislation;
- 5) to submit to the tax authority for the place of residence of a private entrepreneur, a privately practising notary or a lawyer who has founded a legal office, upon the tax authority's request, a journal of income and expenses and economic operations;

[subsection 5 as reworded by Federal Law No. 447-FZ of 28.11.2018]

5.1) to submit annual accounting (financial) statements to the tax authority for the location of an organization which does not have an obligation to submit annual accounting (financial) statements that are included in the state information resource of accounting (financial) statements in accordance with Federal Law No. 402-FZ of 6 December 2011 "Concerning Accounting" not later than three months after the end of a reporting year, except in cases where, in accordance with that Federal Law, an organization is not obliged to maintain accounting records, or is a religious organization, or is an organization which submits annual

accounting (financial) statements to the Central Bank of the Russian Federation, unless otherwise provided by this subsection.

The Central Bank of the Russian Federation shall submit annual accounting (financial) statements of the Central Bank of the Russian Federation, consisting of an annual balance sheet and statement of financial results, to the federal executive body in charge of control and supervision in the area of taxes and levies not later than 15 May of the year following a reporting year;

[subsection 5.1 inserted by Federal Law No. 447-FZ of 28.11.2018]

6) to submit documents required for the calculation and payment of taxes to tax authorities and their officials in the cases and in accordance with the procedure which are laid down in this Code;

7) to comply with legal demands of a tax authority to rectify violations of tax and levy legislation which have been discovered, and to refrain from hindering the lawful activities of officials of tax authorities when they are performing their official duties;

8) to ensure the retention for a period of five years of statutory and tax accounting records and other documents needed for the calculation and payment of taxes, including documents confirming the receipt of income, the incurring of expenses (in the case of organizations and private entrepreneurs) and the payment (withholding) of taxes, except as otherwise provided in this Code; *[as amended by Federal Laws No. 267-FZ of 30.09.2013, No. 6-FZ of 17.02.2021]*

9) to bear other obligations provided for in tax and levy legislation.

2. In addition to the obligations provided for in clause 1 of this Article, taxpayer organizations and private entrepreneurs shall be obliged to inform the tax authority at the location of an organization and the place of residence of a private entrepreneur accordingly: *[as amended by Federal Law No. 229-FZ of 27.07.2010]*

[1)-1.1) lost force – Federal Law No. 52-FZ of 02.04.2014]

2) of their participation in Russian organizations (with the exception of participation in business partnership associations and limited liability companies) where the direct participating interest exceeds 10 per cent – not later than one month from the date of commencement of such participation;

[subsection 2 as reworded by Federal Law No. 376-FZ of 24.11.2014]

3) of all economically autonomous subdivisions of a Russian organization that have been established in the territory of the Russian Federation (excluding branches and representations) and of changes to details previously given to the tax authority concerning such economically autonomous subdivisions:

- within one month from the day on which an economically autonomous subdivision of a Russian organization is established;

- within three days from the day on which a particular detail concerning an economically autonomous subdivision of a Russian organization changes;

[subsection 3 inserted by Federal Law No. 229-FZ of 27.07.2010]

3.1) of all economically autonomous subdivisions of a Russian organization in the territory of the Russian Federation through which activities of that organization are to be discontinued (which are to be closed by the organization):

- within three days from the day of the adoption by the Russian organization of the decision to discontinue activities through a branch or representation (to close a branch or representation);

- within three days from the day of the discontinuation of the Russian organization's activities through another economically autonomous subdivision (the closure of another economically autonomous subdivision);

[subsection 3.1 inserted by Federal Law No. 229-FZ of 27.07.2010]

[4) lost force – Federal Law No. 248-FZ of 23.07.2013]

2.1. In addition to the obligations laid down in clause 1 of this Article, physical persons who are taxpayers of taxes payable on the basis of tax notices shall be obliged to give notice of the possession by them of items of immovable property and (or) means of transport that are considered to be taxable objects for those taxes to the tax authority of their choice in the event that they do not receive tax notices and have not paid taxes on those items during the period of ownership thereof. *[as amended by Federal Law No. 240-FZ of 03.07.2016]*

The above-mentioned notice, accompanied by copies of title documents (title certificates) for items of immovable property and (or) documents confirming the state registration of means of transport, shall be submitted to the tax authority in relation to each taxable item on a single occasion by 31 December of the year following a tax period which has ended.

A notice of possession of a taxable item such as is referred to in paragraph 1 of this clause shall not be submitted to the tax authority where a physical person has received a tax notice for the payment of tax in relation to the item in question or if he has not received a tax notice owing to the granting of a tax relief.

A notice of the possession of a taxable object and accompanying copies of documents referred to in this clause may be submitted to the tax authority through a multifunctional centre for the provision of state and municipal services. *[paragraph inserted by Federal Law No. 374-FZ of 23.11.2020]*

[clause 2.1 inserted by Federal Law No. 52-FZ of 02.04.2014]

2.2. In addition to the obligations provided for in clause 1 of this Article, taxpayer organizations shall be obliged to send to the tax authority of their choice a notice of the possession by them of means of transport and (or) plots of land that are deemed to be objects of taxation for particular taxes (hereafter in this clause referred to as “notice of the possession of an object of taxation”) in the event that they do not receive a notice of the amount of transport tax calculated by the tax authority and (or) a notice of the amount of land tax calculated by the tax authority in relation to those objects of taxation for a period in which they were owned.

A notice of the possession of an object of taxation accompanied by copies of documents confirming the state registration of means of transport and (or) documents establishing title (certifying title) to plots of land shall be submitted to the tax authority in relation to each object of taxation on a single occasion by 31 December of the year following the tax period that has ended.

A notice of the possession of an object of taxation shall not be submitted to the tax authority if a notice of the amount of transport tax calculated by the tax authority and (or) a notice of the amount of land tax calculated by the tax authority in relation to the object concerned has been transmitted (sent) to the organization or if the organization has submitted to the tax authority an application for the granting of a tax relief in respect of transport tax and (or) an application for the granting of a tax relief in respect of land tax in relation to the object of taxation in question.

2.3. Taxpayers that carry out operations involving products that are subject to traceability in accordance with the legislation of the Russian Federation (hereafter in this Code referred to as “products subject to traceability”) shall be obliged to submit to the tax authority reports on operations involving products subject to traceability and documents containing traceability details to the tax authority in the cases and in accordance with the procedure prescribed by the Government of the Russian Federation.

[clause 2.3 inserted by Federal Law No. 371-FZ of 09.11.2020]

[3. Lost force – Federal Law No. 52-FZ of 02.04.2014]

3.1. In addition to the obligations provided for in clauses 1 to 2 of this Article, taxpayers shall be obliged to notify the tax authority for the location of an organization and the place of residence of a physical person accordingly in accordance with the procedure and within the time limits which are stipulated by Article 25.14 of this Code:

1) of their participation in foreign organizations (where the participating interest exceeds 10 per cent). For the purposes of this subsection, the size of a participating interest in a foreign organization shall be determined in accordance with the procedure established by Article 105.2 of this Code;

2) of the foundation of foreign unincorporated entities; *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

3) of controlled foreign companies in relation to which they are controlling persons.

[clause 3.1 inserted by Federal Law No. 376-FZ of 24.11.2014]

3.2. In addition to the obligations provided for in this Article, foreign organizations (with the exception of foreign organizations that are registered with a tax authority only on the ground provided for in clause 4.6 of Article 83 of this Code) and foreign unincorporated entities shall be obliged, on an annual basis not later than 28 March, to report to the tax authority where they are registered information on participants in the foreign organization (in the case of a foreign unincorporated entity – information on its founders, beneficiaries and managers) as at 31 December of the year preceding the year in which that information is submitted, including disclosure of the manner of the indirect participation (if applicable) of a physical person or a

public company, if their direct and (or) indirect participating interest in the foreign organization (foreign unincorporated entity) exceeds 5 per cent.

Where a foreign organization (foreign unincorporated entity) has multiple grounds for registration with a tax authority, information shall be submitted to one of the tax authorities with which the foreign organization (foreign unincorporated entity) is registered at its choice.

[clause 3.2 as reworded by Federal Law No. 100-FZ of 20.04.2021]

3.3. The taxpayer obligations provided for in subsections 1 and 2 of clause 3.1 of this Article shall apply to persons who are deemed to be tax residents of the Russian Federation in accordance with this Code and carry out fiduciary management of property in the event that those persons contribute property which is the subject of fiduciary management to the capital of a foreign organization or transfer that property to foreign unincorporated entities which they have founded.

[clause 3.3 inserted by Federal Law No. 32-FZ of 15.02.2016]

3.4. Payers of insurance contributions shall be obliged:

- 1) to pay insurance contributions established by this Code;
- 2) to maintain records of objects of assessment to insurance contributions, and of amounts of calculated insurance contributions for each physical person in whose favour payments and other remunerations have been made, in accordance with Chapter 34 of this Code;
- 3) to submit insurance contribution computations in accordance with the established procedure to the tax authority with which they are registered;
- 4) to submit documents needed for the calculation and payment of insurance contributions to tax authorities and their officials in the cases and in accordance with the procedure laid down in this Code;
- 5) to submit details of insured persons in the individual (personalized) records system to tax authorities and their officials in the cases and in accordance with the procedure laid down in this Code;
- 6) to ensure that documents needed for the calculation and payment of insurance contributions are retained for six years;
- 7) to inform the tax authority for the location of a Russian organization which is a payer of insurance contributions of the conferment of authority (withdrawal of authority) to credit and make payments and remunerations in favour of physical persons on an economically autonomous subdivision (including a branch or representation) established in the territory of the Russian Federation for which a bank account has been opened within one month from the day on which that authority is conferred (withdrawn);
- 8) to bear other obligations provided for in the tax and levy legislation of the Russian Federation.

[clause 3.4 inserted by Federal Law No. 243-FZ of 03.07.2016]

4. Levy payers shall be obliged to pay legally established levies and bear other obligations established by the tax and levy legislation of the Russian Federation.

5. A taxpayer (levy payer, payer of insurance contributions) shall bear liability in accordance with the legislation of the Russian Federation for the failure to fulfil or improper fulfilment of the obligations placed upon them. *[as amended by Federal Law No. 243-FZ of 03.07.2016]*

5.1. A person belonging to the category of taxpayers who are obliged in accordance with clause 3 of Article 80 of this Code to submit tax declarations (computations) in electronic form must, not later than 10 days from the day on which any of the grounds for assigning the person concerned to that category of taxpayers arises, make arrangements to enable documents which are used by tax authorities in exercising their powers in relations governed by tax and levy legislation to be received from the tax authority with which it is registered in electronic form via telecommunications channels through an electronic document interchange operator.

A person such as is referred to in paragraph 1 of this clause shall be obliged to transmit an acknowledgement of the receipt of such documents to the tax authority in electronic form via telecommunications channels through an electronic document interchange operator within six days from the day on which the tax authority sent them.

The obligation of a person which is provided for in paragraph 1 of this clause shall be considered to have been fulfilled if the person has a contract with an electronic document interchange operator for the provision of services enabling electronic document interchange (concerning the transfer of rights to use software intended to enable electronic document interchange) with the tax authority with which the person concerned is registered and a qualified electronic signature verification key certificate or if such a contract and a qualified electronic signature verification key certificate are possessed by an authorized representative of the person concerned who has been granted powers to receive documents from that tax authority.

Where the receipt of documents from a tax authority takes place through an authorized representative of a person who bears the obligation provided for in paragraph 1 of this clause, that obligation shall be considered to have been fulfilled if the tax authority also has documents confirming the authority of the authorized representative of the person who holds the above-mentioned qualified electronic signature verification key certificate to receive documents from that tax authority. In this respect, where the authorized representative of a person is a legal entity, the obligation in question shall be considered to have been fulfilled if the tax authority also has documents confirming the authority of the physical person who holds the above-mentioned qualified electronic signature verification key certificate to receive documents from that tax authority (except where the physical person is a legal representative of the legal entity in question).

Documents confirming the authority of authorized representatives such as are referred to in this clause must be presented to a tax authority by the person concerned in person or through a representative or sent to the tax authority electronically in the form of electronic images of documents (paper documents converted into electronic by means of scanning them and storing their particulars) through an electronic document interchange operator not later than

three days from the day on which the authority in question was granted to the authorized representative.

The format and procedure for sending the above-mentioned documents to a tax authority in electronic form shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies.

[clause 5.1 as reworded by Federal Law No. 130-FZ of 01.05.2016]

5.2. A foreign organization which is registered with a tax authority in accordance with clause 4.6 of Article 83 of this Code shall be obliged to submit to a tax authority documents (information) and data which are required to be submitted in accordance with this Code using formats to be approved by the federal executive body in charge of control and supervision in the area of taxes and levies via an online tax account, except as otherwise provided in this clause.

A foreign organization such as is referred to in paragraph 1 of this clause must provide for documents which are used by tax authorities in exercising their powers in relations governed by tax and levy legislation to be received from a tax authority in electronic form via an online tax account.

In a period in which an online tax account cannot be used by such a foreign organization to submit documents (information) and data to a tax authority in accordance with paragraph 2 of clause 3 of Article 11.2 of this Code, documents (information) and data which are required to be submitted in accordance with this Code shall be submitted by that foreign organization to the tax authority in electronic form via telecommunications channels through an electronic document interchange operator.

[clause 5.2 inserted by Federal Law No. 244-FZ of 03.07.2016]

6. Taxpayers which pay taxes in connection with the movement of goods across the customs border of the Customs Union shall also bear the obligations which are provided for in the legislation of the Customs Union and customs-related legislation of the Russian Federation.

[as amended by Federal Law No. 306-FZ of 27.11.2010]

7. Notices such as are provided for in clauses 2 and 2.1 and subsection 7 of clause 3.4 of this Article may be presented to a tax authority in person or through a representative, sent by registered mail or transmitted in electronic form via telecommunications channels or through an online tax account. *[as amended by Federal Laws No. 97-FZ of 29.06.2012, No. 52-FZ of 02.04.2014, No. 347-FZ of 04.11.2014, No. 243-FZ of 03.07.2016]*

Where the above-mentioned notices are transmitted in electronic form via telecommunications channels, the notices must be certified by the enhanced qualified electronic signature of the person presenting them or the enhanced qualified electronic signature of a representative of that person. *[as amended by Federal Laws No. 97-FZ of 29.06.2012, No. 347-FZ of 04.11.2014]*

The standard forms and formats of notices presented in paper form or in electronic form and the procedure for completing the standard forms of those notices shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies. *[as amended by Federal Law No. 97-FZ of 29.06.2012]*

The procedure for presenting the notices provided for in clauses 2 and 2.1 and subsection 7 of clause 3.4 of this Article in electronic form via telecommunications channels shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies. *[as amended by Federal Laws No. 97-FZ of 29.06.2012, No. 52-FZ of 02.04.2014, No. 401-FZ of 30.11.2016]*

[clause 7 as reworded by Federal Law No. 229-FZ of 27.07.2010]

8. The obligations established by this Article for taxpayers (tax agents) shall also apply to foreign organizations which have independently declared themselves tax residents of the Russian Federation in accordance with Part Two of this Code.

[clause 8 inserted by Federal Law No. 32-FZ of 15.02.2016]

Article 24. Tax Agents

1. Tax agents shall be persons who are charged in accordance with this Code with obligations associated with the calculation, withholding from a taxpayer and transfer of taxes to the budget system of the Russian Federation. *[as amended by Federal Law No. 137-FZ of 27.07.2006]*

2. Tax agents shall have the same rights as taxpayers except as otherwise provided in this Code.

The rights of tax agents shall be guaranteed and protected in accordance with Article 22 of this Code. *[paragraph inserted by Federal Law No. 137-FZ of 27.07.2006]*

3. Tax agents shall be obliged:

1) correctly and timely to calculate monetary resources which are paid to taxpayers, and to remit taxes to the budget system of the Russian Federation via appropriate Federal Treasury accounts; *[as amended by Federal Laws No. 154-FZ of 09.07.1999, No. 137-FZ of 27.07.2006]*

2) to give written notice to the tax authority where they are registered of the impossibility of withholding tax and of the amount owed by the taxpayer within one month from the day on which the tax agent became aware of those circumstances;

[subsection 2 as reworded by Federal Law No. 137-FZ of 27.07.2006]

3) to maintain records of income accrued for and paid to taxpayers and of taxes calculated, withheld and remitted to the budget system of the Russian Federation, including individual records for each taxpayer;

4) to present to the tax authority where they are registered such documents as are required in order to check whether taxes have been correctly calculated, withheld and transferred;

5) to ensure the retention for a period of five years of documents which are needed for the calculation, withholding and remittance of taxes.

[subsection 5 inserted by Federal Laws No. 137-FZ of 27.07.2006, No. 6-FZ of 17.02.2021]

3.1. Tax agents shall also bear other obligations provided for in this Code.

[clause 3.1 inserted by Federal Law No. 229-FZ of 27.07.2010]

4. Tax agents shall remit withheld taxes in accordance with the procedure laid down in this Code for the payment of tax by a taxpayer.

