

Economic Instruments for Water Management in Russia: Legal and Regulatory Information

Name of Instrument	Water Tax
Reference to the Regulation which Introduced the Instrument	Water Code of the Russian Federation, Chapter 25.2
Payers	<p>Entities and individuals engaged in special and/or different water use under the legislation of the Russian Federation regarded as subject to taxation under Article 333.9 of the Tax Code of the Russian Federation.</p> <p>The following uses of water bodies shall be regarded as subject to water tax, if paragraph 2 hereof does not envisage otherwise:</p> <ol style="list-style-type: none"> 1) Water abstraction from water bodies; 2) Use of surface area of water bodies, except for timber floating in rafts or round booms; 3) Use of water bodies without water abstraction for hydropower purposes; 4) Use of water bodies for purposes of timber floating in rafts or round booms.
Exemption from tax/charge/fee/tariff (if any)	<p>Entities and individuals engaged in water use under a water use contract entered into or a decision to grant use of a water body issued following the enactment of the Water Code of the Russian Federation shall not be regarded as taxpayers.</p> <p>The following shall not be regarded as subject to taxation:</p> <ol style="list-style-type: none"> 1) Abstraction from underground water bodies of water which contains mineral resources and/or medicinal natural resources or thermal water; 2) Water abstraction from water bodies for fire safety and disaster and post-accident clean-up; 3) Water abstraction from water bodies for sanitary, environmental, and navigation releases; 4) Water abstraction from water bodies by sea vessels, inland waterways vessels, and mixed river-sea-going vessels for operation of process equipment; 5) Water abstraction from water bodies and use of surface area of water bodies for fishing and reproduction of aquatic biological resources; 6) Use of surface area of water bodies to navigate vessels, including small-size floatation devices, or for one-time landing/take-offs of aircrafts; 7) Use of surface area of water bodies to place or berth floatation devices, put communications, buildings, structures, installations, or equipment to carry out activities related to protection of water or aquatic biological resources, environmental protection against adverse impact of water or to carry out such activities in water bodies; 8) Use of surface area of water bodies to conduct state monitoring of water bodies and other natural resources and geodetic, topographic, marine surveying, and exploratory surveying operations;

	<p>9) Use of surface area of water bodies to place or construct hydrotechnical structures intended for hydropower, melioration, fisheries, water transport, water supply or sanitation purposes;</p> <p>10) Use of surface area of water bodies for organised recreation by institutions intended solely for support and servicing of disabled persons, veterans, or children;</p> <p>11) Use of water bodies to carry out dredging or other operations related to the operation of navigable waterways or hydrotechnical structures;</p> <p>12) Special use of water bodies to fulfill the needs of the country's defence and national security;</p> <p>13) Water abstraction from water bodies to irrigate agricultural land (including meadows and pastures), irrigate horticultural, market-gardening, or country house land plots, land plots in citizens' private farm holdings, to water and service livestock and poultry owned by entities or citizens;</p> <p>14) Abstraction of mining waters and sewer and drainage waters from underground water bodies;</p> <p>15) Use of surface area of water bodies for fishing and hunting.</p>
Period within which tax/charge/fee/tariff should be paid	A quarter shall be regarded as a tax period. The tax is payable not later than 20 th day of the month following the expired tax period.
Object of taxation	Used water bodies on the basis of water use license and water use contract.
Tax base	<p>1. For water use, tax base is determined as amount of water abstracted from a water body over a tax period.</p> <p>3. For use of surface area of a water body, except for timber floating in rafts or round booms, tax base is determined as surface area of provided water space.</p> <p>4. For use of a water body without water abstraction for hydropower purposes, tax base is determined as amount of electric power generated over a tax period.</p> <p>5. For use of a water body for the purposes of timber floating in rafts or round booms, tax base is determined as a product of the amount of timber floated in rafts or round booms over a tax period in thousands of cubic meters and the distance of floating in kilometres divided by 100.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	Tax rates are set for river, lake, or sea basins and economic areas under Article 333.12 of the Tax Code of the Russian Federation.
Who levies tax/charge/fee/tariff	Tax shall be paid at the seat of the object of taxation (area body of the Federal Tax Service).
Collection mechanism	Payment for use of a water body shall be effected under a water use license and water use contract.
Fine for a tax offence or late payment	Failure to pay or incomplete payment of a tax/charge amount as a result of tax base understatement, other inaccurate assessment of the tax/charge, or any other wrongful action/omission shall entail imposition of a fine in the amount of 20 percent of the outstanding tax/charge amount.
Use of revenues	Tax revenues go to the Federal budget

