COVID-2019: Recommendations for doing business in a pandemic

Taxes and pandemic: key changes in the legislation

Changes in relation to the tax audits and other activity:

- appointment of field audits has been suspended until May 1, 2020;
- tax audits already started have been suspended until May 1, 2020;
- initiation and conduct of inspections for compliance with legislation on the use of cash control registers, as well as checks for compliance with payment agents, have been suspended until May 1, 2020;
- all activities that involve direct contact of the taxpayer with the inspection bodies (staying on the territory of the taxpayer, conducting interrogations, examinations, etc.) are excluded until May 1, 2020;
- a higher tax authority will consider tax audit reports and complaints by using telecommunication channels and video conferencing.

Support for small and medium-sized businesses:

- For small and medium-sized businesses collection of taxes, fees and insurance premiums is suspended until May 1;
- Decision-making on suspension of operations on their accounts is postponed to ensure debt collection;
Please note: collection measures are suspended from March 25, 2020. Decisions made earlier will not be revoked.

Tax holidays introduced for tourism, air travel and other most affected industries:

- No tax claims, due date for which falls on the period before May 1, 2020, will be sent until May 1, 2020;
- No decisions will be made on the collection of taxes and insurance premiums until May 1, 2020;
- Deferrals and installment plans for the most affected industries can be extended after May 1, 2020 by the Government and the President of the Russian Federation.

The exception is claims whose failure to be sent will entail the expiration of the final deadlines for their sending and decisions whose failure to be adopted will entail the expiration of the relevant final deadlines.

You can check the entrepreneur’s affiliation to the tourism industry that has received support online here >>

You can see the list of other industries most affected by pandemic already published by the Russian Government here >>

In addition, it is planned to extend the tax payment deadlines for small and medium-sized businesses in the following way:

- **for 6 months** - income tax, STS, uniform agricultural tax for 2019, as well as taxes (advance payments on tax) for March and first quarter of 2020;

Exceptions: VAT, professional income tax, personal income tax paid via a tax agent.

- **for 4 months** - taxes (advance tax payments) for April - June, six months of 2020, as well as tax on the patent system of taxation payment term of which falls on the second quarter of 2020;

Exceptions: VAT and personal income tax paid through a tax agent;

- **for 3 months** - the deadline of payment of personal income tax for 2019 (for individual entrepreneurs).

The deadlines for advance payments of transport tax, property tax of organizations and land tax (in the regions in which advance payments are established) are planned to be extended for the first quarter of 2020 - until October 30, 2020, and for the second quarter of 2020 - until December 30, 2020 year.

- The deadline of payment of the insurance premiums for microenterprises operating in the most affected sectors is extended **for 6 months**: for March - May 2020; and the deadline is extended **for 4 months**: for the period of June and July 2020 and **for 4 months** for insurance premiums calculated from the amount of income of the individual entrepreneurs in excess of 300 000 rubles payable no later than July 1, 2020.

Important: Entrepreneurs operating in the most affected industries will be able to rely on tax deferrals for a period of 3 months to a year and installment plans for up to 5 years.

You can contact PARADIGMA lawyers for advice and any personal recommendations on doing business in a pandemic by telephone +7 495 649-41-41. Alternatively, you may send a request by: e-mail.