[clause 4 inserted by Federal Law No. 154-FZ of 09.07.1999]

5. Tax agents shall bear liability in accordance with the legislation of the Russian Federation for the failure to fulfil or improper fulfilment of the obligations placed on them. *[as amended by Federal Law No. 154-FZ of 09.07.1999]*

Article 24.1. Participation of a Taxpayer in an Investment Partnership Agreement

[inserted by Federal Law No. 336-FZ of 28.11.2011]

1. Every taxpayer shall independently fulfil obligations relating to the payment of tax on profit of organizations and tax on income of physical persons which arise in connection with the taxpayer's participation in an investment partnership agreement, with account taken of the special considerations laid down in this Article and other provisions of this Code.

2. Responsibility for the payment of taxes and levies which are not referred to in clause 1 of this Article but arise in connection with the performance of an investment partnership agreement shall rest with the participant in that agreement which is the managing partner responsible for the maintenance of tax records (hereafter in this Article referred to as "managing partner responsible for the maintenance of tax records").

3. The managing partner responsible for the maintenance of tax records shall be deemed to be a tax agent in relation to income of foreign persons from participation in an investment partnership.

4. The managing partner responsible for the maintenance of tax records shall be obliged:

1) to send a copy of the investment partnership agreement (excluding the investment declaration) to the tax authority where it is registered, to give notice of the termination of that agreement and to give notice of the performance and cessation of performance of the functions of managing partner not later than five days from the date of conclusion or termination of the agreement or the commencement or cessation of the performance of the functions of managing partner;

2) to maintain separate records of operations of the investment partnership in the manner prescribed by Chapter 25 of this Code;

3) to submit a computation of the financial result of the investment partnership to the tax authority where it is registered.

The standard form of the computation of the financial result of an investment partnership shall be approved by the Ministry of Finance of the Russian Federation.

The computation of the financial result of an investment partnership shall be submitted to the tax authority within the time limits established by this Code for the submission of a tax declaration (computation) for tax on profit of organizations;

[4) lost force – Federal Law No. 52-FZ of 02.04.2014]

5) to provide to participants in the agreement, in the manner and within the time limits established by the investment partnership agreement but not later than fifteen days before the expiry of the time limit for the submission to the tax authority of tax declarations (computations) for tax on profit of organizations which are prescribed by this Code, a copy of the computation of the financial result of the investment partnership and information on the proportion of the profit (loss) of the investment partnership attributable to each of the participants.

The managing partner shall provide information to the partners concerning the proportion of profit (loss) of the investment partnership attributable to each of those partners with respect to each type of income for which a separate tax base is determined in accordance with this Code;

6) to provide to the participants in the investment partnership agreement the information provided for in the Federal Law “Concerning Investment Partnerships”;

7) in the event that adjustments are made to the computation of the financial result of the investment partnership, to submit a revised computation to the tax authority where it is registered and to provide a copy of the revised computation of the financial result of the investment partnership to the participants in the agreement within five days from the date on which adjustments are made.

5. The managing partner responsible for the maintenance of tax records shall have the same rights as taxpayers in relations associated with the management of the investment partnership’s affairs.

Article 24.2. International Companies and International Holding Companies *[inserted by Federal Law No. 294-FZ of 03.08.2018]*

1. Except as otherwise provided by clause 4 of this Article, for the purposes of this Code an international holding company shall be understood to mean an international company registered in accordance with the Federal Law “Concerning International Companies” which simultaneously meets the following conditions:

1) the international company was registered through the redomiciliation of a foreign organization which was established in accordance with its personal law before 1 January 2018;

2) the international company submitted the following documents and information to the tax authority where it is registered not later than 15 days from the day of its registration:

- the financial statements of the foreign organization through the redomiciliation of which the international company was registered for the last financial year which ended before the date of registration, prepared in accordance with the standards established by the personal law of that foreign organization, except as otherwise provided by this paragraph. If the personal law of the foreign organization does not establish a standard for the preparation of financial statements, those statements must be prepared in accordance with International Financial Reporting Standards or other internationally recognised standards for the preparation of

financial statements which are accepted by foreign stock exchanges and foreign depository and clearing organizations included in the list of foreign financial intermediaries for the purpose of deciding whether to admit securities for trading. In this respect, if, at the time of the registration of the international company, the financial statements for the last complete financial year have not yet been approved, the financial statements for the preceding financial year shall be submitted; *[as amended by Federal Law No. 490-FZ of 25.12.2018]*

- an auditor's report on financial statements such as are referred to in this subsection which does not contain an adverse opinion or a disclaimer of opinion;

- details of controlling persons of the international company as provided for in clause 5 of this Article, with the exception of international companies such as are referred to in subsection 3 of clause 4 of this Article; *[as amended by Federal Law No. 490-FZ of 25.12.2018]*

3) controlling persons of the international company as at the date of the registration of the international company through the redomiciliation of a foreign organization became controlling persons of that foreign organization before 1 January 2017. The provision of this subsection shall also be considered to be met if, in the period from 1 January 2017 to the date of the registration of the international company through the redomiciliation of a foreign organization, there appeared among the controlling persons of the foreign organization a new controlling person which is a Russian legal entity whose shareholders (participants) consist exclusively of controlling persons of the foreign organization that were classed as such as at 1 January 2017. In this respect, controlling persons of the foreign organization that were classed as such as at 1 January 2017 shall be controlling persons of the international company as at the date of the registration of the international company through the redomiciliation of the foreign organization. *[as amended by Federal Law No. 324-FZ of 29.09.2019]*

2. An international company shall lose the status of an international holding company in the following cases:

1) if the international holding company adopts a decision on re-organization in the form of acquisition (including in the form of the acquisition by it of another legal entity) or merger, except in the case of the acquisition of or merger with another international company which meets the conditions for recognition as an international holding company as at the date of the decision on re-organization in accordance with the conditions laid down in clause 1 of this Article;

2) if, within 365 calendar days after the registration of the international company, there appears among the controlling persons of that international company a new controlling person which is not recognised as a controlling person of the international company as at the date of its registration;

3) if the status of an international company is terminated in accordance with the Federal Law "Concerning International Companies".

3. In cases established by clause 2 of this Article, an international company shall lose the status of an international holding company from the date of the occurrence of the earliest of the events referred to in subsections 1 to 3 of clause 2 of this Article.

4. The condition for the recognition of an international company as an international holding company which is established by subsection 3 of clause 1 of this Article and the case of the loss of international holding company status which is established by subsection 2 of clause 2 of this Article shall not apply in relation to:

- 1) international companies which are public companies as at 1 January 2018;
- 2) international companies in which the aggregate direct and (or) indirect participating interest of an international company such as is referred to in subsection 1 of this clause amounts to 100 per cent;
- 3) international companies with respect to which one or more controlling parties holding an aggregate direct and (or) indirect participating interest of not less than 25 per cent as at 1 January 2017 were subject after that date to restrictive measures imposed by a foreign state, a state association and (or) union and (or) a state (interstate) institution of a foreign state or a state association and (or) union, a list of which shall be determined in accordance with clause 4 of Article 207 of this Code. In order for the provisions of this subsection to be applied in relation to such controlling persons, the details provided for in subsections 1 to 3 of clause 5 of this Article must be submitted to the tax authority in accordance with the procedure and within the time limits specified in subsection 2 of clause 1 of this Article, indicating their participating interest in the international company referred to in paragraph 1 of this subsection as at 1 January 2017.

[subsection 3 inserted by Federal Law No. 490-FZ of 25.12.2018]

5. Details of controlling persons of an international company which is required to be submitted to a tax authority in accordance with paragraph 4 of subsection 2 of clause 1 of this Article must include the following information:

- 1) the full name of an organization or the surname, first name and patronymic (if any) of a physical person that is a controlling person of the international company;
- 2) the registration number (numbers) assigned to a controlling person in the state (territory) of registration (incorporation, residence), the code (codes) of a controlling person as a taxpayer in the state (territory) of registration (incorporation, residence) (or equivalents thereof) and the address in the state (territory) of registration (incorporation, residence) of a controlling person (if available) – in relation to foreign controlling persons;
- 3) the main state registration number of an organization and the taxpayer identification number and code of reason for registration of the taxpayer – in relation to Russian controlling persons;
- 4) the participating interest of a controlling person in the international company and disclosure of the manner of participation of a controlling person in the international company in the case of indirect participation, stating the following information:
 - information provided for in subsections 1 and 2 of this clause – in relation to each successive organization through which (using which) indirect participation in the international company is exercised;

- the participating interest in each successive organization through which indirect participation in the international company is exercised;
 - the name, main state registration number, taxpayer identification number and code of reason for registration of a Russian taxpayer organization through which indirect participation in an international company is exercised;
 - the organizational form of a foreign unincorporated entity, the name and particulars of the document concerning the foundation of a foreign unincorporated entity, the date of foundation (registration) of a foreign unincorporated entity and the registration number (other identifier) in the state of foundation (registration) of a foreign unincorporated entity (if these exist) (or equivalents thereof) – where indirect participation in the international company is exercised through a foreign unincorporated entity;
- 5) a description of the grounds for classing a person as a controlling person of the international company;
- 6) an indication of whether a controlling person of the foreign organization which has been registered as an international company was a controlling person thereof before 1 January 2017.
6. The form (formats) of details of controlling persons of an international company which are to be submitted to a tax authority in accordance with clause 5 of this Article and the procedure for completing the form and the procedure for submission in electronic form shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies in consultation with the Ministry of Finance of the Russian Federation.

[Article 25. Lost force from 01.01.2007 – Federal Law No. 137-FZ of 27.07.2006]

CHAPTER 3.1. CONSOLIDATED GROUP OF TAXPAYERS

[inserted by Federal Law No. 321-FZ of 16.11.2011]

Article 25.1. General Provisions Concerning a Consolidated Group of Taxpayers

1. A consolidated group of taxpayers shall be a voluntary association of taxpayers of tax on profit of organizations formed on the basis of an agreement on the creation of a consolidated group of taxpayers according to the procedure and subject to the conditions laid down in this Code with a view to tax on profit of organizations being calculated and paid with reference to the aggregate financial result of the economic activities of those taxpayers (hereinafter referred to as “tax on profit of organizations for a consolidated group of taxpayers”).
2. A member of a consolidated group of taxpayers shall be an organization which is a party to a current agreement on the creation of a consolidated group of taxpayers and meets the criteria and conditions which are laid down in this Code for members of a consolidated group of taxpayers.
3. The responsible member of a consolidated group of taxpayers shall be the member of a consolidated group of taxpayers which is responsible in accordance with the agreement on the creation of the consolidated group of taxpayers for the calculation and payment of tax on

profit of organizations for the consolidated group of taxpayers and which, in matters associated with the calculation and payment of that tax, exercises the same rights and bears the same obligations as taxpayers of tax on profit of organizations.

4. The document confirming the powers of the responsible member of a consolidated group of taxpayers shall be an agreement on the creation of a consolidated group of taxpayers which has been concluded in accordance with this Code and the civil legislation of the Russian Federation.

Article 25.2. Conditions for the Creation of a Consolidated Group of Taxpayers

1. Russian organizations which meet the conditions laid down in this Article shall have the right to create a consolidated group of taxpayers.

The conditions which must be satisfied by members of a consolidated group of taxpayers such as are provided for in this Article shall apply for the entire duration of the agreement on the creation of that group, except as otherwise provided by this Code.

2. A consolidated group of taxpayers may be created by organizations on condition that one organization has a direct and (or) indirect participating interest in the charter (pooled) capital of the other organizations and the size of such participating interest in each such organization is not less than 90 per cent. This condition must be met during the entire term of the agreement on the creation of the consolidated group of taxpayers.

The size of the participating interest of one organization in another organization shall be determined in the manner prescribed by this Code.

3. An organization which is a party to an agreement on the creation of a consolidated group of taxpayers must satisfy the following conditions:

1) the organization is not in the process of re-organization or liquidation, except as otherwise provided by this Code; *[as amended by Federal Law No. 325-FZ of 28.11.2015]*

2) the organization is not the subject of insolvency (bankruptcy) proceedings as at the date on which the agreement on the creation of the consolidated group of taxpayers is registered or as at the date on which the organization joins an existing consolidated group of taxpayers;
[subsection 2 as reworded by Federal Law No. 401-FZ of 30.11.2016]

2.1) none of the bankruptcy procedures (other than supervision) provided for in the insolvency (bankruptcy) legislation of the Russian Federation has been instituted in relation to the organization;
[subsection 2.1 inserted by Federal Law No. 401-FZ of 30.11.2016]

3) the size of the organization's net assets as calculated on the basis of accounting (financial) statements as at the last reporting date before the date of submission of documents to the tax authority for the purpose of the registration of the agreement on the creation (alteration) of the consolidated group of taxpayers exceeds the size of its charter (pooled) capital. If, at the time when an agreement on the creation (alteration) of a consolidated group of taxpayers is submitted to a tax authority, the time limit for the preparation of accounting (financial)

statements as at the last reporting date has not yet been reached, the amount of net assets or charter (pooled) capital shall be determined on the basis of accounting (financial) statements prepared as at the preceding reporting date. *[as amended by Federal Laws No. 97-FZ of 29.06.2012, No. 302-FZ of 03.08.2018]*

4. A new organization may be admitted to an existing consolidated group of taxpayers on condition that the organization being admitted satisfies the conditions laid down in clause 3 of this Article as at the date of its admission.

5. The organizations which are members of a consolidated group of taxpayers must, taken in the aggregate, satisfy the following conditions:

1) the aggregate amount of value added tax, excise duties, tax on profit of organizations and mineral extraction tax paid during the calendar year preceding the year in which documents are submitted to the tax authority for the purpose of the registration of the agreement on the creation of the consolidated group of taxpayers, not including amounts of taxes paid in connection with the movement of goods across the customs border of the Customs Union, is not less than 10 billion roubles;

2) the aggregate amount of receipts from the sale of goods and products, the performance of work and the rendering of services, and from miscellaneous income shown in accounting (financial) statements for the calendar year preceding the year in which documents are submitted to the tax authority for the purpose of the registration of the agreement on the creation of the consolidated group of taxpayers, is not less than 100 billion roubles; *[as amended by Federal Law No. 97-FZ of 29.06.2012]*

3) the aggregate amount of assets shown in accounting (financial) statements as at 31 December of the calendar year preceding the year in which documents are submitted to the tax authority for the purpose of the registration of the agreement on the creation of the consolidated group of taxpayers is not less than 300 billion roubles. *[as amended by Federal Law No. 97-FZ of 29.06.2012]*

6. The following organizations may not be members of a consolidated group of taxpayers:

1) organizations which are residents of special economic zones;

2) organizations which apply special tax regimes;

3) banks, except where all the other organizations in the group are banks;

4) insurance organizations, except where all the other organizations in the group are insurance organizations;

5) non-state pension funds, except where all the other organizations in the group are non-state pension funds;

6) professional participants in the securities market which are not banks, except where all the other organizations in the group are professional participants in the securities market which are not banks;

- 7) organizations which are members of another consolidated group of taxpayers;
- 8) organizations which are not recognised as taxpayers of tax on profit of organizations or which exercise the right to exemption from the obligations of a taxpayer of tax on profit of organizations in accordance with Chapter 25 of this Code;
- 9) organizations which carry on educational and (or) medical activities and apply a 0 per cent tax rate for tax on profit of organizations in accordance with Chapter 25 of this Code;
- 10) organizations which are taxpayers of the gaming tax;
- 11) clearing organizations;
- 12) credit consumer co-operatives;
[subsection 12 inserted by Federal Law No. 301-FZ of 02.11.2013]
- 13) microfinance organizations;
[subsection 13 inserted by Federal Law No. 301-FZ of 02.11.2013]
- 14) organizations which are participants in a free economic zone.
[subsection 14 inserted by Federal Law No. 379-FZ of 29.11.2014]

7. A consolidated group of taxpayers shall be created for not less than five tax periods for tax on profit of organizations. *[as amended by Federal Law No. 325-FZ of 28.11.2015]*

Article 25.3. Agreement on the Creation of a Consolidated Group of Taxpayers

1. In accordance with an agreement on the creation of a consolidated group of taxpayers, organizations which satisfy the conditions established by Article 25.2 of this Code unite on a voluntary basis without creating a legal entity with a view to tax on profit of organizations being calculated and paid for the consolidated group of taxpayers in accordance with procedure and subject to the conditions which are established by this Code.
2. An agreement on the creation of a consolidated group of taxpayers must contain the following:
 - 1) the subject of the agreement on the creation of a consolidated group of taxpayers;
 - 2) a list of member organizations of the consolidated group of taxpayers and details of those organizations;
 - 3) the name of the organization which is to act as the responsible member of the consolidated group of taxpayers;
 - 4) a list of the powers which are transferred by the members of the consolidated group of taxpayers to the responsible member of the group in accordance with this Chapter;

5) the procedure and time limits for the fulfilment of obligations and exercise of rights which are not provided for in this Code by the responsible member and other members of the consolidated group of taxpayers, and liability for failure to fulfil those obligations;

6) the period measured in calendar years for which the consolidated group of taxpayers is created if it is created for a definite time period, or a reference to the lack of a definite time period for which the group is created;

7) indicators needed for the determination of the tax base and the payment of tax on profit of organizations for each member of the consolidated group of taxpayers, with account taken of the special considerations laid down in Article 288 of this Code. In this respect, the chosen indicators must remain unchanged during the entire term of the agreement on the creation of the consolidated group of taxpayers. *[as amended by Federal Law No. 325-FZ of 28.11.2015]*

3. Legal relations arising from an agreement on the creation of a consolidated group of taxpayers shall be governed by tax and levy legislation and, to the extent not covered by tax and levy legislation, by the civil legislation of the Russian Federation.