Name of Instrument	Water Body Use Fee
Reference to the regulation which introduced the instrument	Water Code of the Russian Federation, Article 20
Payers	<p>Water users engaged in use of water bodies under water use contracts.</p> <p>Use of federally owned water bodies, those owned by a constituent entity of the Russian Federation or by a municipal entity is granted under a water use contract for:</p> <ol style="list-style-type: none"> 1) Abstraction/extraction of water resources from surface water bodies; 2) Use of surface area of water bodies, including for recreation purposes; 3) Use of water bodies without abstraction/extraction of water resources for electricity generation purposes.
Exemption from tax/charge/fee/tariff (if any)	<p>Use of a water body is granted on the basis of a decision to grant use of a water body:</p> <ul style="list-style-type: none"> To secure country's defence and national security; To abstract/extract water resources to irrigate agricultural land (including meadows and pastures); For organised recreation for children or that for veterans, the elderly, and disabled persons; To abstract/extract from an underground water body water resources, including those containing mineral resources and/or which are medicinal natural resources or thermal water; To abstract/extract water resources to ensure fire safety, as well as to prevent emergencies and to carry out post-emergency cleanup; To abstract/extract water resources for sanitary, environmental, and/or navigation releases/removal of water; For abstraction/extraction of water resources by vessels to ensure the operation of seaborne machinery, devices, and appliances; For reproduction and acclimatization of biological resources; To irrigate horticultural, market-gardening, or country house land plots, to maintain private farm holdings, or to water and maintain livestock; For bathing or to satisfy other personal or daily living needs of citizens.
Period within which tax/charge/fee/tariff should be paid	<p>A quarter shall be regarded as a payment period.</p> <p>Payment shall be effected at the location of use of a water body or part thereof not later than 20th day of the month following the expired payment period.</p>
Object of taxation	Water resources used under a water use contract.
Tax base	<p>Payment base shall be as follows:</p> <ol style="list-style-type: none"> a) For payers which abstract/extract water resources from a water body or a part thereof, amount of

	<p>allowable abstraction/extraction of water resources, including the amount thereof abstracted/extracted to be transferred to subscribers over a payment period;</p> <p>b) For payers which use a water body or a part thereof without abstracting/extracting water resources for hydropower purposes, amount of electric power generated over a payment period;</p> <p>c) For payers which use surface area of a water body or a part thereof, area of the granted surface area of the water body or part thereof.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	<p>Approved by Resolution No. 876 of 30 December 2006 of the Government of the Russian Federation.</p>
Who levies tax/charge/fee/tariff	<p>Administration of payments is assigned to the government authority which entered into water use contract:</p> <p>Territorial body of the Federal Water Resources Agency, for federally owned water bodies, except for those fully located on the territory of respective constituent entities of the Russian Federation and water resources from which are used to ensure drinking and domestic water supply in two or more constituent entities of the Russian Federation. The list of such water bodies is set by Order No. 2054-r of 31 December 2008 of the Government of the Russian Federation;</p> <p>Authorised body of a constituent entity of the Russian Federation, for remaining federally owned water bodies and those owned by constituent entities of the Russian Federation.</p> <p>Amounts of fees for use of water bodies are then credited to the accounts of the Federal Treasury bodies.</p>
Collection mechanism	<p>Payment for use of a water body shall be effected under a water use contract.</p>
Fine for a tax offence or late payment	<p>Late payment by a water user for use of a water body shall entail payment of late payment penalty in the amount of $\frac{1}{150}$ of the refinancing rate of the Central Bank of the Russian Federation in effect on the day of the late payment penalty payment, but not exceeding 0.2 percent for each day of delay. Late payment penalty shall be assessed for each calendar day of delay in fulfillment by water user of the duty to pay for water body use, starting from the day following that of payment for water body use set in the water use contract.</p>
Use of revenues	<p>For use of federally owned water bodies, credited to the federal budget;</p> <p>For use of water bodies owned by a constituent entity of the Russian Federation, to the budget of the constituent entity of the Russian Federation;</p> <p>For use of municipally-owned water bodies, to the municipal entity's budget.</p>

Name of Instrument	Groundwater Extraction Fees
Reference to the regulation which introduced the instrument	Law on Subsoil resources of the Russian Federation No. 2395-1 of 21 February 1992, Title V, <i>Subsoil resources Use Fees</i>
Payers	<p>Subsoil resources users which obtained a right to use subsoil resources shall pay one-off fees for use of subsoil resources when certain events stipulated in a license occur.</p> <p>Participants in an auction for right to use subsoil resources.</p> <p>Subsoil resources users which obtained a right to use subsoil resources.</p> <p>The following fees shall be paid for use of subsoil resources:</p> <p>One-off fees for use of subsoil resources when certain events stipulated in a license occur, including one-off fees paid for change of boundaries of subsoil resources areas use of which is granted;</p> <p>Recurrent subsoil resources use fees;</p> <p>Tender/auction fee.</p>
Exemption from tax/charge/fee/tariff (if any)	<p>No recurrent subsoil resources use fee shall be levied for:</p> <ol style="list-style-type: none"> 1) Use of subsoil resources for regional geological exploration; 2) Use of subsoil resources to set up specially protected geological sites of scientific, cultural, aesthetic, health-improving, or other significance; 3) Mineral prospecting in the deposits put into commercial operation within boundaries of a mine take granted to subsoil resources user to extract the mineral resources; 4) Mineral prospecting within boundaries of a mine take granted to subsoil resources user to extract the mineral resource.
Period within which tax/charge/fee/tariff should be paid	Recurrent subsoil resources use fees shall be paid by subsoil resources user on a quarterly basis not later than the last day of the month following the expired quarter by equal installments of ¼ of the fee amount assessed for a year.
Object of taxation	Subsoil resources areas which were granted use of.
Tax base	<p>Minimum (starting) one-off fee for subsoil resources use shall be set in the amount of not less than 10 percent of the amount of tax for extraction of mineral resources calculated using annual average capacity of extracting entity.</p> <p>Final one-off fees for subsoil resources use shall be set following a tender or auction and be recorded in a subsoil resources use license.</p> <p>When boundaries of a subsoil resources area which was granted use of change, the subsoil resources user shall pay a one-off fee in the amount determined in the procedure established by the Government of the Russian Federation.</p> <p>The charge amount shall be determined based on the amount of costs on preparation, carrying out, and reviewing the outcomes of tender/auction and remuneration for the experts involved.</p>

