



Weekly Newsletter Russia

July 17-23, 2017

State Policy Developments

The Ministry of Economic Development elaborates new approach to permitting activities in Russia

On July 17, 2017, the Russian Ministry of Economic Development presented the bill on the principles of the permitting activities in Russia (licensing, accreditation, attestation, granting permissions, approvals, etc.) , which is aimed at shaping the strict regulatory framework as it comes to issuing all kinds of permissions by the state. Introduction of appropriate regulations was demanded in January 2017 by Mr. Vladimir Putin, the Russian President.

At present, the permitting activities are not regulated properly in Russia, and multiple permitting regimes are introduced at different levels of the state power. The proposed reform will secure the unified and structured approach to granting permissions in Russia.

The bill defines the authority of the federal, regional and municipal executive power bodies on granting licences and permissions, as well as the authority of appropriate officials of those bodies. It also sets the appropriate procedures, limitations and restrictions, and envisages protection of rights of private persons and legal entities in relation to obtaining permissions.

The Ministry of Economic Development also proposed to introduce the all-inclusive list comprising 438 activities subject to permitting actions.

The bill is supposed to come into force in one year after enactment by the Russian Parliament.

The draft federal law “On Principles of Licensing Activities in the Russian Federation” (Consultant database): [Original](#) (Rus, rtf) | [Google Translate](#)

Dedicated article in Kommersant newspaper: [Original](#) (Rus) | [Google Translate](#)

The Russian Tax Service will start disclosing selected financials of companies starting from the end of July 2017

Starting from July 25, 2017 the Russian Federal Tax Service will be publishing selected financials of the Russian companies at its web portal. The list of indicators includes data on debt and penalties, data on taxes paid and tax offences and data on revenues and expenditures based on financial reports. The first dataset to be published will comprise data on tax offences with corresponding decisions that came into force from June 2, 2016 to June 30, 2017.

Starting from 2018, the Service also plans to disclose data on payments to [extra-budgetary funds](#), special tax regimes, participation in taxpayers’ groups and the number of employees.

The disclosure of the mentioned information shall help in assessment of the Russian counteragents, integrity checks and due diligence procedures reducing risks for the bona fide players.

Dedicated announcement at Open Government web site: [Original](#) (Rus) | [Google Translate](#)

Russia directly prohibits tax evasion schemes

On July 19, 2017, Mr. Vladimir Putin, the Russian President, approved amendments to the Tax Code that directly prohibit use of tax evasion schemes in Russia. The amendments contain the list of actions of the taxpayers that may be considered unfair and will lead to refusal of the Russian Tax Service to apply requested deductions to the expenses or the tax base. Thus, Russia started implementation the articles of OECD’s BEPS (Base Erosion and Profit Shifting) convention [it joined in June 2017](#).

Dedicated article in Kommersant newspaper: [Original](#) (Rus) | [Google Translate](#)

Business Environment

Russia ranked 40 out of 43 traced countries in the Global Retirement Index 2017

On July 20, 2017, Natixis Global Asset Management released 2017 Global Retirement Index that benchmarks 43 nations on the effectiveness of their retirement policy.

The Global Retirement Index is elaborated by [Natixis Global Asset Management](#), which is the international corporate, investment, insurance and financial services arm of Groupe BPCE, the second-largest banking player in France, in cooperation with [CoreData Research](#) in order to examine the factors that drive retirement security and to provide appropriate comparison tool for best practices in retirement policy. The index incorporates 18 performance indicators, grouped into four thematic sub-indices: the material wellbeing index (living comfortably in retirement), the finances in retirement index (access to quality financial services helping in preserving savings value and maximize income), the health index (access to quality health services), and the quality of life index (a clean and safe environment). The index presently covers 43 nations that include International Monetary Fund (IMF) advanced economies, members of the Organization for Economic Co-operation and Development (OECD) and the BRIC countries (Brazil, Russia, India and China).

Russia held 40th place in 2017 Global Retirement Index with 45% overall score (the maximum score of 86% was awarded to Norway) and without change as compared to 2016 index. The health index for Russia is 36% (best score: 89%, 2016 score: 40%), the finances in retirement index is 41% (73%, 40%), the quality of life index is 58% (92%, 54%), and the material well-being index is 47% (91%, 52%).

Global Retirement Index 2017 report: [Original](#) (Eng)



National Statistics

Russian industrial production grew by 3.5% in June 2017 and 2.0% in 1H 2017

On June 17, 2017, the Russian State Statistics Service released data on industrial production in **1H 2017** registering 2.0% growth as compared to 1H 2016 that is in line with the official and analysts' projections. It is noticeable that the growth substantially accelerated in 2Q 2017 (+3.8% vs. +0.1% in 1Q 2017).

The industrial production growth in **June 2017** was registered at 3.5% underperforming outstanding result demonstrated in May 2017 (5.6%). The factual month-over-month growth against May 2017 was at 1.7%, while the seasonally adjusted monthly performance was negative at -0.5% that is explained mostly by the calendar factor.