Should any provisions of an agreement on the creation of a consolidated group of taxpayers (including the agreement itself) be at variance with the legislation of the Russian Federation, those provisions may be invalidated through the courts by a member of that group or by a tax authority.

4. An agreement on the creation of a consolidated group of taxpayers shall have effect until the earliest of the following dates:

1) the date of termination of that agreement which is provided for in the agreement and (or) in this Code;

2) the date of rescission of the agreement;

3) the first day of the tax period for tax on profit of organizations next following the date on which a taxpayer refuses to register the agreement.

5. An agreement on the creation of a consolidated group of taxpayers must be registered with the tax authority with which the organization acting as the responsible member of the consolidated group of taxpayers is registered.

Where the responsible member of a consolidated group of taxpayers is classified as a major taxpayer in accordance with Article 83 of this Code, the agreement on the creation of the consolidated group of taxpayers must be registered with the tax authority with which that responsible member of the consolidated group of taxpayers is registered as a major taxpayer.

6. The responsible member of a consolidated group of taxpayers shall submit the following documents to the tax authority for the purpose of registering the agreement on the creation of the consolidated group of taxpayers:

1) an application for the registration of the consolidated group of taxpayers, signed by authorized officers of all members of the consolidated group of taxpayers which is to be created;

2) two copies of the agreement on the creation of the consolidated group of taxpayers;

3) documents confirming compliance with the conditions laid down in clauses 2, 3 and 5 of Article 25.2 of this Code, certified by the responsible member of the consolidated group of taxpayers, including copies of payment orders for the payment of value added tax, excise duties, tax on profit of organizations and mineral extraction tax (copies of tax authority decisions allowing credits to be made for the above-mentioned taxes), balance sheets and statements of financial results for the preceding calendar year for each member of the group;
[as amended by Federal Law No. 97-FZ of 29.06.2012]

4) documents confirming the powers of the persons who signed the agreement on the creation of a consolidated group of taxpayers.

7. The documents referred to in clause 6 of this Article shall be submitted to the tax authority not later than 30 October of the year preceding the tax period commencing from which tax on profit of organizations is to be calculated and paid for the consolidated group of taxpayers.

8. The director (deputy director) of the tax authority shall, within one month from the date on which the documents referred to in clause 6 of this Article were submitted to the tax authority, carry out the registration of the agreement on the creation of a consolidated group of taxpayers or adopt a reasoned decision to refuse to register that agreement.

In the event of the discovery of violations which could be remedied within the time period established by this clause, the tax authority shall be obliged to notify the responsible member of the consolidated group of taxpayers of those violations.

The responsible member of the consolidated group of taxpayers shall have the right to remedy the violations found before the expiry of the time period established by this clause.

9. If the conditions laid down in Article 25.2 of this Code and clauses 1 to 7 of this Article are satisfied, the tax authority shall be obliged to register the agreement on the creation of the consolidated group of taxpayers and, within five days from the date of that registration, to issue one copy of the agreement, marked as registered, to the responsible member of the consolidated group of taxpayers in person against receipt or by another means which provides evidence of the date of receipt.

Within five days from the date of registration of the agreement on the creation of a consolidated group of taxpayers, information on the registration of the agreement on the creation of a consolidated group of taxpayers shall be sent by the tax authority to the tax authorities for the locations of member organizations of the consolidated group of taxpayers and for the locations of economically autonomous subdivisions of member organizations of the consolidated group of taxpayers.

10. A consolidated group of taxpayers shall be considered to have been created from the first day of the tax period for tax on profit of organizations following the calendar year in which

the tax authority registered the agreement on the creation of the consolidated group of taxpayers.

11. A tax authority may refuse to register an agreement on the creation of a consolidated group of taxpayers only if at least one of the following circumstances exists:

1) the conditions laid down in Article 25.2 of this Code for the creation of a consolidated group of taxpayers are not satisfied;

2) the agreement on the creation of a consolidated group of taxpayers does not meet the requirements set forth in clause 2 of this Article;

3) non-submission (incomplete submission) or late submission to the authorized tax authority of documents specified in clauses 5 to 7 of this Article which are required for the registration of an agreement on the creation of a consolidated group of taxpayers;

4) documents have been signed by persons not authorized to do so.

12. In the event that a tax authority refuses to register an agreement on the creation of a consolidated group of taxpayers, the responsible member of the consolidated group of taxpayers shall have the right to resubmit documents for the registration of that agreement.

13. A copy of a decision to refuse to register an agreement on the creation of a consolidated group of taxpayers shall be transmitted by the tax authority within five days of the adoption of that decision to an authorized representative of the entity indicated in the agreement as the responsible member of the consolidated group of taxpayers in person against receipt or by another means which provides evidence of the date of receipt.

14. A refusal to register an agreement on the creation of a consolidated group of taxpayers may be contested by the entity indicated in that agreement as the responsible member of the consolidated group of taxpayers in accordance with the procedure and within the time limits which are established by this Code for appealing against acts, actions or inaction of tax authorities and their officials.

In the event that a petition (appeal) is satisfied, provided that the registration of the agreement on the creation of a consolidated group of taxpayers is not prevented by any other obstacles provided for in this Chapter the tax authority shall be obliged to register that agreement and the group shall be deemed to have been created from the first day of the tax period for tax on profit of organizations next following the calendar year in which the group should have been registered in accordance with clause 8 of this Article.

Article 25.4. Amendment and Extension of an Agreement on the Creation of a Consolidated Group of Taxpayers

1. An agreement on the creation of a consolidated group of taxpayers may be amended in accordance with the procedure and subject to the conditions which are laid down in this Article.

2. The parties to an agreement on the creation of a consolidated group of taxpayers shall be obliged to make amendments to that agreement where:

- 1) a decision is adopted to liquidate one or more of the member organizations of the consolidated group of taxpayers;
- 2) a decision is adopted to re-organize (by means of a merger, acquisition, spin-off or demerger) one or more of the member organizations of the consolidated group of taxpayers;
- 3) an organization is admitted to the consolidated group of taxpayers;
- 4) an organization withdraws from the consolidated group of taxpayers (including in cases where the organization ceases to satisfy the conditions laid down in Article 25.2 of this Code, such as in the case of a merger with an organization which is not a member of the group in question or a demerger (spin-off) of an organization which is a member of the group);
- 5) a decision is adopted to extend the term of the agreement on the creation of a consolidated group of taxpayers.

2.1. In the event that a member of a consolidated group of taxpayers is re-organized, the re-organized organizations must be included in the group if they meet the conditions stipulated by Article 25.2 of this Code for members of a consolidated group of taxpayers.

[clause 2.1 inserted by Federal Law No. 325-FZ of 28.11.2015]

3. An agreement on the amendment of an agreement on the creation of a consolidated group of taxpayers (a decision to extend the term of the agreement) shall be adopted by all members of the group, including newly admitted members and excluding members which are withdrawing from the group.

4. An agreement on the amendment of an agreement on the creation of a consolidated group of taxpayers (a decision to extend the term of the agreement) shall be submitted to the tax authority for registration within the following time limits:

- 1) not later than one month before the beginning of the next tax period for tax on profit of organizations – where amendments are made concerning the admission of new members to the group (except in cases of the re-organization of members of the group);
- 2) not later than one month before the expiry of the term of the agreement on the creation of a consolidated group of taxpayers – where a decision is adopted to extend the term of the agreement;
- 3) within one month from the day on which circumstances arise which require the agreement on the creation of a consolidated group of taxpayers to be amended – in other cases.

5. In order for an agreement on the amendment of an agreement on the creation of a consolidated group of taxpayers (a decision to extend the term of the agreement) to be registered, the responsible member of the group shall submit the following documents to the tax authority:

- 1) a notification of amendments to the agreement;
 - 2) two copies of the agreement on the amendment of the agreement, signed by authorized officers of the members of the consolidated group of taxpayers;
 - 3) documents confirming the powers of the persons who signed the agreement on amendments to the agreement;
 - 4) documents confirming compliance with the conditions laid down in Article 25.2 of this Code, with account taken of the amendments made to the agreement;
 - 5) two copies of the decision on the extension of the term of the agreement.
6. The tax authority shall be obliged to register amendments to an agreement on the creation of a consolidated group of taxpayers within 10 days from the date of submission of the documents referred to in clause 5 of this Article, and to issue one copy of the amendments, marked as registered, to an authorized representative of the responsible member of that group.
7. The registration of amendments to an agreement on the creation of a consolidated group of taxpayers may be refused on the following grounds:
- 1) the conditions laid down in Article 25.2 of this Code are not satisfied with respect to one or more members of the consolidated group of taxpayers;
 - 2) documents have been signed by persons not authorized to do so;
 - 3) failure to meet the time limit for the submission of documents for the amendment of the agreement;
 - 4) non-submission (incomplete submission) of documents provided for in clause 5 of this Article.
8. Amendments to an agreement on the creation of a consolidated group of taxpayers shall enter into force according to the following rules:
- 1) amendments to an agreement on the creation of a consolidated group of taxpayers which are connected with the admission of new organizations to the group (except where members of the group are re-organized) shall enter into force not earlier than the first day of the tax period for tax on profit of organizations following the calendar year in which the amendments to the agreement were registered by the tax authority;
 - 2) amendments to an agreement on the creation of a consolidated group of taxpayers which are connected with the withdrawal of members from the group shall enter into force from the first day of the tax period for tax on profit of organizations in which the circumstances necessitating amendments to the agreement arose (except as otherwise provided by subsection 3 of this clause);
 - 3) amendments to an agreement on the creation of a consolidated group of taxpayers which are connected with the withdrawal from the group of members which satisfy the conditions

laid down in Article 25.2 of this Code at the time of the registration of the amendments to the agreement by the tax authority shall enter into force from the first day of the tax period for tax on profit of organizations next following the calendar year in which the amendments to the agreement were registered by the tax authority;

4) in other cases, amendments to an agreement on the creation of a consolidated group of taxpayers shall enter into force from the date indicated by the parties, but not earlier than the date on which the amendments are registered by the tax authority.

9. Failure to make compulsory amendments to an agreement on the creation of a consolidated group of taxpayers shall result in the agreement being terminated from the first day of the tax period for tax on profit of organizations in which the compulsory amendments to the agreement should have entered into force.

Article 25.5. Rights and Obligations of the Responsible Member and Other Members of a Consolidated Group of Taxpayers

1. Except as otherwise provided by this Code, the responsible member of a consolidated group of taxpayers shall exercise the rights and bear the obligations which are laid down in this Code for taxpayers of tax on profit of organizations in relations governed by tax and levy legislation which arise in connection with the operation of the consolidated group of taxpayers.

2. The responsible member of a consolidated group of taxpayers shall have the right:

1) to present to tax authorities and their officials any explanations relating to the calculation and payment of tax on profit of organizations (advance payments) for the consolidated group of taxpayers;

2) to be present during the conduct of on-site tax audits which are conducted in connection with the payment of tax on profit of organizations for the consolidated group of taxpayers at the location of any member of the group or of economically autonomous subdivisions thereof;

3) to receive copies of tax audit reports and tax authority decisions which are issued on the basis of audits conducted in connection with the payment of tax on profit of organizations for the consolidated group of taxpayers, and to receive demands for the payment of tax on profit of organizations (advance payments) and other documents relevant to the operation of the consolidated group of taxpayers;

4) to participate in the process of the examination by the director (deputy director) of a tax authority of materials relating to tax audits and additional tax control measures conducted in connection with the payment of tax on profit of organizations for the consolidated group of taxpayers in the cases and according to the procedure which are laid down in Article 101 of this Code;

5) to receive from tax authorities information concerning members of the consolidated group of taxpayers which constitutes tax secrets;

6) to lodge appeals in accordance with the established procedure against acts of tax authorities and other authorized bodies and actions or inaction of their officials, including in the interests of individual members of the consolidated group of taxpayers in connection with the fulfilment of obligations (exercise of rights) by those members with respect to the calculation of tax on profit of organizations for the consolidated group of taxpayers;

7) to submit a claim to a tax authority for a credit (refund) of overpaid tax on profit of organizations for the consolidated group of taxpayers.

3. The responsible member of a consolidated group of taxpayers shall be obliged:

1) to present the agreement on the creation of the consolidated group of taxpayers, amendments to the agreement on the consolidated group of taxpayers and a decision or notification concerning the cessation of operation of the consolidated group of taxpayers to the tax authority in the manner and within the time limits which are laid down in this Code for the purpose of their registration;

2) to maintain tax records and calculate and pay tax on profit of organizations (advance payments) for the consolidated group of taxpayers in the manner prescribed by Chapter 25 of this Code;

3) to present to the tax authority a tax declaration for tax on profit of organizations for the consolidated group of taxpayers and documents received from other members of the group in the manner and within the time limits which are established by this Code;

4) in the event of the cessation of operation of the consolidated group of taxpayers and (or) the withdrawal of an organization from the consolidated group of taxpayers, to present to other members of the group (including members which have withdrawn from the group or have been re-organized) such information as is needed for the calculation and payment of tax on profit of organizations (advance payments) and the preparation of tax declarations for the relevant reporting and tax periods in accordance with the procedure and within the time limits which are laid down in the agreement on the creation of the consolidated group of taxpayers;

5) to pay arrears, penalties and fines arising in connection with the fulfilment of the obligations of the taxpayer of tax on profit of organizations for the consolidated group of taxpayers;

6) to notify the members of the consolidated group of taxpayers of the receipt of a demand for the payment of taxes and levies within five days of receiving that demand;

7) to request and obtain from members of the consolidated group of taxpayers such documents, explanations and other information as may be necessary for the conduct of tax control measures by tax authorities and the fulfilment of obligations of the taxpayer of tax on profit of organizations for the consolidated group of taxpayers;

8) to present primary documents, tax ledgers and other information relating to the consolidated group of taxpayers which is requested in the course of tax control measures by the tax authority which registered the agreement on the creation of that group;

9) to submit to the tax authority with which it is registered information on projected receipts of tax on profit of organizations from the consolidated group of taxpayers to the budgets of constituent entities of the Russian Federation in the current financial year and for the next financial year and planning period and on factors which affect planned receipts of tax on profit of organizations. That information shall be submitted on the tax authority's request not later than 30 calendar days from the day on which that request is received.

[subsection 9 inserted by Federal Law No. 302-FZ of 03.08.2018]

4. The responsible member of a consolidated group of taxpayers shall, within the limits of the powers conferred on it, have other rights and bear other obligations of a taxpayer which are provided for in this Code.

5. Members of a consolidated group of taxpayers shall be obliged:

1) to submit to the responsible member of the consolidated group of taxpayers (including in electronic form) computations of the tax base for tax on profit of organizations in relation to income and expenses received or incurred by them, data contained in tax ledgers and other documents which are needed by the responsible member of the group for the fulfilment of obligations and the exercise of rights of the taxpayer of tax on profit of organizations for the consolidated group of taxpayers; *[as amended by Federal Law No. 97-FZ of 29.06.2012]*

2) to present requested documents and other information to tax authorities within the time limits and according to the procedure established by this Code when a tax authority is carrying out tax control measures in connection with the operation of the consolidated group of taxpayers;

3) to fulfil obligations to pay tax on profit of organizations (advance payments) for the consolidated group of taxpayers and corresponding penalties and fines in the manner prescribed by Articles 45 to 47 of this Code in the event that those obligations are not fulfilled or are improperly fulfilled by the responsible member of the group;

4) to carry out all such actions and provide all such documents as are needed for the registration of the agreement on the creation of the consolidated group of taxpayers and of amendments thereto;

5) in the event that conditions laid down in Article 25.2 of this Code are not satisfied, to notify the responsible member of the consolidated group of taxpayers and the tax authority with which the agreement on the creation of that group is registered;

6) to maintain tax records in the manner provided for in Chapter 25 of this Code.

6. In the event that the responsible member of a consolidated group of taxpayers fails to fulfil or improperly fulfils obligations to pay tax on profit of organizations (advance payments and corresponding penalties and fines), the member (members) of the group which fulfilled those obligations shall acquire a right of recourse to the extent of the amounts and according to the procedure which are provided for in the legislation of the Russian Federation and the agreement on the creation of the group.

7. Members of a consolidated group of taxpayers shall have the right:

1) to receive from the responsible member of the group copies of reports, decisions, demands, reconciliation statements and other documents provided to the responsible member by a tax authority in connection with the operation of the consolidated group of taxpayers;

2) to file independent appeals with a higher tax authority or with a court against acts of tax authorities and actions or inaction of their officials with account taken of the special considerations laid down in this Code;

3) voluntarily to perform the obligation of the responsible member of the consolidated group of taxpayers to pay tax on profit of organizations for the consolidated group of taxpayers;

4) to be present during the conduct of tax audits which are conducted in connection with the calculation and payment of tax on profit of organizations for the consolidated group of taxpayers at the site of the member in question, and to participate in the process of the examination of materials relating to such tax audits.