	<p>Amount of recurrent fees for subsoil resources use shall be determined depending on the economic and geographical context, size of subsoil resources area, type of mineral resource, duration of operations, extent of geological review of the territory, and degree of risk.</p> <p>Recurrent fee for subsoil resources use shall be levied for the surface area of the subsoil resources area granted to subsoil resources user net of the surface area of the returned portion of the subsoil resources area.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	<p>Specific rate of the recurrent fee for subsoil resources use shall be set by the federal authority for management of the federal stock of subsoil resources or its area body for each subsoil resources area separately for which a subsoil resources use license is issued within the limits set by Article 43 of the Subsoil resources Law.</p> <p>Rates of recurrent fees for subsoil resources use for the purposes of search for, and assessment of, mineral deposits for groundwater: Minimum: RUB 30 per sq. km of subsoil resources area; Maximum: RUB 90 per sq. km of subsoil resources area.</p> <p>Rates of recurrent fees for subsoil resources use for the purposes of mineral prospecting for groundwater: Minimum: RUB 800 per sq. km of subsoil resources area; Maximum: RUB 1,650 per sq. km of subsoil resources area.</p>
Who levies tax/charge/fee/tariff	Area body of the FTC [Federal Tax Service] of Russia at the venue of state registration of subsoil resources user (legal entity or individual).
Collection mechanism	Payment shall be effected on the basis of a subsoil resources use license.
Fine for a tax offence or late payment	General rules established for all tax offences are applied
Use of revenues	<p>One-off fees for subsoil resources use when certain events stipulated in a license occur shall be credited to the federal budget and budgets of constituent entities of the Russian Federation under the budget legislation of the Russian Federation.</p> <p>Tender/action fee shall be channeled to the federal budget revenues. Tender/auction fee amount for local subsoil resources areas shall be channeled to the revenue of budgets of constituent entities of the Russian Federation governing the subsoil resources use procedure in the aforementioned areas.</p> <p>Tax revenues from the following federal taxes and charges shall be credited to the federal budget: Recurrent fees for extraction of mineral resources (royalty) during the implementation of product-sharing agreements concerning raw hydrocarbons (flammable natural gas) – at the rate of 100 percent; Recurrent fees for extraction of mineral resources (royalty) during the implementation of product-sharing agreements concerning raw hydrocarbons (except for flammable natural gas) – at the rate of 95 percent;</p>

	<p>Recurrent fees for extraction of mineral resources (royalty) on the continental shelf, in the exclusive economic zone of the Russian Federation, outside of the territory of the Russian Federation, during the implementation of product-sharing agreements – at the rate of 100 percent.</p> <p>Fees for extraction of mineral resources (royalty) during the implementation of product-sharing agreements concerning raw hydrocarbons (except for flammable natural gas) shall be credited to the budget of a constituent entity of the Russian Federation – at the rate of 5 percent.</p>
--	--