The major growth drivers have been the raw material extraction industries (+5.2% as compared to June 2017) like production of gas (+25.2%) and coal (+8.2%) primarily due to cold weather in June.

Data on industrial production by the Russian State Statistics Service: [Original](#) (Rus)| [Google Translate](#)

Reports and Forecasts on Russia Traced by Factosphere

Date	Publisher	Document name	URL
17.07.2017	The Center for Macroeconomic Analysis and Short-Term Forecasting	What do the leading indicators of systematic financial and macroeconomic risks show? (based on statistical data as of June 1, 2017)	Original (Rus)
17.07.2017	Analytical Centre under the Government of the Russian Federation	Russian fuel and energy sector 2016	Original (Rus)
18.07.2017	The Russian Ministry of Finance	Speech of Mr. Anton Siluanov, the Russian Minister of Finance, in the Russian Parliament on the key directions of the Russian budgetary, tax and customs policy in 2018-2020	Original (Rus) Google Translate
18.07.2017	PwC	New tax incentives for R&D investments	Original (Eng)
19.07.2017	Centre of Development of Higher School of Economics	Exports and imports of commodities in May 2017 (seasonally adjusted)	Original (Rus)
19.07.2017	The Economist Intelligence Unit	Europe Growth and Inflation Forecast update	Original (Eng)
20.07.2017	VTB	Weekly Custody newsletter #27 / 2017	Original (Eng)
21.07.2017	The Center for Macroeconomic Analysis and Short-Term Forecasting	The Russian economy trends June 2017	Original (Rus)
20.07.2017	ACRA	Continued growth of dividends is driven by metals and mining industry. Analysis of dividend payouts by Russian non-financial companies	Original (Eng)
21.07.2017	The Russian Ministry of Finance	Announcement to the press of Mr. Vladimir Kolychev, the Russian Deputy Minister of Finance, on the currency interventions of the Ministry of Finance	Original (Rus) Google Translate
21.07.2017	Centre of Development of Higher School of Economics	Industrial Production Intensity Indices in June 2017. Report.	Original (Rus)
21.07.2017	Berenberg	Makroausblick Juli 2017	Original (Ger)
21.07.2017	BOFIT	BOFIT Weekly	Original (Eng)
21.07.2017	Commerzbank	Week in Focus	Original (Eng)

Statistical Publications Traced by Factosphere

Date	Publisher	Document name	URL
17.07.2017	The Russian State Statistics Service	On industrial production in 1H 2017	Original (Rus) Google Translate
17.07.2017	The Russian State Statistics Service	On Outstanding Debt Due to the Employees by the Employers (Wages) as of July 1, 2017	Original (Rus) Google Translate
17.07.2017	The Russian State Statistics Service	On CPI estimate for July 11-17, 2017	Original (Rus) Google Translate
17.07.2017	The Russian Central Bank	Russian Federation: Net External Debt Position, by Sector	Original (Eng)
17.07.2017	The Russian Customs Service	Russian imports of commodities excl. CIS in June 2017	Original (Rus)
17.07.2017	The Russian Ministry of Finance	Public domestic debt of the Russian Federation	Original (Eng)
19.07.2017	The Russian State Statistics Service	On PPI in June 2017	Original (Rus) Google Translate
19.07.2017	The Russian State Statistics Service	Information on social and economic development of Russia in January-June 2017	Original (Rus)
19.07.2017	The Russian Central Bank	Payment Schedule of External Debt of the Russian Federation	Original (Eng)
19.07.2017	The Russian Central Bank	Assessment of trend inflation in June 2017	Original (Rus) Google Translate
19.07.2017	The Russian Customs Service	Foreign trade of the Russian Federation by key partner country in January-May 2017	Original (Rus, xls)
20.07.2017	The Russian State Statistics Service	On production volumes of oil products and dynamics of their retail prices for July 10-16, 2017	Original (Rus) Google Translate
20.07.2017	The Russian State Statistics Service	Russia in figures 2016. Statistical bulletin	Original (Eng, rar)
20.07.2017	The Russian Central Bank	International Reserves of the Russian Federation (Weekly values as of the end of accounting date)	Original (Eng)



Date	Publisher	Document name	URL
20.07.2017	The Russian Central Bank	Russian Federation: Data Template on International Reserves and Foreign Currency Liquidity	Original (Eng)
20.07.2017	The Russian Central Bank	International Investment Position on External Debt of the Russian Federation	Original (Eng)
20.07.2017	The Russian Ministry of Finance	The volume and structure of sub-sovereign debt and municipal debt of the Russian Federation	Original (Eng)
20.07.2017	The Russian Ministry of Finance	Weekly data on budget funds in deposits, public budget loans and REPO	Original (Eng)
21.07.2017	The Russian Ministry of Finance	Structure of external debt of the Russian Federation as of July 1, 2017	Original (Rus, xls)
21.07.2017	The Russian State Statistics Service	On the state of foreign trade in January-May 2017	Original (Rus) Google Translate
22.07.2017	The Russian State Statistics Service	Revision of yearly and quarterly data on the Russian GDP and GDP components for 2011-2013	Original (Rus)



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