8. When an organization withdraws from a consolidated group of taxpayers, it shall be obliged:

1) to make amendments to tax records from the beginning of the tax period for tax on profit of organizations as from the first day of which the organization has withdrawn from the consolidated group of taxpayers, with a view to complying with the requirements of Chapter 25 of the Code relating to the tax records of a taxpayer which is not a member of a consolidated group of taxpayers;

2) to calculate and pay tax on profit of organizations (advance payments) on the basis of profit actually earned for the relevant reporting and tax periods within the time limits established by Chapter 25 of the Code with respect to the tax period as from the first day of which the organization has withdrawn from the consolidated group of taxpayers;

3) after the end of the tax period as from the first day of which the organization concerned has withdrawn from the consolidated group of taxpayers, to submit a tax declaration for tax on profit of organizations to the tax authority where it is registered within the time limits prescribed by Chapter 25 of this Code.

8.1. A member of a consolidated group of taxpayers which meets the conditions stipulated by Article 25.2 of this Code for members of a consolidated group of taxpayers shall have the right to terminate its membership of the group voluntarily not earlier than after the lapse of five tax periods for tax on profit of organizations from the date on which it joined the group (including periods for which the agreement on the creation of the consolidated group of taxpayers was extended).

[clause 8.1 inserted by Federal Law No. 325-FZ of 28.11.2015]

9. Where one or more members withdraw from a consolidated group of taxpayers, the responsible member of that group shall be obliged:

1) to make appropriate amendments to tax records from the beginning of the tax period for tax on profit of organizations in which the member (members) has (have) withdrawn from the consolidated group of taxpayers;

2) to recalculate advance payments of tax on profit of organizations for the reporting periods which have passed and to submit to the tax authority where it is registered revised tax declarations for tax on profit of organizations for the consolidated group of taxpayers.

10. The withdrawal of an organization from a consolidated group of taxpayers shall not release that organization from the fulfilment in accordance with Articles 45 to 47 of this Code of obligations to pay tax on profit of organizations and corresponding penalties and fines which arose in the period in which the organization was a member of the group.

This provision shall apply irrespective of whether the organization in question was aware before its withdrawal from the consolidated group of taxpayers of the non-fulfilment of the above-mentioned obligations or of a violation of the tax and levy legislation of the Russian Federation or whether those facts became known to the organization after its withdrawal from the consolidated group of taxpayers.

11. Clauses 8 to 10 of this Article shall also apply where a consolidated group of taxpayers ceases to operate before the expiry of the period for which it was created.

Article 25.6. Cessation of Operation of a Consolidated Group of Taxpayers

1. A consolidated group of taxpayers shall cease to operate upon the occurrence of any of the following circumstances:

1) the expiry of the term of the agreement on the creation of the consolidated group of taxpayers;

2) the rescission of the agreement on the creation of the consolidated group of taxpayers;

3) the entry into force of a court decision invalidating the agreement on the creation of the consolidated group of taxpayers;

4) the failure to submit to the tax authority within the established time limits an agreement on the amendment of the agreement on the creation of the consolidated group of taxpayers in connection with the withdrawal from that group of an organization which has violated conditions established by Article 25.2 of this Code;

5) the re-organization (other than re-organization in the form of a conversion of form) or liquidation of the responsible member of the consolidated group of taxpayers;

6) the institution in relation to the responsible member of the consolidated group of taxpayers of one of the bankruptcy procedures (other than supervision) provided for in the insolvency (bankruptcy) legislation of the Russian Federation;

[subsection 6 as reworded by Federal Law No. 401-FZ of 30.11.2016]

7) non-compliance by the responsible member of the consolidated group of taxpayers with conditions laid down in Article 25.2 of this Code;

8) failure to make compulsory amendments to the agreement on the creation of the consolidated group of taxpayers.

2. The acquisition (sale) of shares (participating interests) in the charter (pooled) capital (fund) of a member organization of a consolidated group of taxpayers, where this does not result in non-compliance with conditions laid down in clause 2 of Article 25.2 of this Code, shall not bring about the cessation of operation of the consolidated group of taxpayers.

3. Should the circumstance referred to in subsection 2 of clause 1 of this Article arise, the responsible member of a consolidated group of taxpayers shall be obliged to send the decision concerning the cessation of operation of that group, signed by authorized representatives of all member organizations of the consolidated group of taxpayers, to the tax authority which registered the agreement on the creation of that group within a period not exceeding five days from the date of adoption of that decision.

Should circumstances such as are referred to in subsections 1 and 3 to 7 of clause 1 of this Article arise, the responsible member of a consolidated group of taxpayers shall be obliged to send to the tax authority which registered the agreement on the creation of that group a notification prepared in no particular form indicating the date on which those circumstances arose.

Within five days from the date of receipt of documents such as are referred to in paragraphs 1 and 2 of this clause, information on the cessation of operation of a consolidated group of taxpayers shall be sent by the tax authority to the tax authorities for the locations of member organizations of the consolidated group of taxpayers and for the locations of economically autonomous subdivisions of member organizations of the consolidated group of taxpayers.

4. A consolidated group of taxpayers shall cease to operate from the first day of the tax period for tax on profit of organizations following the tax period in which the circumstances referred to in clause 1 of this Article arose, except as otherwise provided by this Code.

5. Where the ground provided for in subsection 3 of clause 1 of this Article arises, a consolidated group of taxpayers shall cease to operate from the first day of the reporting period for tax on profit of organizations in which the court decision referred to in subsection 3 of clause 1 of this Article entered into legal force.

6. Where the ground provided for in subsection 4 of clause 1 of this Article arises, a consolidated group of taxpayers shall cease to operate from the first day of the tax period for tax on profit of organizations in which a member of the group violated conditions established by Article 25.2 of this Code.

7. Where the grounds provided for in subsections 5 to 7 of clause 1 of this Article arise, a consolidated group of taxpayers shall cease to operate from the first day of the tax period for tax on profit of organizations in which, accordingly, the re-organization (other than re-organization in the form of conversion of form) or liquidation of the responsible member of the group took place, or one of the bankruptcy procedures (other than supervision) provided

for in the insolvency (bankruptcy) legislation of the Russian Federation was instituted against that member, or the responsible member failed to comply with conditions laid down in Article 25.2 of this Code. *[as amended by Federal Law No. 401-FZ of 30.11.2016]*

CHAPTER 3.2. OPERATOR OF A NEW OFFSHORE HYDROCARBON DEPOSIT

[inserted by Federal Law No. 268-FZ of 30.09.2013]

Article 25.7. Operator of a New Offshore Hydrocarbon Deposit

1. For the purposes of this Code, an organization shall be recognised as an operator of a new offshore hydrocarbon deposit where that organization simultaneously satisfies the following conditions:

1) a direct or indirect interest in the charter capital of the organization is held by an organization which holds a licence to use the subsurface site within whose boundaries the prospecting for, appraisal, exploration and (or) exploitation of a new offshore hydrocarbon deposit is intended to be carried out, or by an organization which is interdependent with an organization which holds such a licence;

2) the organization carries out at least one of the types of hydrocarbon extraction activities at the new offshore hydrocarbon deposit, independently and (or) through the use of contractors;

3) the organization carries out hydrocarbon extraction activities at the new offshore hydrocarbon deposit on the basis of an agreement concluded with the holder of the licence for the new offshore hydrocarbon deposit and (or) the subsurface site referred to in subsection 1 of this clause, and that agreement provides for the payment to the operator organization of a fee in an amount which depends, inter alia, on the volume of hydrocarbons extracted at the relevant offshore hydrocarbon deposit and (or) receipts from sales of those hydrocarbons (hereinafter in this Code referred to as “operator agreement”).

2. An organization shall be recognised as an operator of a new offshore hydrocarbon deposit from the date of the conclusion of an operator agreement such as is referred to in subsection 3 of clause 1 of this Article if the tax authority has been notified of the conclusion of the agreement in accordance with clause 3 of this Article.

3. An organization such as is referred to in subsection 3 of clause 1 of this Article which is the holder of a licence to use a subsurface site shall, within ten working days from the date of conclusion of an operator agreement, notify the tax authority where it is registered of the conclusion of the operator agreement by submitting the following documents to the tax authority:

1) a notification of the conclusion of the operator agreement, giving information on new offshore hydrocarbon deposits (if such information exists at the date of submitting the notification);

2) a certified copy of the signed operator agreement;

3) a copy of the licence to use the subsurface site within whose boundaries the prospecting for, appraisal, exploration and (or) exploitation of new offshore hydrocarbon deposits are

carried out or a new offshore hydrocarbon deposit (new offshore hydrocarbon deposits) is (are) situated.

4. For the purposes of this Code, it shall not be permissible for two or more operators of a new offshore hydrocarbon deposit to carry on activities at the same time at one and the same new offshore hydrocarbon deposit involving the extraction of hydrocarbons at that new offshore hydrocarbon deposit.

In the event that an organization which is the holder of a licence to use a subsurface site within whose boundaries the prospecting for, appraisal, exploration and (or) exploitation of a new offshore hydrocarbon deposit are carried out concludes a new operator agreement with another organization which simultaneously satisfies the conditions established by clause 1 of this Article, that other organization shall obtain the status of operator of a new offshore hydrocarbon deposit for the purposes of this Code from the date on which the tax authority is notified of the conclusion of the operator agreement in accordance with clause 3 of this Article.

5. For the purposes of this Code, an organization shall lose the status of operator of a new offshore hydrocarbon deposit from the earliest of the following dates:

- 1) the expiry date of the operator agreement which is specified in that agreement;
- 2) the date of expiry of the licence to use the subsurface site within whose boundaries the new offshore hydrocarbon deposit is situated, or the date on which the right to use that subsurface site is terminated on other grounds provided for in law;
- 3) the date on which the organization which is the holder of the licence to use the subsurface site within whose boundaries the new offshore hydrocarbon deposit is situated is liquidated.

CHAPTER 3.3. SPECIAL CONSIDERATIONS RELATING TO TAXATION IN THE CONTEXT OF THE IMPLEMENTATION OF REGIONAL INVESTMENT PROJECTS

[inserted by Federal Law No. 267-FZ of 30.09.2013]

Article 25.8. General Provisions Concerning Regional Investment Projects

1. For the purposes of this Code a regional investment project shall be a project whose purpose is the manufacture of goods and which simultaneously meets the following requirements established by subsections 1, 2, 4 and 5 of this clause, or by subsections 1.1, 2, 4 and 5 of this clause, or by subsections 1, 2 and 4.1 of this clause: *[as amended by Federal Law No. 144-FZ of 23.05.2016]*

1) the manufacture of goods as a result of the implementation of the investment project takes place, except as otherwise provided in this Article, exclusively in the territory of one of the following constituent entities of the Russian Federation:

- the Republic of Buryatia,
- the Republic of Sakha (Yakutia),

- the Republic of Tyva,

[paragraph lost force – Federal Law No. 278-FZ of 03.08.2018]

- the Transbaikal Territory,

- the Kamchatka Territory,

- the Krasnoyarsk Territory,

- the Primorye Territory,

- the Khabarovsk Territory,

- the Amur Province,

- the Irkutsk Province,

- the Magadan Province,

- the Sakhalin Province,

- the Jewish Autonomous Province,

- the Chukchi Autonomous District;

[subsection 1 as reworded by Federal Law No. 139-FZ of 04.06.2014]

1.1) the manufacture of goods as a result of the implementation of the investment project in question takes place, except as otherwise provided in this Article, exclusively in the territory of a constituent entity of the Russian Federation which is not referred to in subsection 1 of this clause;

[subsection 1.1 inserted by Federal Law No. 144-FZ of 23.05.2016]

2) the regional investment project may not have the following objectives:

- the extraction and (or) refinement of oil, the extraction of natural gas and (or) gas condensate or the rendering of services involving the transportation of oil and (or) oil products, gas and (or) gas condensate;

- the manufacture of excisable goods (with the exception of motor cars and motorcycles);

- the carrying-out of activities in relation to which a 0 per cent tax rate for tax on profit of organizations applies;

[3) lost force – Federal Law No. 144-FZ of 23.05.2016]

4) the volume of capital investments representing the amount of financing for the regional investment project in accordance with the investment declaration may not be less than:

- 50 million roubles, on condition that the capital investments are made within a period not exceeding three years from the date of the inclusion of the organization in the register of participants in regional investment projects;

- 500 million roubles, on condition that the capital investments are made within a period not exceeding five years from the date of the inclusion of the organization in the register of participants in regional investment projects;

4.1) the volume of capital investments representing the amount of financing for the regional investment project made by Russian organizations such as are referred to in subsection 2 of clause 1 of Article 25.9 of this Code may not be less than: *[as amended by Federal Law No. 325-FZ of 29.09.2019]*

- 50 million roubles, provided that the capital investments are made within a period not exceeding three years from the date on which capital investments began to be made in implementation of the regional investment project, but not earlier than 1 January 2013 and not earlier than three years before the date on which an organization applies to a tax authority for the application of a tax relief in accordance with the procedure laid down in clauses 1 and 2 of Article 25.12-1 of this Code;

- 500 million roubles, provided that the capital investments are made within a period not exceeding five years from the date on which capital investments began to be made in implementation of the regional investment project, but not earlier than 1 January 2013 and not earlier than five years before the date on which an organization applies to a tax authority for the application of a tax relief in accordance with the procedure laid down in clauses 1 and 2 of Article 25.12-1 of this Code;

[subsection 4.1 inserted by Federal Law No. 144-FZ of 23.05.2016]

5) each regional investment project is implemented by a sole participant.

2. The requirements established by subsection 1 or 1.1 of clause 1 of this Article shall also be deemed to be met in cases where: *[as amended by Federal Law No. 144-FZ of 23.05.2016]*

1) a regional investment project provides for goods to be manufactured by a regional investment project participant within the framework of a unified manufacturing process in the territories of multiple constituent entities of the Russian Federation referred to only in subsection 1 or only in subsection 1.1 of this clause 1 of this Article.

For the purposes of this subsection, a unified manufacturing process shall be understood to mean a set of interrelated manufacturing operations necessary for the production of goods in the context of a regional investment project using property referred to in paragraph 1 of clause 3 of this Article expenditure on which constitutes the volume of capital investments made by a regional investment project participant;

[subsection 1 as reworded by Federal Law No. 325-FZ of 29.09.2019]

2) a regional investment project is aimed at the extraction of commercial minerals and the relevant subsurface site lies partially outside the territories of the constituent entities of the

Russian Federation referred to only in subsection 1 or only in subsection 1.1 of clause 1 of this Article; *[as amended by Federal Laws No. 144-FZ of 23.05.2016, No. 325-FZ of 29.09.2019]*

3) a regional investment project aimed at the extraction of precious metals provides for the subsequent refinement thereof at specialized organizations the list of which has been established in accordance with Federal Law No. 41-FZ of 26 March 1998 “Concerning Precious Metals and Precious Stones”.

[subsection 3 inserted by Federal Law No. 325-FZ of 29.09.2019]

3. In determining the volume of capital investments account shall be taken of expenditures on the creation (acquisition) and making ready for use of amortizable property and expenditures on the performance of design and survey work, the new construction, retooling and modernization of fixed assets, the reconstruction of buildings, the acquisition of machinery, equipment, tools and implements (with the exception of expenditures on the acquisition of motor cars, motorcycles, sports and tour vessels and pleasure craft, and expenditures on the construction and reconstruction of residential premises). *[as amended by Federal Law No. 144-FZ of 23.05.2016]*

In this respect, account shall not be taken of:

- machinery, equipment, means of transport and other amortizable property received by a participant in a regional investment project where expenditures thereon have previously been included in the volume of capital investments by participants in other regional investment projects;

- expenditures incurred by Russian organizations such as are referred to in subsection 1 of clause 1 of Article 25.9 of this Code on the creation (acquisition) of buildings and installations situated on land plots on which an investment project is carried out as at the date of the inclusion of an organization in the register of participants in regional investment projects; *[as amended by Federal Law No. 144-FZ of 23.05.2016]*

- expenditures which have been incurred by Russian organizations such as are referred to in subsection 2 of clause 1 of Article 25.9 of this Code on the creation (acquisition) of buildings and installations situated on plots of land on which an investment project is carried out as at the date on which capital investments for the investment project begin to be made, and which were made before 1 January 2013 or were made earlier than three years before the date on which an organization applies to a tax authority for the application of a tax relief in accordance with the procedure laid down in clauses 1 and 2 of Article 25.12-1 of this Code in the case of the implementation of an investment project which meets the requirements established by paragraph 2 of subsection 4.1 of clause 1 of this Article, or earlier than five years before the above-mentioned date in the case of the implementation of an investment project which meets the requirements established by paragraph 3 of subsection 4.1 of clause 1 of this Article. *[paragraph inserted by Federal Law No. 144-FZ of 23.05.2016]*

4. The actual volume of capital investments made in the course of the implementation of a regional investment project shall be determined on the basis of prices of goods (work and services) which are determined in accordance with Article 105.3 of this Code exclusive of value added tax.

5. A law of a constituent entity of the Russian Federation may, in relation to regional investment projects of Russian organizations such as are referred to in subsection 1 of clause 1 of Article 25.9 of this Code, increase the minimum volume of capital investments which is stated in subsection 4 of clause 1 of this Article and establish other requirements in addition to the requirements established by this Article.