Name of Instrument	Tax on Extraction of Mineral Resources
Reference to the regulation which introduced the instrument	Tax Code of the Russian Federation, Chapter 26
Payers	Entities and sole proprietorships regarded as users of subsoil resources under the Russian legislation.
Exemption from tax/charge/fee/tariff (if any)	<p>The following shall not be regarded as subject to taxation:</p> <p>1) Common mineral resources and groundwater not recorded in the state balance sheet of mineral reserves a sole proprietorship extracted and uses directly for their own consumption;</p> <p>... 5) Ground drainage waters not recorded in the state balance sheet of mineral reserves extracted when mineral deposits are developed or when underground facilities are constructed or operated.</p> <p style="padding-left: 40px;">Taxation is at 0-percent tax rate during extraction, including of:</p> <p style="padding-left: 40px;">Groundwater which contains mineral resources (industrial water), extraction of which is related to the development of other kinds of mineral resources and which are extracted when mineral reserves are developed or when underground facilities are constructed or operated;</p> <p style="padding-left: 40px;">Mineral waters a taxpayer uses solely for medicinal or resort purposes without direct sale thereof (including following their processing, treatment, re-processing, bottling);</p> <p style="padding-left: 40px;">Groundwater a taxpayer uses solely for agricultural purposes, including irrigation of agricultural land, water supply to livestock farms, livestock breeding complexes, poultry farms, horticultural, market-gardening, and animal husbandry associations of citizens.</p>
Period within which tax/charge/fee/tariff should be paid	<p>A calendar month shall be regarded as a tax period.</p> <p>Tax amount shall be assessed following each tax period for each extracted mineral resource. The tax amount payable following a tax period shall be paid not later than 25th day of the month following the expired tax period.</p>
Object of taxation	<p>1) Mineral resources extracted from subsoils on the territory of the Russian Federation in the subsoil resources area a taxpayer was granted use of under the legislation of the Russian Federation;</p> <p>2) Mineral resources extracted from waste/losses in an extractive industry provided such extraction is subject to stand-alone licensing under the subsoil resources legislation of the Russian Federation;</p> <p>Mineral resources extracted from subsoils outside of the territory of the Russian Federation if such extraction is</p>

	carried out on a territory within the jurisdiction of the Russian Federation (or leased from a foreign state or used under an international treaty) in the subsoil resources area a taxpayer was granted use of.
Tax base	Tax base is determined as value of extracted mineral resources, as determined under Article 340 of the Tax Code, except for coal, dehydrated oil, desalinated oil, stabilised oil, associated gas, and flammable natural gas from all kinds of raw hydrocarbons deposits.
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	<p>Tax rate is set in Article 342 of the Tax Code of the Russian Federation.</p> <p>A taxpayer shall estimate independently the value of extracted mineral resources in one of the following ways:</p> <ol style="list-style-type: none"> 1) Proceeding from the taxpayer's selling prices excluding subsidies in the respective tax period; 2) Proceeding from the taxpayer's selling prices for extracted mineral resource in the respective tax period; 3) Proceeding from estimated value of extracted mineral resources. <p>Tax amount for extracted mineral resources shall be assessed as a percentage of tax base consistent with the tax rate if this Article does not envisage otherwise.</p>
Who levies tax/charge/fee/tariff	The tax is payable to the budget at the location of each subsoil resources area a taxpayer is granted use of under the legislation of the Russian Federation (area body of the Federal Tax Service).
Collection mechanism	Tax amount payable following a tax period shall be paid not later than 25 th day of the month following the expired tax period.
Fine for a tax offence or late payment	General rules established for all tax offences are applied
Use of revenues	<p>Tax revenues from the following federal taxes and charges shall be credited to the federal budget:</p> <p>Tax on extraction of mineral resources in the form of raw hydrocarbons (flammable natural gas) – at the rate of 100 percent;</p> <p>Tax on extraction of mineral resources (except for those in the form of raw hydrocarbons, natural diamonds, or common mineral resources) – at the rate of 40 percent;</p> <p>Tax on extraction of mineral resources on the continental shelf of the Russian Federation, in the exclusive economic zone of the Russian Federation, outside of the territory of the Russian Federation – at the rate of 100 percent;</p> <p>Tax revenues from the following federal taxes and charges shall be credited to the budgets of constituent entities of the Russian Federation:</p> <p>Tax on extraction of common mineral resources – at the rate of 100 percent;</p> <p>Tax on extraction of mineral resources (except for those in the form of raw hydrocarbons, natural diamonds, or common mineral resources) – at the rate of 60 percent;</p> <p>Tax on extraction of mineral resources in the form of natural diamonds – at the rate of 100 percent.</p>

Name of Instrument	Charges for Use of Objects of Aquatic Biological Resources
Reference to the regulation which introduced the instrument	Tax Code of the Russian Federation, Chapter 25.1
Payers	<p>Entities and individuals, including sole proprietorships, which obtain in the established procedure a permit to extract/catch aquatic biological resources in inland waters, in a territorial sea, on the continental shelf of the Russian Federation, or in the exclusive economic zone of the Russian Federation, as well as in the Sea of Azov, Caspian Sea, Barents Sea, and in the Spitsbergen archipelago area shall be regarded as payers of the charge for the use of aquatic biological resources (hereinafter, payers).</p>
Exemption from tax/charge/fee/tariff (if any)	<p>Objects of animal kingdom or those of aquatic biological resources used to satisfy their personal needs by indigenous minorities in the North, Siberia, and the Far East of the Russian Federation or by persons who do not belong to the indigenous minorities but reside permanently in the venues of their traditional residence and traditional economic activity, for whom hunting and fishing is the basis of subsistence shall not be regarded as subject to taxation.</p> <p>Charge rate for each object of aquatic biological resources shall be set in the amount of RUB 0 provided such objects of aquatic biological resources are used in:</p> <ul style="list-style-type: none"> Fishing for reproduction and acclimatization of aquatic biological resources; Fishing for research and control purposes. <p>Charge rates for each object of aquatic biological resources for city- and rural settlement-forming Russian fishing entities on the list approved by the Government of the Russian Federation and for Russian fishing entities, including fishing workmen's cooperative associations/collective farms, shall be set in the amount of 15 percent of the charge rates set in paragraphs 4 and 5 of Article 333.3 of the Tax Code of the Russian Federation.</p>
Period within which tax/charge/fee/tariff should be paid	<p>The amount of charge for use of objects of aquatic biological resources subject to removal from their habitat as allowed incidental catch on the basis of the permit to extract/catch aquatic biological resources shall be paid in the form of lump-sum contribution not later than 20th day of the month following the last month of validity of the permit to extract/catch aquatic biological resources.</p>
Object of taxation	<p>Objects of aquatic biological resources as per the list set by paragraphs 4 and 5 of Article 333.3 of the Tax Code which are removed from their habitat on the basis of a permit to extract/catch aquatic biological resources issued under the legislation of the Russian Federation, including objects of aquatic biological resources subject to removal from their habitat as allowed incidental catch.</p>
Tax base	<p>The amount of charge for use of objects of aquatic biological resources shall be determined for each object of aquatic biological resources described in paragraphs 4-7 of Article 333.3 of the Tax Code as a product of respective number of objects of aquatic biological resources and the charge rate set for</p>

	respective object of aquatic biological resources as of the beginning date of validity of the permit.
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	Set by paragraph 4 of Article 333.3 of the Tax Code of the Russian Federation. The one-off contribution amount shall be determined as a share of assessed amount of charge in the amount of 10 percent.
Who levies tax/charge/fee/tariff	Charge for use of objects of aquatic biological resources shall be paid by: Paying individuals, except for sole proprietorships, at the seat of the body which issued a permit to extract/catch aquatic biological resources; Paying entities or sole proprietorships at the venue of their registration.
Collection mechanism	The payers shall pay the amount of charge for use of objects of aquatic biological resources in the form of one-off and recurrent contributions and lump-sum contribution. The one-off contribution shall be paid when permit to extract/catch aquatic biological resources is obtained. The remainder of the charge determined as a difference between the assessed amount of the charge and that of the one-off contribution shall be paid by equal installments in the form of recurrent contributions throughout the validity of the permit to extract/catch aquatic biological resources on a monthly basis not later than 20 th day.
Fine for a tax offence or late payment	
Use of revenues	The amounts of charges for use of objects of aquatic biological resources are credited to the accounts of the Federal Treasury bodies.

Name of Instrument	Fee for Use of Forest Resources
Reference to the regulation which introduced the instrument	Forest Code of the Russian Federation No. 200-FZ of 4 December 2006, Chapter 73
Payers	Lease payment or payment under forest plantations sale-and-purchase agreement is made for use of forests. Individuals, legal entities granted use of a forest area. Individuals who entered into a forest plantations sale-and-purchase agreement.
Exemption from tax/charge/fee/tariff (if any)	
Period within which tax/charge/fee/tariff should be paid	Lease payment shall be effected within the timeframe set by a lease contract. Payment timeframe under a forest plantations sale-and-purchase agreement shall be set by the sale-and-purchase agreement.
Object of taxation	Forest areas in state or municipal ownership and registered with the state cadastre.

Tax base	<p>The amount of lease payment shall be determined based on minimum lease payment.</p> <p>Where a forest area is used with removal of forest resources, minimum lease payment shall be determined as a product of fee rate per unit of amount of forest resources and amount of removed forest resources in the leased forest area.</p> <p>Where a forest area is used without removal of forest resources, minimum lease payment shall be determined as a product of fee rate per unit of surface area of forest area and surface area of the leased forest area.</p> <p>For lease of a forest area in federal ownership, in the ownership of a constituent entity of the Russian Federation, or in municipal ownership, fee rate per unit of amount of forest resources and that per unit of surface area of forest area shall be set by the Government of the Russian Federation, public authority of the constituent entity of the Russian Federation, or local self-government, respectively.</p> <p>Payment under forest plantations sale-and-purchase agreement, except for that under agreement on sale and purchase of forest plantations for one's own needs, shall be determined based on minimum fee.</p> <p>Minimum fee under forest plantations sale-and-purchase agreement shall be determined as a product of fee rate per unit of amount of timber and amount of timber to be harvested.</p> <p>Fee rate per unit of amount of timber harvested on land in federal ownership, in the ownership of a constituent entity of the Russian Federation, or in municipal ownership shall be set by the Government of the Russian Federation, public authority of the constituent entity of the Russian Federation, or local self-government, respectively.</p> <p>Fee under an agreement on sale and purchase of forest plantations for one's own needs shall be determined at the rates set by public authorities of a constituent entity of the Russian Federation.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	Set by Resolution on Fee Rates Per Unit of Amount of Forest Resources and Fee Rates Per Unit of Surface Area of Federally Owned Forest Area No. 310 of 22 May 2007 of the Government of the Russian Federation.
Who levies tax/charge/fee/tariff	Executive authority of a constituent entity of the Russian Federation Federal Treasury
Collection mechanism	
Fine for a tax offence or late payment	
Use of revenues	<p>Fee for use of forests insofar as minimum lease payment and minimum fee under forest plantations sale-and-purchase agreement shall be channeled to the federal budget – at the rate of 100 percent.</p> <p>Fee for use of forests to the extent that it exceeds minimum lease payment and minimum fee under forest plantations sale-and-purchase agreement and fee under agreement on sale and purchase of forest plantations for one's own needs shall be channeled to the budget of a constituent entity of the Russian Federation – at the rate of 100 percent.</p>