[clause 5 as reworded by Federal Law No. 144-FZ of 23.05.2016]

Article 25.9. Taxpayers That Are Participants in Regional Investment Projects *[article as reworded by Federal Law No. 144-FZ of 23.05.2016]*

1. A taxpayer that is a participant in a regional investment project shall be:

1) a Russian organization which has obtained the status of participant in a regional investment project in accordance with the procedure established by this Chapter and which continuously meets all of the following requirements during the tax periods referred to in clauses 2 to 5 of Article 284.3 of this Code in which the tax rates established by clause 1.5 of Article 284 of this Code are applied:

- the state registration of the legal entity took place in the territory of the constituent entity of the Russian Federation in which the regional investment project is carried out;

- the organization does not have economically autonomous subdivisions located outside the territory of the constituent entity (the territories of the constituent entities) of the Russian Federation in which the regional investment project is carried out;

- the organization does not apply special tax regimes provided for in Part Two of this Code;

- the organization is not a member of a consolidated group of taxpayers;

- the organization is not a non-commercial organization, a bank, an insurance organization (insurer), a non-state pension fund, a professional participant in the securities market or a clearing organization;

- the organization is not a resident of a special economic zone of any kind or of a priority social and economic development area;

- the organization has not previously been a participant in a regional investment project and is not a participant (the legal successor of a participant) in another regional investment project which is being carried out;

2) a Russian organization which has submitted to a tax authority a claim for the application of a tax relief with respect to tax on profit of organizations and (or) a claim for the application of a tax relief with respect to mineral extraction tax in accordance with the procedure laid down in clauses 1 and 2 of Article 25.12-1 of this Code, and which continuously meets all of the following requirements during the tax periods referred to in clause 2 of Article 284.3 of this Code in which the tax rate established by clause 1.5-1 of Article 284 of this Code is applied, and (or) during the tax periods referred to in clause 2 of Article 342.3-1 of this Code:

- the location of the organization or the location of its economically autonomous subdivision is the territory of one of the constituent entities of the Russian Federation referred to in subsection 1 of clause 1 of Article 25.8 of this Code;
- the organization does not apply special tax regimes provided for in Part Two of this Code;
- the organization is not a member of a consolidated group of taxpayers;
- the organization is not a resident of a special economic zone of any kind or of a priority social and economic development area;
- the organization is not a participant (the legal successor of a participant) in another regional investment project which is being carried out.

[2. Lost force from 01.01.2020 – Federal Law No. 269-FZ of 02.08.2019]

3. An organization shall obtain the status of participant in a regional investment project:

1) in accordance with subsection 1 of clause 1 of this Article from the day on which the organization is included in the register of participants in regional investment projects in accordance with the procedure established by this Chapter;

2) in accordance with subsection 2 of clause 1 of this Article commencing from the tax period in which the conditions laid down in clause 2 of Article 284.3-1 of this Code are first met. In this respect, the inclusion of the organization in the register of participants in regional investment projects shall not be required;

[3] lost force from 01.01.2020 – Federal Law No. 269-FZ of 02.08.2019]

Article 25.10. Register of Participants in Regional Investment Projects

1. The register of participants in regional investment projects (hereafter in this Chapter referred to as “the register”) shall be maintained by the federal executive body in charge of control and supervision in the area of taxes and levies on the basis of decisions and information sent in accordance with the procedure laid down in this Article by the tax authority where a taxpayer that is a participant in a regional investment project is located (is registered as a major taxpayer) and by the authorized state government body of the relevant constituent entity of the Russian Federation.

There shall be entered in the register details of participants in regional investment projects and details of regional investment projects which are contained in the relevant investment declarations. The procedure for the maintenance of the register, the composition of details to be included in the register and the form of an investment declaration shall be established by the federal executive body in charge of control and supervision in the area of taxes and levies.

2. Decisions on the inclusion of an organization in the register and on the making of amendments to the register shall be adopted by the authorized state government body of a constituent entity of the Russian Federation with account taken of the provisions of Article 25.11 and clauses 1 to 3 of Article 25.12 of this Code.

A decision on the termination of the status of participant in a regional investment project shall be adopted by the tax authority where a taxpayer that is a participant in a regional investment project is located (is registered as a major taxpayer) on the grounds established by clause 4 of Article 25.12 of this Code.

3. The decisions referred to in clause 2 of this Article and other necessary information shall be sent in electronic form to the federal executive body in charge of control and supervision in the area of taxes and levies within three working days from the date of adoption of a relevant decision.

Article 25.11. Procedure for the Inclusion of an Organization in the Register

1. In order to be included in the register an organization shall send to the authorized state government body of a constituent entity of the Russian Federation an application for inclusion in the register, drawn up in no particular form, accompanied by the following documents:

- 1) duly certified copies of the foundation documents of the organization;
- 2) a copy of a document confirming the inclusion of an entry concerning the state registration of the organization in the Unified State Register of Legal Entities;
- 3) a copy of the organization's certificate of registration with a tax authority;
- 4) the investment declaration (accompanied by the investment project);
- 5) other documents confirming conformity to the requirements established by this Code and (or) laws of relevant constituent entities of the Russian Federation for regional investment projects and (or) participants therein.

2. Where a regional investment project is carried out in the territories of multiple constituent entities of the Russian Federation in accordance with clause 2 of Article 25.8 of this Code, an application for inclusion in the register shall be submitted by an organization to the authorized state government body of the constituent entity of the Russian Federation in which the organization is registered with the tax authority for its location.

3. Where the documents referred to in subsections 2 and 3 of clause 1 of this Article are not presented by an organization, on the basis of an interdepartmental request from the authorized state government body of a constituent entity of the Russian Federation the federal executive body which carries out the state registration of legal entities, of physical persons as private entrepreneurs and of peasant (farm) holdings shall present information confirming the inclusion of an entry concerning the state registration of the organization in the Unified State Register of Legal Entities, and the federal executive body in charge of control and supervision in the area of taxes and levies shall present information confirming the registration of the organization with a tax authority.

4. Information confirming the conformity of an organization to the requirements established by subsection 1 of clause 1 of Article 25.9 of this Code shall be presented by the federal executive body in charge of control and supervision in the area of taxes and levies on the

basis of an interdepartmental request from the authorized state government body of a constituent entity of the Russian Federation. *[as amended by Federal Law No. 144-FZ of 23.05.2016]*

5. The authorized state government body of a constituent entity of the Russian Federation shall check that the documents accompanying an application correspond to the list of documents referred to in clause 1 of this Article within a period of not more than three working days from the day on which they were submitted to that authorized body, and, on the basis of the results of that check, shall send one of the following decisions to the organization:

1) a decision to accept the application for consideration;

2) a decision to refuse to accept the application for consideration in the event of a failure to present documents referred to in subsections 1, 4 and 5 of clause 1 of this Article.

6. Except as otherwise provided in this clause, within thirty days of sending a decision to accept an application such as is referred to in clause 1 of this Article for consideration the authorized state government body of a constituent entity of the Russian Federation shall, in accordance with the procedure established by a law of the constituent entity of the Russian Federation, adopt a decision to include an organization in the register or to refuse to include an organization in the register in event that the requirements established for regional investment projects are not met, and, not later than five days of the decision being adopted, shall send it to the organization.

Where a regional investment project is carried out in the territories of multiple constituent entities of the Russian Federation in accordance with clause 2 of Article 25.8 of this Code, the authorized state government body of a constituent entity of the Russian Federation which accepted an application for inclusion in the register for consideration, having consulted with the authorized state government bodies of the constituent entities of the Russian Federation in whose territories the regional investment project is carried out, shall adopt one of the decisions referred to in paragraph 1 of this clause within forty days from the day on which the decision to accept the application for inclusion in the register for consideration was sent to the organization.

7. The inclusion of an organization in the register shall take place from the 1st of the calendar month following the month in which the relevant decision was adopted.

Article 25.12. Amendments to Information Contained in the Register and Termination of the Status of Participant in a Regional Investment Project

1. A decision to make amendments to the register which are not connected with the termination of the status of participant in a regional investment project shall be adopted in the event that amendments are made to an investment declaration in accordance with the procedure and subject to the conditions which are established by a law of a constituent entity of the Russian Federation in accordance with this Article, provided that the requirements established by this Code and (or) the laws of the relevant constituent entities of the Russian Federation for regional investment projects and (or) participants therein are met.

2. Amendments to an investment declaration which concern the conditions of the implementation of a regional investment project shall be made by the authorized state

government of a constituent entity of the Russian Federation on the basis of an application from the participant in the regional investment project, drawn up in an arbitrary form and containing an explanation of the need to make the amendments, in accordance with the procedure prescribed by Article 25.11 of this Code for the inclusion of an organization in the register.

3. The grounds for refusing to make amendments to an investment declaration shall be as follows:

- 1) a change in the purpose of the regional investment project;
- 2) a decrease in the overall volume of financing of the regional investment project of more than 10 per cent in the aggregate relative to the level stated in the original investment declaration;
- 3) a change in the schedule for the annual volume of investments which precludes the regional investment project from being carried out in compliance with the established requirements;
- 4) the regional investment project would, as a result of the amendments, cease to meet other requirements laid down in this Code and (or) laws of relevant constituent entities of the Russian Federation.

4. The status of participant of a regional investment project shall be terminated:

- 1) on the basis of an application from a participant in a regional investment project for the termination of the status of participant in a regional investment project – from the day specified in the application;
- 2) on the basis of a decision which has entered in to force following a tax audit carried out in accordance with the procedure established by this Code which found that the regional investment project and (or) the participant therein does not meet the requirements established by this Code and (or) the legislation of a constituent entity of the Russian Federation – from the day on which the organization was included in the register;
- 3) where an entry is made in the Unified State Register of Legal Entities to the effect that an organization which is a participant in a regional investment project is in the process of liquidation – from the day following the day on which the relevant entry is made in the Unified State Register of Legal Entities;
- 4) where an organization which is a participant in a regional investment project ceases activities as a result of re-organization in the form of a merger, demerger, acquisition by another legal entity or conversion of form – from the day following the day on which the relevant entry is made in the Unified State Register of Legal Entities;
- 5) on the basis of an arbitration court decision to declare a debtor bankrupt which has entered into legal force – from the day following the day on which that decision enters into legal force.

Article 25.12-1. Application and Cessation of the Application of Tax Reliefs by Participants in Regional Investment Projects for Which Inclusion in the Register is Not Required *[inserted by Federal Law No. 144-FZ of 23.05.2016]*

1. In order to apply tax reliefs with respect to tax on profit of organizations and (or) mineral extraction tax, an organization such as is referred to in subsection 2 of clause 1 of Article 25.9 of this Code shall send to the tax authority for its location (if it is located in the territory of the constituent entity of the Russian Federation in which the regional investment project is carried out), or for the location of an economically autonomous subdivision of the organization which is located in the territory of the constituent entity of the Russian Federation in which the regional investment project is carried out, claims for the application of tax reliefs, stating the taxpayer's full name, identification number and code of reason for registration and the following parameters of the investment project:

- the volume of capital investments for the regional investment project;
- the time period within which the requirement concerning the minimum volume of capital investments must be met in accordance with subsection 4.1 of clause 1 of Article 25.8 of this Code;
- the name of the goods (group of goods) which are planned to be manufactured and (or) are being manufactured as a result of the investment project.

The form and formats of a claim for the application of a tax relief and the procedure for transmitting it in electronic form via telecommunications channels shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies.

2. Claims for the application of tax reliefs shall be sent by organizations not later than the date on which a tax declaration for the relevant tax is submitted for the tax period in which reduced tax rates are first claimed.

Taxpayers which are categorized as major taxpayers in accordance with Article 83 of this Code shall send claims for the application of tax reliefs to the tax authority with which they are registered as major taxpayers.

3. If, during a tax audit conducted in the manner prescribed by this Code, a regional investment project and (or) a participant therein are found not to comply with the requirements established by this Code, or a participant in a regional investment project is found not to have fulfilled obligations specified in the investment declaration, including with respect to amounts of financing of capital investments for the regional investment project, the application of the tax reliefs referred to in clause 1.5-1 of Article 284, clause 3 of Article 284.3-1 and clause 2 of Article 342.3-1 of this Code shall cease on the basis of a final decision based on that tax audit from the beginning of the tax period in which the participant ceased to be in compliance. *[as amended by Federal Law No. 374-FZ of 23.11.2020]*

CHAPTER 3.4. CONTROLLED FOREIGN COMPANIES AND CONTROLLING PERSONS

[inserted by Federal Law No. 376-FZ of 24.11.2014]

Article 25.13. Controlled Foreign Companies and Controlling Persons *[article as reworded by Federal Law No. 150-FZ of 08.06.2015]*

1. For the purposes of this Code a controlled foreign company shall be understood to be a foreign organization which simultaneously satisfies all of the following conditions:

- 1) the organization is not deemed to be a tax resident of the Russian Federation;
- 2) the organization has as a controlling person an organization and (or) a physical person who/which are deemed to be tax residents of the Russian Federation.

2. There shall also be recognised as a controlled foreign company for the purposes of this Code a foreign unincorporated entity which has a controlling person an organization and (or) a physical persons that are deemed to be tax residents of the Russian Federation.

3. Except as otherwise provided in this Article, the following persons shall be deemed to be a controlling person of a foreign organization for the purposes of this Code:

- 1) a physical person or a legal entity whose participating interest in the organization amounts to more than 25 per cent;
- 2) a physical person or a legal entity whose participating interest in the organization (in the case of physical persons – together with spouses and minor-age children) amounts to more than 10 per cent, if the participating interest of all persons who are deemed to be tax residents of the Russian Federation in the organization concerned (in the case of physical persons – together with spouses and minor-age children) amounts to more than 50 per cent.

3.1 For the purposes of this Code, a controlling person of an international company and of the foreign organization through the redomiciliation of which that international company was registered shall be understood to mean a physical person or a legal entity whose participating interest in that international company (in the case of physical persons – jointly with spouses and minor-age children) amounts to more than 15 per cent. For the purposes of this clause, a participating interest shall be determined in accordance with Article 105.2 of this Code.

[clause 3.1 inserted by Federal Law No. 294-FZ of 03.08.2018]

4. A person shall not be deemed a controlling person of a foreign organization if his participation in that foreign organization is exercised in one or a combination of the following ways:

- 1) through a direct and (or) indirect participation in one or more public companies that are Russian organizations;
- 2) through direct and (or) indirect participation in one or more foreign organizations whose shares have been admitted for trading on one or more foreign stock exchanges situated in the territories of foreign states which are members of the Organization for Economic Co-

Operation and Development (other than states (territories) included in the list established by Article 25.13-1 of this Code of states (territories) which do not provide for the exchange of information for taxation purposes with the Russian Federation), and provided that the following conditions are simultaneously met:

- the direct and (or) indirect participating interest of the controlling person in each foreign organization referred to in this clause does not exceed 50 per cent;
- the proportion of ordinary shares admitted for trading on foreign stock exchanges for all such foreign stock exchanges taken together exceeds 25 per cent of the charter capital formed from ordinary shares for each foreign organization referred to in this subsection.

The provisions of this clause shall not apply in the period until 1 January 2029 in relation to foreign organizations in which a person's participation is exercised solely through direct and (or) indirect participation in one or more public companies classed as international holding companies in accordance with Article 24.2 of this Code.

[clause 4 as reworded by Federal Law No. 424-FZ of 27.11.2018]

5. For the purposes of clause 3 of this Article, the participating interest of an organization in another organization or of a physical person in an organization shall be determined in accordance with the procedure prescribed by Article 105.2 of this Code. In this respect, in determining the participating interest of a physical person in an organization account shall be taken of individual participation and participation together with spouses and minor-age children.

6. A person shall also be recognised as a controlling person of a foreign organization (an international company and the foreign organization through the redomiciliation of which that international company was registered) for the purposes of this Code where the participating interest of that person in the organization does not meet the conditions established by clause 3 (clause 3.1) of this Article but the person exercises control over the organization in his own interests or in the interests of his spouse and minor-age children. *[as amended by Federal Law No. 294-FZ of 03.08.2018]*

7. For the purposes of this Code, the exercise of control over an organization shall be understood to mean the exertion of, or the ability to exert, a decisive influence on decisions adopted by that organization in relation to the distribution of profit (income) earned by the organization after taxation by virtue of direct or indirect participation in that organization, participation in an agreement (accord) concerning management of that organization or other arrangements between a person and the organization and (or) other persons.

8. For the purposes of this Code, the exercise of control over a foreign unincorporated entity shall be understood to mean the exertion of, or the ability to exert, a decisive influence on decisions made by the person who manages the assets of the entity in question with respect to the distribution of profit (income) earned after taxation in accordance with the personal law and (or) the foundation documents of that entity.

9. Except as otherwise provided in this Article, a founder of a foreign unincorporated entity shall be recognised as a controlling person of that entity for the purposes of this Code.

10. Except as otherwise provided in clause 11 of this Article, a founder of a foreign unincorporated entity shall not be recognised as a controlling person of that entity if all of the following conditions are met in relation to that founder:

- 1) the person in question does not have the right to receive (demand the receipt of), directly or indirectly, all or part of the profit (income) of the entity concerned;
- 2) the person in question does not have the right to dispose of the profit (income) or part of the profit (income) of the entity concerned;
- 3) the person in question has not retained rights in property transferred to the entity concerned (property was transferred to the entity on an irrevocable basis).

The condition established by this subsection in relation to a person who is a founder of a foreign unincorporated entity shall be deemed to have been met if the person in question does not have the right to receive ownership of all or part of the property of the entity concerned in accordance with the personal law and (or) the foundation documents (agreement) of that entity during the entire period of existence of the entity or in the event of the termination of the entity (liquidation, termination of agreement);

4) the person in question does not exercise control over the entity in accordance with clause 8 of this Article.