Name of Instrument	Water Pollution Charge
Reference to the regulation which introduced the instrument	<p>Federal Law on Environmental Protection No. 7-FZ of 10 January 2002</p> <p>Resolution of the Government of the Russian Federation on Approval of the Procedure for Determining the Charge and Its Limits for Pollution of Ambient Environment, Waste Placement, and Other Kinds of Adverse Impact No. 632 of 28 August 1992</p>
Payers	<p>Enterprises, institutions, organisations, foreign legal entities and individuals engaged in any kinds of activities related to use of natural resources on the territory of the Russian Federation</p>
Exemption from tax/charge/fee/tariff (if any)	<p>Under Federal Law on Water Supply and Sanitation No. 416-FZ of 7 December 2011, amount and weight of substances and microorganisms which came into a centralised water supply system from subscribers and are factored in into the subscribers' water pollution charge are not factored in into the assessed and levied water pollution charge (discharges of pollutants, other substances and microorganisms into surface water bodies, underground water bodies, or catchment areas).</p> <p>Should an entity engaged in sanitation or such entity's subscribers carry out any environmental protection activities, including construction, rehabilitation, or retrofitting of a wastewater treatment plant, water pollution charge (that for discharges of pollutants, other substances and microorganisms into surface water bodies, underground water bodies, or catchment areas) shall be decreased by the amount of effective costs on such activities in the procedure established by the Government of the Russian Federation. Costs incurred by an entity engaged in sanitation or by such entity's subscriber to carry out the activities covered by a discharge reduction plan which costs are documented in a reporting period shall be regarded as environmental activities costs.</p>
Period within which tax/charge/fee/tariff should be paid	<p>Not later than 20th day of the month following the reporting period. A calendar quarter shall be regarded as a reporting period.</p>
Object of taxation	<p>Emissions or discharges of pollutants, waste placement, other kinds of adverse impact within the limits of allowable rates;</p> <p>Emissions or discharges of pollutants, waste placement, other kinds of adverse impact within set limits (temporarily agreed rates).</p>
Tax base	<p>Reference standard charges are set for each ingredient of a pollutant/waste or kind of adverse impact, taking into account the level of their hazard for ambient environment and human health.</p> <p>For some regions and river basins, coefficients taking into account environmental factors – natural and climatic specificities of an area, significance of a natural or social and cultural site – are set for reference standard charges.</p> <p>Differentiated charge rates are set by multiplying a reference standard charge by a coefficient taking into account environmental factors.</p> <p>Ambient environmental pollution charge within the set limits is determined by multiplying a</p>

	<p>respective charge rate by the difference between limit values for, and maximum allowable, emissions or discharges of pollutants, waste placement, adverse impact and adding up the products by type of pollution.</p> <p>Charge for above-limit ambient environmental pollution is determined by multiplying a respective charge rate for pollution within the set limit by the amount by which the effective weight of emissions or discharges of pollutants, waste placement, or adverse impact exceeds the set limit, adding up the products by type of pollution, and multiplying the sums by the multiplying factor of five.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	Set by Resolution of the Government of the Russian Federation on Standard Charges for Air Emissions of Pollutants from Stationary and Mobile Sources, Discharges of Pollutants into Surface and Underground Water Bodies, and Placement of Industrial and Consumption Waste No. 344 of 12 June 2003.
Who levies tax/charge/fee/tariff	Territorial bodies of <i>Rosprirodnadzor</i>
Collection mechanism	The duty to pay a charge must be fulfilled individually by a person regarded as payer
Fine for a tax offence or late payment	Failure to pay water pollution charge within a set timeframe shall entail imposition of an administrative fine on officers in the amount of RUB 3,000 to RUB 6,000 and on legal entities, of RUB 50,000 to RUB 100,000.
Use of revenues	20% - federal budget; 40% - budget of a constituent entity of the Russian Federation; 40% - budget of a municipal entity.

Name of Instrument	Land Tax
Reference to the regulation which introduced the instrument	Tax Code of the Russian Federation (Title 2) No. 117-FZ of 5 August 2000
Payers	Entities or individuals which have land plots regarded as those subject to taxation under Article 389 of the Tax Code as of ownership right, right of permanent (perpetual) use, or that of lifetime inheritable possession.
Exemption from tax/charge/fee/tariff (if any)	Entities or individuals shall not be regarded as taxpayers with regard to the land plots they hold as of right of fixed-term use without consideration or those transferred to them under a lease agreement. The following shall not be regarded as subject to taxation: 1) Land plots withdrawn from circulation under the legislation of the Russian Federation; 2) Land plots in limited circulation under the legislation of the Russian Federation which are under specially valuable sites of cultural heritage of peoples of the Russian Federation, sites on the World

	<p>Heritage List, historical and cultural reserves, or archeological heritage sites;</p> <p>3) Land plots in limited circulation under the legislation of the Russian Federation made available to ensure defence, security, or customs needs;</p> <p>4) Land plots out of the forest stock land;</p> <p>5) Land plots in limited circulation under the legislation of the Russian Federation under state-owned water bodies as part of water stock.</p> <p>The tax base shall be decreased by a non-taxable amount of RUB 10,000 per taxpayer on the territory of a municipal entity (federal cities of Moscow and Saint-Petersburg) for land plots owned, used permanently/perpetually, or in lifetime inheritable possession by the following taxpayer categories:</p> <p>1) Heroes of the Soviet Union, Heroes of the Russian Federation, Full Cavaliers of the Order of Glory;</p> <p>2) Disabled persons who fall under 1st disability group and persons who fall under 2nd disability group established before 1 January 2004;</p> <p>3) Persons disabled since childhood;</p> <p>4) The Great Patriotic War veterans and disabled persons and veterans and disabled persons of combat operations;</p> <p>5) Individuals entitled to social support under the Law of the Russian Federation on Social Protection of Persons Exposed to Radiation Due to Chernobyl Nuclear Power Plant Disaster, Federal Law on Social Protection of Nationals of the Russian Federation Exposed to Radiation Due to the 1957 Accident in Mayak Production Association and Discharge of Radioactive Waste into Techa River No. 175-FZ of 26 November 1998, and under Federal Law on Social Safeguards for Citizens Exposed to Radiation Due to Nuclear Tests on Semipalatinsk Test Site No. 2-FZ of 10 January 2002;</p> <p>6) Individuals who were directly involved as part of extra risk units in testing nuclear or thermo-nuclear weapons or cleanup following accidents at nuclear installations at weapons or military facilities;</p> <p>7) Individuals who contracted or suffered from radiation disease or became disabled as a result of tests, exercises, or other operations related to any kind of nuclear installations, including nuclear weapons and space hardware.</p>
<p>Period within which tax/charge/fee/tariff should be paid</p>	<p>A calendar year shall be regarded as a tax period.</p> <p>Quarter one, quarter two, and quarter three of a calendar year shall be regarded as reporting periods for taxpaying entities or individuals acting as sole proprietorships.</p> <p>The tax and advance tax payments shall be paid by a taxpayer in the procedure and within the timeframe set by regulations of representative bodies of municipal entities (laws of the federal cities of Moscow and Saint-Petersburg).</p> <p>That being said, the deadline for tax payment by taxpaying entities or individuals acting as sole</p>

	<p>proprietorships cannot be set earlier than 1 February of the year following the expired tax period.</p> <p>The deadline for tax payment by taxpaying individuals not acting as sole proprietorships cannot be set earlier than 1 November of the year following the expired tax period.</p>
Object of taxation	<p>Land plots located within the limits of a municipal entity (federal cities of Moscow and Saint-Petersburg) on the territory of which the tax has been introduced.</p>
Tax base	<p>Tax base shall be determined as cadastre value of land plots regarded as subject to taxation.</p> <p>The tax base shall be determined for each land plot as its cadastre value as of 1 January of the year which is a tax period.</p> <p>For a land plot set up during a tax period, the tax base in the tax period concerned shall be determined as its cadastre value as of the date of cadastre registration of the land plot.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	<p>Tax rates shall be set by regulations of representative bodies of municipal entities (laws of the federal cities of Moscow and Saint-Petersburg) and may not exceed:</p> <p>1) 0.3 percent for land plots: Classified as agricultural land or land as part of agricultural zones in settlements or used in agricultural production; Under housing stock or engineering infrastructure of housing and utility complex or acquired for housing construction; Acquired/granted for private farm holdings, horticulture, market-gardening, animal husbandry, or country house holdings; (as re-worded by Federal Laws No. 268-FZ of 30 December 2006 and No. 216-FZ of 24 July 2007)</p> <p>2) 1.5 percent for other land plots.</p> <p>2. It is allowed to set differentiated tax rates depending on land category and/or allowed uses of land plots and depending on the location of object of taxation with regard to municipal entities which comprise a part of an intra-city area of the federal city of Moscow as a result of change in its boundaries if under the law of the federal city of Moscow land tax is a source of fiscal revenues for the aforementioned municipal entities.</p>
Who levies tax/charge/fee/tariff	<p>Area body of the Federal Tax Service.</p>
Collection mechanism	<p>Taxpaying entities shall determine their tax base independently on the basis of the state immovable property cadastre information about each land plot they own as of ownership right or right of permanent (perpetual) use.</p> <p>Taxpaying individuals acting as sole proprietorships shall determine their tax base independently for land plots used/intended to be used in their entrepreneurial activities on the basis of the state</p>