11. A person such as is referred to in clause 10 of this Article shall be deemed to be a controlling person of a foreign unincorporated entity if that person retains the right to receive any of the rights referred to in subsections 1 to 3 of clause 10 of this Article.

12. Another person who is not a founder of a foreign unincorporated entity shall also be recognised as a controlling person of that entity for the purposes of this Code if that person exercises control over the entity concerned and at the same time at least one of the following conditions is met in relation to that person:

- 1) the person has an actual right to income (a part of income) received by the entity concerned;
- 2) the person has the right dispose of property of the entity concerned;
- 3) the person has the right to receive property of the entity concerned in the event of its termination (liquidation, termination of the agreement).

13. A person who is deemed to be a tax resident of the Russian Federation shall have the right independently to declare himself to be a controlling person of an organization on the grounds provided for in clause 3 or 6 of this Article, or of a foreign unincorporated entity on the grounds provided for in clause 10 or 12 of this Article. In this case the person who has declared himself to be a controlling person shall send an appropriate notification in the manner prescribed by this Code to the tax authority where he is registered.

14. The fact that a manager of a foreign investment fund (a mutual fund or another collective investment vehicle) is deemed to be a tax resident of the Russian Federation and the fact that

such manager carries on activities involving the management of the assets of such a fund (company) in the territory of the Russian Federation shall not automatically constitute grounds for the fund (company) in question to be deemed a controlled foreign company of which that manager is a controlling person.

For the purposes of this clause, managers of a foreign investment fund (a mutual fund or another collective investment vehicle) shall be understood to mean a management company which is a Russian or foreign organization, a managing partner who is a physical person or an organization and other persons who carry out functions involving the management of assets which directly or indirectly belong to such foreign investment fund (mutual fund or other collective investment vehicle).

[clause 14 as reworded by Federal Law No. 32-FZ of 15.02.2016]

15. The rules established by this Article for the recognition of controlling persons of foreign unincorporated entities shall also apply in relation to the recognition of controlling persons of foreign legal entities for which participation in capital is not provided for in accordance with their personal law.

Article 25.13-1. Exemption of Profit of a Controlled Foreign Company from Taxation

[inserted by Federal Law No. 150-FZ of 08.06.2015]

1. Profit of a controlled foreign company (with the exception of fixed profit of a controlled foreign company (hereafter in this Code referred to as “fixed profit”) in relation to which a physical person has submitted to the tax authority a notification of transfer to the payment of tax on income of physical persons based on fixed profit in accordance with the procedure and subject to the conditions established by Chapter 23 of this Code) shall be exempt from taxation in accordance with the procedure and subject to the conditions established by this Code in the event that any of the following conditions is met in relation to the controlled foreign company in question: *[as amended by Federal Laws No. 32-FZ of 15.02.2016, No. 368-FZ of 09.11.2020]*

1) it is a non-commercial organization which, in accordance with its personal law, does not distribute profit (income) earned among shareholders (participants, founders) or other persons;

2) it was formed in accordance with the legislation of a member state of the Eurasian Economic Union and has a permanent location in that state;

3) the effective rate of tax on income (profit) for the foreign organization in question, determined in accordance with this Article for a period for which financial statements for a financial year are prepared in accordance with the personal law of the organization in question, is not less than 75 per cent of the weighted-average tax rate for tax on profit of organizations;

4) it is one of the following controlled foreign companies:

- an active foreign company;

- an active foreign holding company;

- an active foreign subholding company;

5) it is a bank or an insurance organization which carries on activities in accordance with its personal law on the basis of a licence or other special permit to carry out banking or insurance activities;

6) it is one of the following foreign organizations:

- an issuer of circulated bonds;

[paragraph lost force from 01.01.2017 – Federal Law No. 32-FZ of 15.02.2016]

- an organization to which rights and obligations in respect of issued circulated bonds whose issuer is another foreign organization have been ceded;

7) it participates in mineral extraction projects which are carried out in accordance with production sharing agreements, concession agreements, licence agreements or other risk-based agreements (contracts).

Profit of controlled foreign companies such as are referred to in this subsection shall be exempt from taxation provided that all of the following conditions are met:

- the foreign organization is a party to agreements (contracts) such as are referred to in paragraph 1 of this subsection, or the establishment of the foreign organization is provided for in those agreements (contracts) and it carries on mineral extraction activities solely on the basis of and in accordance with the conditions of those agreements (contracts);

- agreements (contracts) such as are referred to in paragraph 1 of this subsection were concluded with a foreign state (territory), the government of a particular state (territory) or institutions (state government bodies, state companies) authorized by that government, or activities under such agreements (contracts) are carried out on the basis of a licence to use a subsurface site (another similar authorization issued by an authorized body of such a state);
[as amended by Federal Law No. 424-FZ of 27.11.2018]

- income received in connection with participation in agreements (contracts) such as are referred to in paragraph 1 of this subsection for the period for which financial statements for a financial year are prepared in accordance with the personal law of the foreign organization accounts for not less than 90 per cent of the total amount of that organization's income according to data in its financial statements for that period, or the organization has no income for that period or its income for that period consists solely of income in the form of exchange differences and items of income referred to in clause 3 of Article 309.1 of this Code; *[as amended by Federal Law No. 424-FZ of 27.11.2018]*
[subsection 7 as amended by Federal Law No. 436-FZ of 28.12.2017]

8) it is an operator of a new offshore hydrocarbon deposit or a direct shareholder (participant) of an operator of a new offshore hydrocarbon deposit);

9) the controlled foreign company is recognised as an international holding company in accordance with Article 24.2 of this Code as at the date determined in accordance with clause 3 of Article 25.15 of this Code.

[subsection 9 inserted by Federal Law No. 294-FZ of 03.08.2018]

2. For the purposes of subsection 3 of clause 1 of this Article:

1) the effective rate of tax on income (profit) of a foreign organization shall be determined according to the following formula:

$$R_{\text{eff}} = \frac{T}{P} \times 100\%,$$

where, for the purposes of this subsection:

“R_{eff}” is the effective rate of tax on income (profit) of the foreign organization,

“T” is the amount of tax (profit) calculated by the foreign organization and its economically autonomous subdivisions in accordance with their personal law and income tax withheld on income (profit) of the organization in question at the source of payment of that income, except as otherwise provided by subsection 3 of this clause, with the exception of income tax withheld at source on income referred to in subsection 1 of clause 4 of Article 309.1 of this Code of which Russian organizations are the source of payment if the controlling person of the foreign organization has an actual right to that income with account taken of the provisions of Article 312 of this Code; *[as amended by Federal Laws No. 436-FZ of 28.12.2017, No. 368-FZ of 09.11.2020]*

“P” is the amount of income (profit) of the foreign organization as determined in accordance with paragraph 1 of clause 1 of Article 25.15 of this Code, reduced by the amount of income referred to in subsection 1 of clause 4 of Article 309.1 of this Code of which Russian organizations are the source of payment if the controlling person of the foreign organization has an actual right to that income with account taken of the provisions of Article 312 of this Code. *[as amended by Federal Law No. 368-FZ of 09.11.2020]*

In calculating the indicator T, the taxpayer shall have the right to adjust that indicator for the amount of taxes which relate to income (profit) taken into account in calculating the indicator P and are required to be calculated in accordance with the personal law of the foreign organization and (or) withheld in periods other than the period for which the indicator P is calculated.

Where the results for a tax period for a tax indicate that a foreign organization (a foreign unincorporated entity) does not have income, or where the indicator P is a negative value or is equal to zero, the effective rate shall not be calculated and the foreign organization (foreign unincorporated entity) shall be deemed to be a controlled foreign company;

2) the weighted-average tax rate for tax on profit of organizations shall be determined according to the following formula:

$$R_{\text{wav}} = \frac{R1 \times P1 + R2 \times P2}{P1 + P2} \times 100\%,$$

P1 + P2

where, for the purposes of this clause:

“P1” is the amount of profit of a foreign organization which is determined in accordance with paragraph 1 of clause 1 of Article 25.15 of this Code, less income such as is referred to in subsection 1 of clause 4 of Article 309.1 of this Code. In the event that the indicator P₁ has a negative value when calculated, it shall be taken to be equal to zero;

“P2” is the amount of income of a foreign organization which is referred to in subsection 1 of clause 4 of Article 309.1 of this Code, reduced by the amount of income of which Russian organizations are the source of payment if the controlling person of the foreign organization has an actual right to that income with account taken of the provisions of Article 312 of this Code; *[as amended by Federal Law No. 368-FZ of 09.11.2020]*

“R1” is the rate of tax on profit of organizations which is established by paragraph 1 of clause 1 of Article 284 of this Code;

“R2” is the rate of tax on profit of organizations which is established by subsection 2 of clause 3 of Article 284 of this Code;

3) where a controlled foreign company forms part of a consolidated group of taxpayers which was created in accordance with the legislation of a foreign state or, in accordance with its personal law, determines the tax base for the calculation and payment of tax on income (profit) jointly with other persons (except in cases where, when the tax base is determined, the amount of tax on income (profit) calculated directly in relation to profit of the controlled foreign company in question is specified in its tax reports) without forming a consolidated group of taxpayers (hereafter in this Code referred to as “foreign consolidated group of taxpayers”), the indicator T for that controlled foreign company shall be determined by the taxpayer as a part of the amount of tax calculated in relation to the foreign consolidated group of taxpayers concerned. In this respect, that part of the amount of tax shall be calculated in accordance with a procedure to be established by the taxpayer independently in its accounting policies for taxation purposes in relation to each foreign consolidated group of taxpayers on the basis of indicators in the financial statements of the controlled foreign company or aggregated financial indicators for the consolidated group of taxpayers in accordance with one of the following methods:

- based on the proportion of the revenue (income) of the controlled foreign company to the aggregate revenue (income) of the foreign consolidated group of taxpayers;
- based on the proportion of the pre-tax profit of the controlled foreign company to the aggregate pre-tax profit of members of the foreign consolidated group of taxpayers which did not make a loss for the period concerned;
- based on the proportion of the net assets of the controlled foreign company to the aggregate net assets of the foreign consolidated group of taxpayers.

The method of determining the indicator T in accordance with this subsection may be changed no more frequently than once every 10 years. *[subsection 3 inserted by Federal Law No. 436-FZ of 28.12.2017]*

3. For the purposes of clause 1 of this Article, an active foreign company shall be deemed to be a foreign organization for which items of income such as are referred to in clause 4 of Article 309.1 of this Code for the period for which financial statements for a financial year are prepared in accordance with the personal law of that foreign organization account for no more than 20 per cent of the total amount of all income of the organization according to data in financial statements prepared by the foreign organization in accordance with its personal law for that period. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

In this respect, for the purposes of this Code, financial statements shall be understood to mean unconsolidated financial statements of an organization.

4. For the purposes of clause 1 of this Article, a foreign holding company shall be deemed to be a foreign organization in relation to which the following conditions are simultaneously met:

1) a Russian organization/controlling person has a direct participating interest in the charter (pooled) capital (fund) of the foreign organization amounting to not less than 75 per cent;

2) the foreign organization has a participating interest of not less than 50 per cent in at least one foreign organization;

3) the foreign organization has a participating interest of not less than 15 per cent in other foreign organizations (if there are any);

4) the period for which the participating interests referred to in subsections 1 to 3 of this clause have been owned is not less than 365 consecutive calendar days as at the end date of the financial year in accordance with the personal law of the foreign organization.

[clause 4 as reworded by Federal Law No. 368-FZ of 09.11.2020]

4.1. For the purposes of clause 1 of this Article, a foreign subholding company shall be deemed to be a foreign organization in relation to which the following conditions are simultaneously met:

1) a foreign holding company has a direct participating interest in the charter (pooled) capital (fund) of the foreign organization amounting to not less than 75 per cent;

2) the foreign organization has a participating interest of not less than 50 per cent in at least one foreign organization;

3) the foreign organization has a participating interest of not less than 15 per cent in other foreign organizations (if there are any);

4) the period for which the participating interests referred to in subsections 1 to 3 of this clause have been owned is not less than 365 consecutive calendar days as at the end date of

the financial year in accordance with the personal law of the foreign organization.

[clause. 4.1 inserted by Federal Law No. 368-FZ of 09.11.2020]

5. For the purposes of clause 1 of this Article, an active foreign holding company shall be deemed to be a foreign holding company that does not have income (profit) or for which the proportion of income referred to in clause 4 of Article 309.1 of this Code is not greater than 5 per cent of the total amount of income of that foreign holding company according to its financial statements for the financial year. In this respect, the following items of income shall not be taken into account in determining the amount of income referred to in clause 4 of Article 309.1 of this Code for the purposes of this clause:

- dividends from active foreign companies and (or) active foreign subholding companies;
- dividends from foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met;
- income from the sale or other disposal of shares (participating interests) in active foreign companies, active foreign subholding companies and (or) foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met.

In determining the proportion of income that is referred to in paragraph 1 of this clause, the taxpayer shall have the right to exclude dividends from foreign organizations referred to in paragraphs 2 and 3 of this clause only on condition that the direct participating interest of the foreign holding company in the charter (pooled) capital (fund) of each foreign organization dividends from which are to be excluded amounts to not less than 50 per cent over a period of not less than 365 consecutive calendar days as at the end date of the financial year in accordance with the personal law of the foreign holding company. This condition concerning the size of the participating interest of the foreign holding company in the charter (pooled) capital (fund) of a foreign organization need not be met if the condition provided for in subsection 2 of clause 1 of this Article is met in relation to the foreign organization.

[clause 5 as reworded by Federal Law No. 368-FZ of 09.11.2020]

6. For the purposes of clause 1 of this Article, an active foreign subholding company shall be deemed to be a foreign subholding company that does not have income (profit) or for which the proportion of income referred to in clause 4 of Article 309.1 of this Code is not greater than 5 per cent of the total amount of all income of that foreign subholding company according to its financial statements for the financial year. In this respect, the following items of income shall not be taken into account in determining the amount of income referred to in clause 4 of Article 309.1 of this Code for the purposes of this clause:

- dividends from active foreign companies;
- dividends from foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met;
- income from the sale or other disposal of shares (participating interests) in active foreign companies and (or) foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met.

In determining the proportion of income that is referred to in paragraph 1 of this clause, the taxpayer shall have the right to exclude dividends from foreign organizations referred to in paragraphs 2 and 3 of this clause only on condition that the direct participating interest of the foreign subholding company in the charter (pooled) capital (fund) of each foreign organization dividends from which are to be excluded amounts to not less than 50 per cent over a period of not less than 365 consecutive calendar days as at the end date of the financial year in accordance with the personal law of the foreign subholding company. This condition concerning the size of the participating interest of the foreign subholding company in the charter (pooled) capital (fund) of a foreign organization need not be met if the condition provided for in subsection 2 of clause 1 of this Article is met in relation to the foreign organization.

[clause 6 as reworded by Federal Law No. 368-FZ of 09.11.2020]

6.1. In determining the portion of income which is referred to in subsection 7 of clause 1 and clauses 3, 5 and 6 of this Article, account shall not be taken of income in the form of an exchange difference which is recognised when preparing the financial statements of a controlled foreign company or of income such as is referred to in subsections 1, 2 and 3 of clause 3 of Article 309.1 of this Code.

[clause 6.1 inserted by Federal Law No. 32-FZ of 15.02.2016; as amended by Federal Law No. 424-FZ of 27.11.2018]

6.2. Income referred to in paragraphs 2 to 4 of clause 5 of this Article shall be determined on the basis of financial statements of active foreign companies, active foreign subholding companies and (or) foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met that were prepared for a year coinciding with the financial year in accordance with the personal law of the foreign holding company.

Income referred to in paragraphs 2 to 4 of clause 6 of this Article shall be determined on the basis of financial statements of active foreign companies and (or) foreign organizations in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met that were prepared for a year coinciding with the financial year in accordance with the personal law of the foreign subholding company.

Where a controlling person ceased participation in an active foreign company, an active foreign subholding company or an active foreign organization in relation to which at least one of the conditions laid down in subsections 1 to 3 and (or) 5 to 8 of clause 1 of this Article is met before the end of a year coinciding with the financial year in accordance with the personal law of the foreign holding company and (or) the foreign subholding company, income referred to in this clause shall be determined on the basis of financial statements prepared for the preceding financial year.

[clause 6.2 inserted by Federal Law No. 368-FZ of 09.11.2020]

7. Profit of a controlled foreign company shall be exempt from taxation in accordance with this Code in the cases established by subsections 3, 5 and 6 of clause 1 of this Article if the controlled foreign company is a resident of a state (territory) with which an international taxation agreement of the Russian Federation exists, with the exception of states (territories)

which do not provide for the exchange of information for taxation purposes with the Russian Federation.

The list of states (territories) which do not provide for the exchange of information for taxation purposes with the Russian Federation shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies.

Profit of a controlled foreign company shall be exempt from taxation in accordance with this Code in the cases established by clauses 5 and 6 of this Article are met if the state or territory of residence of foreign holding companies or foreign subholding companies such as are referred to in clause 4 of this Article is not included in the list of states and territories which is approved by the Ministry of Finance of the Russian Federation in accordance with subsection 1 of clause 3 of Article 284 of this Code.

8. Profit of an active foreign holding company shall be exempt from taxation for a Russian organization which is a controlling person of that active foreign holding company such as is referred to in clause 4 of this Article.