	<p>immovable property cadastre information about each land plot they own as of ownership right, right of permanent (perpetual) use, or that of lifetime inheritable possession.</p> <p>Tax base for each taxpaying individual shall be determined by tax authorities on the basis of information provided to the tax authorities by the bodies which carry out cadastre registration, maintain state immovable property cadastre, and carry out state registration of rights to immovable property and transactions therein.</p> <p>Taxpayers (entities or sole proprietorships) shall effect advance tax payments during the tax period. Following the expiry of the tax period, taxpayers (entities or sole proprietorships) shall pay the amount of tax assessed in the established procedure.</p> <p>Taxpaying entities and individuals acting as sole proprietorships shall pay the tax and advance tax payments to the budget at the venue of the land plots regarded as subject to taxation.</p> <p>Taxpaying individuals shall pay the tax on the basis of a tax notice sent by a tax authority.</p>
Fine for a tax offence or late payment	<p>Failure to pay or incomplete payment of a tax/charge amount as a result of tax base understatement, other inaccurate assessment of the tax/charge, or any other wrongful action/omission shall entail imposition of a fine in the amount of 20 percent of the outstanding tax/charge amount.</p>
Use of revenues	<p>Land tax revenue shall be credited to the budgets of settlements – at the rate of 100 percent. The proceeds shall be for general use.</p>

Name of Instrument	Corporate Property Tax
Reference to the regulation which introduced the instrument	Tax Code of the Russian Federation
Payers	Entities which have property regarded as subject to taxation.
Exemption from tax/charge/fee/tariff (if any)	<p>Entities which organise the 2014 XXII Olympic Winter Games and the XI Paralympic Winter Games in Sochi and persons which are marketing partners for the International Olympic Committee with regard to the property they use solely in connection with the organisation and/or holding of the 2014 XXII Olympic Winter Games and the XI Paralympic Winter Games in Sochi and development of the city of Sochi as a mountain climate resort shall not be regarded as taxpayers.</p> <p>The following shall not be regarded as subject to taxation:</p> <ol style="list-style-type: none"> 1) Land plots or other sites for use of natural resources (water bodies or other natural resources); 2) Property held by federal executive authorities as of right of day-to-day management where military and/or equivalent service is legislated, which property the authorities use for needs of defence, civil defence, ensuring security and enforcement of law and order in the Russian Federation. <p>Entities specified in Article 381 of the Tax Code of the Russian Federation shall be exempt from</p>

	taxation.
Period within which tax/charge/fee/tariff should be paid	<p>A calendar year shall be regarded as a tax period. Quarter one, six months, and nine months of a calendar year shall be regarded as reporting periods.</p> <p>The tax and advance tax payments shall be payable by taxpayers in the procedure and within the timeframe set by laws of constituent entities of the Russian Federation.</p>
Object of taxation	<p>For Russian entities, movable and immovable property (including property transferred into temporary possession, use, disposition, trust management, contributed to joint activities or obtained under a concession agreement) recorded in a balance sheet as fixed assets in the established accounting procedure shall be regarded as subject to taxation.</p>
Tax base	<p>The tax base shall be determined as annual average value of property regarded as subject to taxation.</p> <p>Where tax base is determined, property regarded as subject to taxation shall be accounted for at its residual value generated as per established accounting procedure approved in the entity's accounting policy.</p>
Tax/charge/fee/tariff rates: - Standard rate - Preferential/reduced rates (if any)	<p>Tax rates shall be set by laws of constituent entities of the Russian Federation and may not exceed 2.2 percent.</p> <p>2. It is allowed to set differentiated tax rates depending on the category of taxpayers and/or property regarded as subject to taxation.</p>
Who levies tax/charge/fee/tariff	<p>Authorised executive authority of a constituent entity of the Russian Federation.</p>
Collection mechanism	<p>The tax and advance tax payments shall be payable by taxpayers in the procedure and within the timeframe set by laws of constituent entities of the Russian Federation.</p>
Fine for a tax offence or late payment	<p>Failure to pay or incomplete payment of a tax/charge amount as a result of tax base understatement, other inaccurate assessment of the tax/charge, or any other wrongful action/omission shall entail imposition of a fine in the amount of 20 percent of the outstanding tax/charge amount.</p>
Use of revenues	<p>Corporate property tax revenue shall be credited to the budgets of constituent entities of the Russian Federation – at the rate of 100 percent.</p>