Profit of a foreign holding company such as is referred to in paragraph 1 of this clause shall also be exempt from taxation for other controlling persons of that foreign holding company which have a direct or indirect participating interest in a Russian organization/controlling person such as is referred to in clause 4 of this Article to an extent corresponding to the participating interests of the persons in question in the Russian organization/controlling person.

The provisions of this clause shall also apply in relation to the amount of profit of an active foreign subholding company which is exempt from taxation for its controlling persons.

9. In order for profit of a controlled foreign company to be exempted from taxation in accordance with this Code on the grounds established by subsections 1 and 3 to 8 of clause 1 of this Article, a taxpayer which exercises control over a foreign organization (a foreign unincorporated entity) shall submit to the tax authority for its location documents confirming that the conditions for such exemption are met.

Documents such as are referred to in this clause shall be submitted within the time limit stipulated by clause 2 of Article 25.14 of this Code and must be translated into Russian insofar as is necessary to ensure compliance with the conditions for profit of a controlled foreign company to be exempted from taxation. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

A taxpayer-controlling person shall have the right not to submit the documents provided for in this clause if those documents were submitted by another taxpayer which is a controlling person of the controlled foreign company and is a Russian organization through which the indirect participation of the taxpayer exercising the right provided for in this paragraph in the controlled foreign company is exercised. A taxpayer-controlling person may exercise this right provided that it gives details of the organization which submitted the documents provided for in this clause in the notification of controlled foreign companies which is submitted in accordance with clause 2 of Article 25.14 of this Code. *[paragraph inserted by Federal Law No. 436-FZ of 28.12.2017]*

10. Profit of controlled foreign companies such as are referred to in subsection 6 of clause 1 of this Article shall be exempt from taxation provided that all of the following requirements for such companies, circulated bonds and debt obligations arising in connection with the placement of such circulated bonds are simultaneously met:

1) circulated bonds such as are referred to in subsection 6 of clause 1 of this Article meet the requirements established for such bonds by subsection 1 of clause 2.1 of Article 310 of this Code;

2) debt obligations of Russian and foreign organizations to foreign organizations such as are referred to in subsection 6 of clause 1 of this Article arose in connection with the placement of circulated bonds such as are referred to in subsection 1 of this clause, as is confirmed by at least one of the following documents:

- the agreement in which the debt obligation in question is formally established;
- the conditions of issue of the circulated bonds in question;
- the issue prospectus for the circulated bonds in question;

3) foreign organizations such as are referred to in subsection 6 of clause 1 of this Article are residents of states with which the Russian Federation has international agreements governing the taxation of income of organizations and physical persons;

4) interest expenses in respect of circulated bonds such as are referred to in subsection 6 of clause 1 of this Article which were incurred for the period for which financial statements for a financial year are prepared in accordance with the personal law of a foreign organization account for not less than 90 per cent of the amount of all expenses of the organization concerned according to data in its financial statements for that period.

[clause 10 as reworded by Federal Law No. 32-FZ of 15.02.2016]

Article 25.14. Notification of Participation in Foreign Organizations and Notification of Controlled Foreign Companies. Procedure for Classing Taxpayers as Controlling Persons *[title as amended by Federal Law No. 32-FZ of 15.02.2016] [inserted by Federal Law No. 376-FZ of 24.11.2014]*

1. Taxpayers who are deemed to be tax residents of the Russian Federation shall, in the cases and in accordance with the procedure laid down in this Code, notify a tax authority:

- 1) of their participation in foreign organizations (of the foundation of foreign unincorporated entities);
- 2) of controlled foreign companies of which they are controlling persons.

2. Except as otherwise provided by this Article, a notification of controlled foreign companies shall be submitted:

- by taxpayers that are organizations not later than 20 March of the year following the tax period in which the controlling person recognises income in the form of a profit of a controlled foreign company in accordance with Chapter 25 of this Code or which follows the year for which a loss was determined for a controlled foreign company;

- by taxpayers that are physical persons not later than 30 April of the year following the tax period in which the controlling person recognises income in the form of a profit of a controlled foreign company in accordance with Chapter 23 of this Code or which follows the year for which a loss was determined for a controlled foreign company.

[clause 2 as reworded by Federal Law No. 368-FZ of 09.11.2020]

3. Except as otherwise provided in this Article, a notification of participation in foreign organizations (of the foundation of foreign unincorporated entities) (hereafter in this Code referred to as “notification of participation in foreign organizations”) shall be submitted not later than three months from the date of the commencement of (or of a change in the size of) the participating interest in such foreign organization (the date of the foundation of a foreign unincorporated entity) which is the basis for submitting the notification in question, except as otherwise provided in this clause. *[as amended by Federal Law No. 34-FZ of 19.02.2018]*

Where a physical person who was not a tax resident of the Russian Federation at the time when the grounds referred to in paragraph 1 of this clause for the submission of a notification of participation in foreign organizations arose is deemed to be a tax resident of the Russian Federation for the overall calendar year, that physical person shall submit a notification of participation in foreign organizations not later than 1 March of the year following that calendar year. The physical person shall submit the above-mentioned notification if, as at 31 December of the calendar year for which the physical person is deemed to be a tax resident of the Russian Federation, he had a participating interest in a foreign organization in excess of the level established by subsection 1 of clause 3.1 of Article 23 of this Code, or if a foreign unincorporated entity founded (registered) by that physical person existed at that date. The details and information stipulated by clause 5 of this Article shall be entered in the notification of participation in foreign organization as at 31 December of the calendar year in question.

For the purposes of the submission of a notification of participation in foreign organizations in connection with a change in a participating interest in a foreign organization, the value of the change in the participating interest in the foreign organization in question shall be given to two decimal places, with the second decimal place rounded according to mathematical rounding rules.

[paragraph inserted by Federal Law No. 6-FZ of 17.02.2021]

If, after a notification of participation in foreign organizations was submitted, the grounds for the submission of such a notification have not changed, repeat notifications shall not be submitted.

In the event that participation in foreign organizations is terminated (foreign unincorporated entities are terminated (liquidated)), the taxpayer shall inform the tax authority of this not later than three months from the date of termination of participation (indicating the date on which participation in the foreign organization ended (the date on which a foreign unincorporated entity was terminated (liquidated))).

The provisions of this clause shall not apply to taxpayers whose participation in foreign organizations is exercised exclusively through direct and (or) indirect participation in one or more public companies which are Russian organizations. The exemption from the application of the provisions of this clause which is established by this paragraph shall not apply upon the submission of a notification of participation in foreign organizations for periods before 1 January 2029 where taxpayers' participation in foreign organizations is exercised solely through direct and (or) indirect participation in one or more public companies which are recognised as international holding companies in accordance with Article 24.2 of this Code.
[as amended by Federal Law No. 294-FZ of 03.08.2018]

An international company shall, within one month from the day of its registration, submit a notification of participation in foreign organizations in relation to participating interests in foreign organizations (the foundation of foreign unincorporated entities) as at the date of state registration of that international company. *[paragraph inserted by Federal Law No. 294-FZ of 03.08.2018]*
[clause 3 as reworded by Federal Law No. 32-FZ of 15.02.2016]

3.1. A notification of controlled foreign companies and (or) a notification of participation in foreign organizations shall not be considered to have been submitted outside the time limit established by clause 2 or 3 of this Article if those notifications were submitted together with a special declaration submitted in accordance with Federal Law No. 140-FZ of 8 June 2015 "Concerning the Voluntary Declaration of Assets and Bank Accounts (Deposits) by Physical Persons and the Introduction of Amendments to Certain Legislative Acts of the Russian Federation" and information on the foreign organizations and (or) controlled foreign companies in question is contained in that special declaration.
[clause 3.1 inserted by Federal Law No. 34-FZ of 19.02.2018]

4. Taxpayers shall submit notifications of participation in foreign organizations and notifications of controlled foreign companies to the tax authority for their location (place of residence).

Taxpayers classified as major taxpayers in accordance with Article 83 of this Code shall submit notifications of participation in foreign organizations and notifications of controlled foreign companies to the tax authority where they are registered as major taxpayers.

Taxpayers shall submit notifications of participation in foreign organizations and notifications of controlled foreign companies to a tax authority electronically using the prescribed forms (formats). *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

Taxpayers who are physical persons shall have the right to submit the above-mentioned notifications in paper form.

The forms (formats) of a notification of participation in foreign organizations and a notification of controlled foreign companies and the procedure for completing the forms and the procedure for submitting a notification of participation in foreign organizations and of controlled foreign companies in electronic form shall be approved by the federal executive body in charge of control and supervision in the area of taxes and levies in consultation with

the Ministry of Finance of the Russian Federation. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

5. A notification of participation in foreign organizations shall contain the following details and information:

1) the date on which the ground for submitting the notification arose;

2) the name of the foreign organization (foreign unincorporated entity) in relation to which the notification of participation therein (of the foundation thereof) has been submitted by the taxpayer;

3) the registration number (numbers) assigned to a foreign organization in the state (territory) in which it is registered (incorporated), the code (codes) of a foreign organization as a taxpayer in the state (territory) in which it is registered (incorporated) (or equivalents thereof) and the address of a foreign organization in the state (territory) in which it is registered (incorporated) if these are available;

4) the organizational form of a foreign unincorporated entity, the name and details of the foundation document of a foreign unincorporated entity, the date of foundation (registration) of a foreign unincorporated entity and the registration number (other identifier) in the state of foundation (registration) of a foreign unincorporated entity if these are available (or equivalents thereof);

5) the participating interest of the taxpayer in a foreign organization, and disclosure of the manner of the taxpayer's participation in a foreign organization in the case of indirect participation, including through a Russian organization and (or) using a foreign unincorporated entity if the taxpayer is a controlling person of that foreign unincorporated entity, giving the following details:

- the details specified in subsections 2, 3 and 4 of this clause – in relation to each subsequent organization (foreign unincorporated entity) through which (using which) indirect participation in the foreign organization is exercised;

- the participating interest in each subsequent organization through which indirect participation in the foreign organization is exercised;

- the name, main state registration number, taxpayer identification number and code of reason for registration of a Russian taxpayer organization through which indirect participation in the foreign organization is exercised;

6) information as to whether a taxpayer which is the founder of a foreign unincorporated entity is a controlling person of that entity (where a notification is submitted by a taxpayer in relation to a foreign unincorporated entity which was founded by the taxpayer).

[clause 5 as reworded by Federal Law No. 32-FZ of 15.02.2016]

6. A notification of controlled foreign companies shall contain the following details and information:

1) the period for which the notification is submitted;

1.1) the date of the submission to the tax authority of a notification of transfer to the payment of tax on income of physical persons based on fixed profit (if applicable);

[subsection 1.1 inserted by Federal Law No. 368-FZ of 09.11.2020]

1.2) the date of the submission to the tax authority of a notification of withdrawal from the payment of tax on income of physical persons based on fixed profit (if applicable);

[subsection 1.2 inserted by Federal Law No. 368-FZ of 09.11.2020]

2) the name of the foreign organization (foreign unincorporated entity) in relation to which the notification of participation therein (of the foundation thereof) has been submitted by the taxpayer;

3) the registration number (numbers) assigned to a foreign organization in the state (territory) in which it is registered (incorporated), the code (codes) of a foreign organization as a taxpayer in the state (territory) in which it is registered (incorporated) (or equivalents thereof) and the address of a foreign organization in the state (territory) in which it is registered (incorporated) if these are available;

4) the organizational form of a foreign unincorporated entity, the name and details of the foundation document of a foreign unincorporated entity, the date of foundation (registration) of a foreign unincorporated entity and the registration number (other identifier) in the state of foundation (registration) of a foreign unincorporated entity if these are available (or equivalents thereof);

5) the date which is the last day of the period for which the financial statements of an organization (a foreign unincorporated entity) are prepared in accordance with its personal law;

6) the date of preparation of the financial statements of an organization (a foreign unincorporated entity) for a financial year in accordance with its personal law;

7) the date of preparation of an auditor's report on the financial statements of a foreign organization (a foreign unincorporated entity) for a financial year (where the conduct of an audit of such financial statements is compulsory in accordance with the personal law or foundation (corporate) documents of the foreign organization (foreign unincorporated entity) or such an audit is carried out voluntarily by the foreign organization (foreign unincorporated entity));

8) the participating interest of the taxpayer in a foreign organization, and disclosure of the manner of the taxpayer's participation in a foreign organization in the case of indirect participation, including through a Russian organization and (or) using a foreign unincorporated entity if the taxpayer is a controlling person of that foreign unincorporated entity, giving the following details:

- the details specified in subsections 2, 3 and 4 of this clause – in relation to each subsequent organization (foreign unincorporated entity) through which (using which) indirect participation in the foreign organization is exercised;

- the name, main state registration number, taxpayer identification number and code of reason for registration of a Russian taxpayer organization through which indirect participation in the foreign organization is exercised;

- the participating interest in each subsequent organization through which indirect participation in the foreign organization is exercised;

9) a description of the grounds for considering the taxpayer to be a controlling person of a foreign company;

10) a description of the grounds for exempting profit of a controlled foreign company from taxation in accordance with this Code.

[subsection 10 as reworded by Federal Law No. 436-FZ of 28.12.2017]

[clause 6 as reworded by Federal Law No. 32-FZ of 15.02.2016]

If the taxpayer has exercised the right not to submit the documents provided for in clause 9 of Article 25.13-1 of this Code, in disclosing information provided for in subsection 8 of this clause in the notification of controlled foreign companies information shall be given on the taxpayer-controlling person which is a Russian organization through which the taxpayer's indirect participation in the controlled foreign company is exercised and which submitted the documents provided for in clause 9 of Article 25.13-1 of this Code.

6.1. The details and information provided for in subsections 6, 7 and 10 of clause 6 of this Article shall not be entered in a notification of controlled foreign companies where a taxpayer that is a physical person has submitted to the tax authority a notification of transfer to the payment of tax on income of physical persons based on fixed profit.

[clause 6.1 inserted by Federal Law No. 368-FZ of 09.11.2020]

7. In the event that omissions, inaccuracies or errors are found to have been made in completing a submitted notification of participation in foreign organizations or notification of controlled foreign companies, the taxpayer shall have the right to submit a revised notification.

In the event that a revised notification is submitted before the taxpayer became aware of the discovery by the tax authority of the presence of inaccurate information in the notification, the taxpayer shall be exempted from the liability stipulated by Article 129.6 of this Code.

8. Where a tax authority has information, including information received from competent authorities of foreign states, indicating that a taxpayer is a controlling person of a foreign organization (a foreign unincorporated entity), but the taxpayer in question has not sent a notification such as is provided for in clause 6 of this Article to the tax authority in cases specified in Article 25.13 of this Code, the tax authority shall send that taxpayer a demand to submit a notification such as is provided for in clause 6 of this Article within the time limit established by the tax authority, which may not be less than thirty days from the date of receipt of that demand.

[clause 8 as reworded by Federal Law No. 32-FZ of 15.02.2016]

9. A tax authority's demand such as is referred to in clause 8 of this Article must contain the following information:

1) the name (surname, first name and patronymic) of the taxpayer to which (whom) the demand is sent;

[subsection 1 as reworded by Federal Law No. 32-FZ of 15.02.2016]

2) the name of the foreign organizations (foreign unincorporated entities) in relation to which the tax authority has information indicating that the taxpayer is a controlling person thereof;

3) the registration number (numbers) assigned to the foreign organization (foreign unincorporated entity) in relation to which the tax authority has information indicating that the taxpayer is a controlling person thereof;

[subsection 3 inserted by Federal Law No. 32-FZ of 15.02.2016]

4) a description of the grounds which the tax authority has for deeming the taxpayer to be a controlling person of the foreign organization (foreign unincorporated entity);

5) the period for which the taxpayer must submit a notification such as is provided for in clause 6 of this Article.

[subsection 5 inserted by Federal Law No. 32-FZ of 15.02.2016]

10. A taxpayer may, before the expiry of the time limit indicated in clause 8 of this Article, submit to the tax authority explanations regarding assertions made in a demand sent in accordance with clauses 8 and 9 of this Article to demonstrate that there are no grounds for the taxpayer to be deemed a controlling person, at the same time submitting to the tax authority documents (if available) supporting the explanations given.

Where a taxpayer is deemed to be a controlling person on the basis of subsection 2 of clause 3 of Article 25.13 of this Code, the taxpayer shall have the right to submit to the tax authority, together with a notification of controlled foreign companies, appropriate explanations and (or) documents proving that he was not aware that, in the calendar year for which a notification of controlled foreign companies was not submitted, the participating interest in the foreign organization concerned of all persons deemed to be tax residents of the Russian Federation (in the case of physical persons – together with spouses and minor-age children) amounted to more than 50 per cent.

[clause 10 as reworded by Federal Law No. 32-FZ of 15.02.2016]

11. A tax authority official shall be obliged to examine explanations and documents submitted by a taxpayer. If, after examining explanations and documents submitted, or where none are received, the tax authority finds that a violation of tax and levy legislation has occurred for which liability is prescribed by Article 129.6 of this Code, the tax authority shall conduct proceedings relating to that tax offence in accordance with the procedure laid down in Article 101.4 of this Code.

A taxpayer who is deemed to be a controlling person on the basis of subsection 2 of clause 3 of Article 25.13 of this Code shall be exempted from the liability prescribed by Articles 129.5 and 129.6 of this Code in the event that a notification of the controlled foreign companies concerning which information is contained in the demand is submitted within the time limit

established by the tax authority. In this case penalties shall not be charged on the relevant amounts of taxes.

[clause 11 as reworded by Federal Law No. 32-FZ of 15.02.2016]

12. The provisions of clauses 8 to 11 of this Article shall also apply to cases where a taxpayer submitted a notification such as is provided for in clause 6 of this Article on time but failed to include therein details of one or more controlled foreign companies.

[clause 12 as reworded by Federal Law No. 32-FZ of 15.02.2016]

Article 25.14-1. Demanding from Taxpayers That Are Controlling Persons of Documents Relating to Foreign Companies Controlled by Them *[inserted by Federal Law No. 368-FZ of 09.11.2020]*

[inserted by Federal Law No. 368-FZ of 09.11.2020]

1. Where a taxpayer that is a controlling person has not submitted documents required to confirm compliance with the conditions for the exemption of profit of a controlled foreign company from taxation in accordance with clause 9 of Article 25.13-1 of this Code, or documents confirming the amount of the profit (loss) of a controlled foreign company that are provided for in clause 5 of Article 25.15 of this Code, a tax authority official shall have the right to demand those documents in accordance with this Article.

Documents provided for in this clause may not be demanded from a taxpayer/controlling person that is a physical person who has submitted to the tax authority a notification of transfer to the payment of tax on income of physical persons based on fixed profit in accordance with the procedure and subject to the conditions established by Article 23 of this Code if those documents relate to tax periods during which that taxpayer applied the procedure established by Article 227.2 of this Code involving the payment of tax on income of physical persons based on fixed profit.

A tax authority shall have the right to demand from a taxpayer that is a controlling person documents relating to tax periods preceding the year in which the demand is sent, but not extending to more than three calendar years.

2. Documents demanded in accordance with this Article shall be submitted within one month from the date on which a demand is received and must be translated into Russian insofar as is necessary to confirm compliance with the conditions for the exemption of profit of a controlled foreign company from taxation or to confirm the amount of the profit (loss) of a controlled foreign company.

3. A failure by a controlling person to submit documents demanded in accordance with this Article within the time limit established by clause 2 of this Article shall be deemed to be a tax offence and shall incur the sanction provided for in clause 1.1-1 of Article 126 of this Code.

4. Where a taxpayer that is a controlling person has, after receiving a demand for documents provided for in clause 9 of Article 25.13-1 of this Code, submitted a revised notification of controlled foreign companies in which the previously claimed type of tax exemption for profit of a controlled foreign company is not claimed, that taxpayer shall not be subjected to the sanction provided for in clause 1.1-1 of Article 126 of this Code in relation to documents not submitted in response to the demand that occasioned the submission of the revised notification.

Article 25.15. Tax Treatment of Profit of a Controlled Foreign Company *[inserted by Federal Law No. 376-FZ of 24.11.2014]*

1. For the purposes of this Code, profit (loss) of a controlled foreign company shall be understood to mean the amount of that company's profit (loss) which has been calculated in accordance with Article 309.1 of this Code.

Profit of a controlled foreign company shall be reduced by the amount of dividends paid by that foreign company in the calendar year following the year for which financial statements are prepared in accordance with the personal law of that company, including interim dividends paid during the financial year for which those financial statements are prepared, with account taken of the special considerations laid down in Article 309.1 of this Code. In the event that the personal law of a company does not require the preparation of financial statements of that company, the calendar year shall be used for the purposes of this paragraph.

In the determination of profit of a controlled foreign company account shall not be taken of income referred to in clause 1 of Article 309 of this Code for which Russian organizations are the source of payment if the controlling person of that controlled foreign company has an actual right to the income in question according to the provisions of Article 312 of this Code.
[as amended by Federal Law No. 325-FZ of 29.09.2019]

Profit of a controlled foreign company which is a foreign unincorporated entity or a foreign legal entity whose personal law does not provide for participation in capital shall be reduced by the amount of distributed profit. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*
[clause 1 as reworded by Federal Law No. 150-FZ of 08.06.2015]

1.1. In determining the profit of a controlled foreign company which is a foreign unincorporated entity, account shall not be taken of income in the form of property (including monetary resources) and (or) property rights which were received as a contribution (investment) from the founder of that entity and (or) or persons who are members of his family and (or) close relatives in accordance with the Family Code of the Russian Federation (spouses, parents and children, including adoptive parents and adopted children, grandfathers, grandmothers and grandchildren, siblings and half-siblings (having a common father or mother)) or from another controlled foreign company (including a foreign unincorporated entity) in relation to which at least one of the above-mentioned persons is a controlling person. In this respect, if the transferring party is a controlled foreign company, expenses in the form of property (including monetary resources) and (or) property rights transferred shall not be taken into account in determining the profit of that controlled foreign company.

The provisions of this clause shall not apply in the case of the transfer of property and (or) property rights by a controlled foreign company (the receipt of property and (or) property rights from a controlled foreign company) which were obtained using profit of the transferring party for the financial year in which it was liquidated (terminated).

Foreign legal entities whose personal law does not provide for participation in capital shall be equated with foreign unincorporated entities for the purposes of this clause.
[clause 1.1 inserted by Federal Law No. 32-FZ of 15.02.2016]

2. Profit of a controlled foreign company which is determined in accordance with this Code shall be equated with profit of an organization (income of physical persons) (hereafter in this Chapter referred to as “profit” and “income” respectively) which is received by a taxpayer which is recognised as a controlling person of that controlled foreign company and shall be taken into account in determining the tax base for taxes for taxpayers who are deemed to be controlling persons of that controlled foreign company in accordance with the chapters of Part Two of this Code with account taken of the special considerations which are established by this Article.

3. Profit of a controlled foreign company shall be taken into account in determining the tax base of a taxpayer-controlling person to an extent corresponding to that person’s participating interest in the controlled foreign company as at the date of adoption of a profit distribution decision adopted in the calendar year following the tax period for the relevant tax for the taxpayer-controlling person in which there falls the end date of the financial year in accordance with the personal law of that controlled foreign company or, if no such decision has been adopted, as at 31 December of the calendar year following the tax period for the relevant tax for the taxpayer-controlling person in which there falls the end date of the financial year of the controlled foreign company. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

Where it is impossible to determine the share in the profit of a controlled foreign company in accordance with paragraph 1 of this clause, profit of that controlled foreign company shall be taken into account in determining the tax base of a taxpayer-controlling person on the basis of the amount of profit to which the taxpayer has (will have) a right in the event of its distribution among persons who have an actual right to that profit. In this respect, that amount of profit shall be determined as at 31 December of the calendar year following the tax period for the relevant tax for the taxpayer-controlling person in which there falls the end date of the financial year of the controlled foreign company. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

In the event that the participating interest of a taxpayer-controlling person in a controlled foreign company differs from the share of profit to which the taxpayer has a right in the event of its distribution (in accordance with its personal law, the charter documents or an agreement between its shareholders (participants)), profit of the controlled foreign company shall be taken into account in determining the tax base of the taxpayer-controlling person to an extent corresponding to the share in the profit of the controlled foreign company to which that person has a right as at the date of adoption of a profit distribution decision adopted in the calendar year following the tax period for the relevant tax for the taxpayer-controlling person in which there falls the end date of the financial year in accordance with the personal law of the controlled foreign company or, if no such decision has been adopted, as at 31 December of the calendar year following the tax period for the relevant tax for the taxpayer-controlling person in which there falls the end date of the financial year of the controlled foreign company. *[paragraph inserted by Federal Law No. 32-FZ of 15.02.2016]*

4. Where a taxable controlling person has indirect participation in a controlled foreign company, provided that that participation is exercised through organizations which are controlling persons of that controlled foreign company and are deemed to be tax residents of the Russian Federation, profit of that controlled foreign company which is taken into account in determining the tax base of the taxpayer in question shall be reduced by amounts of profit

which are required to be taken into account for taxation purposes for other controlling persons through which the indirect participation of the controlling person in question in the controlled foreign company is exercised to an extent proportional to the participating interest of the controlling person in question in the organization (organizations) through which indirect participation in the controlled foreign company is exercised. *[as amended by Federal Law No. 32-FZ of 15.02.2016]*

In this respect, where, as a result of the application of paragraph 1 of this clause, the amount of profit of a controlled foreign company which is required to be taken into account in determining the tax base for a taxable controlling person is equal to zero, the taxpayer shall have the right not to reflect that result and information on that controlled foreign company in the tax declaration for tax on profit of organizations (tax on income of physical persons). *[as amended by Federal Laws No. 32-FZ of 15.02.2016, No. 436-FZ of 28.12.2017]*

5. A taxpayer that is a controlling person shall confirm the amount of the profit (loss) of a foreign company controlled by that person by submitting the following documents:

1) the financial statements of the controlled foreign company prepared in accordance with the personal law of that company for the financial year, or, if there are no financial statements, other documents confirming the profit (loss) of the company for the financial year;

2) the auditor's report on the financial statements of the controlled foreign company that are referred to in subsection 1 of this clause if the personal law or the foundation (corporate) documents of that controlled foreign company make it obligatory for those financial statements to be audited or an audit is carried out by the foreign organization on a voluntary basis.

The documents referred to in this clause shall be submitted irrespective of whether income in the form of profit of a controlled foreign company is required to be included in the tax base of the controlling person for the corresponding tax within the following time limits:

- by taxpayers that are organizations – together within a tax declaration for tax on profit of organizations;

- by taxpayers that are physical persons – together with a notification of controlled foreign companies.

[clause 5 as reworded by Federal Law No. 368-FZ of 09.11.2020]

6. Documents (copies thereof) such as are referred to in clause 5 of this Article which have been prepared in a foreign language must be translated into Russian.

Where an auditor's report on financial statements cannot be submitted at the same time as a tax declaration in accordance with clause 5 of this Article, that auditor's report shall be submitted not later than one month from the day specified in the notification of controlled foreign companies as the date of preparation of the auditor's report on the financial statements.

7. Profit of a controlled foreign company shall be taken into account in determining the tax base for a tax period for a particular tax in accordance with clause 1 of this Article if the amount of that profit, calculated in accordance with this Code, exceeds 10,000,000 roubles.

8. Where, on the basis of the results for a period for which financial statements for a financial year are prepared in accordance with the personal law of the company concerned, a foreign organization is unable to distribute profit (in whole or in part) among participants (unit holders, principals or other persons) by reason of an obligation established by the personal law of the organization in question to use that profit to increase charter capital and (or) to create compulsory reserves where an obligation to create such reserves is stipulated by the legislation of a foreign state, such profit shall not be taken into account in determining the tax base for a taxable controlling person. *[as amended by Federal Law No. 436-FZ of 28.12.2017]*

9. Except as otherwise established by clause 12 of Article 309.1 of this Code, the provisions of this Article shall not apply to profit of a controlled foreign company the controlling person of which is a physical person who submitted to the tax authority a notification of transfer to the payment of tax on income of physical persons based on fixed profit in accordance with the procedure and subject to the conditions established by Chapter 23 of this Code, provided that the profit in question relates to tax periods during which that physical person applied the procedure established by Article 227.2 of this Code involving the payment of tax on income of physical persons based on fixed profit.

[clause 9 inserted by Federal Law No. 368-FZ of 09.11.2020]

CHAPTER 3.5. TAXPAYERS THAT ARE PARTICIPANTS IN SPECIAL INVESTMENT CONTRACTS

[inserted by Federal Law No. 269-FZ of 02.08.2019]

Article 25.16. Taxpayers That Are Participants in Special Investment Contracts *[inserted by Federal Law No. 269-FZ of 02.08.2019]*

1. For the purposes of the tax and levy legislation of the Russian Federation, a taxpayer that is a participant in a special investment contract is a person that is a party to a special investment contract concluded in accordance with Federal Law No. 488-FZ of 31 December 2014 “Concerning Industrial Policy in the Russian Federation”, is not a member of a consolidated group of taxpayers, a resident of any type of special economic zone or of a priority socio-economic development area, a participant (the legal successor of a participant) in a regional investment project, a participant in a free economic zone and (or) a resident of the Vladivostok free port and does not apply special tax regimes provided for in Part Two of this Code.

A person shall acquire the status of a taxpayer that is a participant in a special investment contract from the day on which information on the conclusion of a special investment contract is included in the register of special investment contracts provided for in clause 7.3 of part 1 of Article 6 of Federal Law No. 488-FZ of 31 December 2014 “Concerning Industrial Policy in the Russian Federation” (hereafter in this Chapter referred to as “register”).

2. For the purposes of the tax and levy legislation of the Russian Federation, persons that are parties to special investment contracts concluded with the participation of the Russian

Federation in accordance with Federal Law No. 488-FZ of 31 December 2014 “Concerning Industrial Policy in the Russian Federation” which are subject to automatic inclusion by the authorized body in the register shall also be recognised as taxpayer that are participants in special investment contracts from the moment when investment projects carried out by those taxpayers are included in the list of investment projects for which related special investment contracts are subject to automatic inclusion by the authorized body in that register.

3. A person shall lose the status of a taxpayer that is a participant in a special investment contract if one of the following events occurs:

1) the special investment contract is terminated – from the day on which the contract is terminated;

2) the special investment contract is rescinded – from the day on which information on the rescission of the special investment contract is included in the register.

CHAPTER 4. REPRESENTATION IN RELATIONS GOVERNED BY TAX AND LEVY LEGISLATION

Article 26. Right to Representation in Relations Governed by Tax and Levy Legislation

1. A taxpayer may participate in relations governed by tax and levy legislation through a legal or authorized representative, except as otherwise provided in this Code.

2. The participation of a taxpayer in relations governed by tax and levy legislation in person shall not deprive him of the right to have a representative, and likewise the participation of a representative shall not deprive the taxpayer of the right to participate in such legal relations in person.

3. The powers of a representative must be documented in accordance with this Code and federal laws.

4. The rules laid down by this Chapter shall apply to levy payers, payers of insurance contributions and tax agents. *[as amended by Federal Law No. 243-FZ of 03.07.2016]*

Article 27. Legal Representative of a Taxpayer

1. Legal representatives of a taxpayer organization shall be persons authorized to represent that organization on the basis of law or the organization’s foundation documents.

2. Legal representatives of a taxpayer physical person shall be persons acting as his representatives in accordance with the civil legislation of the Russian Federation.

Article 28. Actions (Inaction) of Legal Representatives of an Organization

Actions (inaction) of legal representatives of an organization which occur in connection with that organization’s participation in relations governed by tax and levy legislation shall be deemed to be actions (inaction) of the organization itself.

Article 29. Authorized Representative of a Taxpayer

1. An authorized representative of a taxpayer shall be a physical person or legal entity authorized by the taxpayer to represent his interests in relations with the tax authorities (customs authorities) and other participants in relations governed by tax and levy legislation, except as otherwise provided by this Code. *[as amended by Federal Laws No. 154-FZ of 09.07.1999, No. 213-FZ of 24.07.2009]*

2. Officials of tax authorities, customs authorities and internal affairs bodies, judges, investigators and public prosecutors may not be authorized representatives of a taxpayer. *[as amended by Federal Laws No. 154-FZ of 09.07.1999, No. 86-FZ of 30.06.2003, No. 213-FZ of 24.07.2009]*

3. An authorized representative of a taxpayer organization shall exercise his powers on the basis of a power of attorney issued in accordance with the procedure which is established by the civil legislation of the Russian Federation. *[as amended by Federal Law No. 321-FZ of 16.11.2011]*

An authorized representative of a taxpayer that is a private entrepreneur (a physical person who is not a private entrepreneur) shall exercise his powers on the basis of a notarially certified power of attorney, a power of attorney that is equated with a notarially certified power of attorney in accordance with civil legislation, or a power of attorney in the form of an electronic document signed with the electronic signature of the principal. *[as amended by Federal Law No. 374-FZ of 23.11.2020]*

4. The responsible member of a consolidated group of taxpayers shall be the authorized representative of all members of the consolidated group of taxpayers by law. Notwithstanding the provisions of the agreement on the creation of a consolidated group of taxpayers, the responsible member of that group shall have the right to represent the interests of the members of that consolidated group in the following legal relations:

1) in legal relations associated with the registration with the tax authorities of the agreement on the creation of the consolidated group of taxpayers, amendments to that agreement and a decision on the extension or termination of the agreement;

2) in legal relations associated with the enforced recovery from a member of the consolidated group of taxpayers of arrears in respect of tax on profit of organizations for the consolidated group of taxpayers;

3) in legal relations associated with the taking of action against an organization for tax offences committed in connection with participation in the consolidated group of taxpayers;

4) in other cases where the nature of actions (inaction) of a tax authority is such that they directly affect the rights of an organization which is a member of a consolidated group of taxpayers.

[clause 4 inserted by Federal Law No. 321-FZ of 16.11.2011]

5. Upon the expiry of or in the event of the early rescission or termination of an agreement on the creation of a consolidated group of taxpayers, the entity which was the responsible member of that group shall retain the powers provided for in clause 4 of this Article.

[clause 5 inserted by Federal Law No. 321-FZ of 16.11.2011]

6. An entity which is the responsible member of a consolidated group of taxpayers shall have the right to delegate the powers conferred on it by this Code with respect to the representation of the interests of the members of that group to third parties on the basis of a power of attorney issued in accordance with the procedure established by the civil legislation of the Russian Federation.

[clause 6 inserted by Federal Law No. 321-FZ of 16.11.2011]