

**FEDERAL LAW NO. 110-FZ OF JULY 24, 2002 ON THE
INTRODUCTION OF AMENDMENTS AND ADDENDA INTO PART TWO
OF THE TAX CODE OF THE RUSSIAN FEDERATION AND INTO
CERTAIN OTHER ACTS OF THE LEGISLATION OF THE RUSSIAN
FEDERATION (with the Amendments and Additions of December 31,
2002, July 7, December 8, 2003, July 29, August 20, 22, November 29,
2004, July 21, 2005, July 26, 27, 2006)**

Passed by the State Duma on July 1, 2002

Approved by the Federation Council on July 10, 2002

Article 1. The following amendments and addenda shall be introduced into Part Two of the Tax Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, No. 32, 2000, item 3340; No. 1, 2001, item 18; No. 33, items 3413, 3421 and 3429; No. 49, item 4554; No. 53, item 5015; No. 1, 2002, item 4):

1. Subitem 9 of Item 3 of Article 149 shall be rendered in this edition:

"9) the realization of ore, ore concentrates and other industrial products containing noble metals, of the scrap and wastes of noble metals for the production of noble metals and for refining; the realization of noble metals and precious stones by tax payers (with the exception of those indicated in Subitem 6 of Item 1 of Article 164 of the present Code) to the State Fund of Noble Metals and Precious Stones of the Russian Federation, to the funds of noble metals and precious stones of the subjects of the Russian Federation, to the Central Bank of the Russian Federation and to banks; the realization of precious stones as raw materials (with the exception of uncut diamonds) for processing to enterprises, regardless of the forms of ownership, for subsequent sale for export; the realization of precious stones as raw materials and as cut to specialized foreign economic organisations, to the State Fund of Noble Metals and Precious Stones of the Russian Federation, to the funds of noble metals and precious stones of the subjects of the Russian Federation, to the Central Bank of the Russian Federation and to banks; the realization of noble metals from the State Fund of Noble Metals and Precious Stones of the Russian Federation and from the funds of noble metals and precious stones of the subjects of the Russian Federation to specialized foreign economic organisations, to the Central Bank of the Russian Federation and to banks, as well as of noble metals in bars by the Central Bank of the Russian Federation and by the banks under the condition that these bars remain in one of the certified depositories (in the State Depository of Valuables, in the Depository of the Central Bank of the Russian Federation or in the depositories of banks);".

2. Subitem 6 of Item 1 of Article 164 shall be worded as follows:

"6) of noble metals by tax payers, engaged in their extraction or production out of scrap and wastes, containing noble metals, to the State

Fund of Noble Metals and Precious Stones of the Russian Federation, to the funds of noble metals and precious stones of the subjects of the Russian Federation, to the Central Bank of the Russian Federation and to banks;"

3. Abrogated from January 1, 2007.

See text of Item 3 of Article 1

4. In Item 1 of Article 181:

- Subitem 6 shall be deleted;
- Subitems 7-10 shall be counted, respectively, as Subitems 6-9;
- Subitem 10 of the following content shall be added:

10) direct-distillation petrol. For the purposes of the present Chapter, by direct-distillation petrol shall be meant petrol fractions, obtained as the result of processing oil, gas condensate, casing-head gas, natural gas, combustible shales, coal and other raw materials, as well as of processed products thereof except for motor vehicle petrol.

For the purposes of this Article, a petrol fraction shall be a mixture of hydrocarbons, boiling in the temperature interval from 30 to 215 degrees Centigrade under an atmospheric pressure of 760 millimetres of mercury.

5. Article 182 shall be set out as follows:

"Article 182. Tax Basis

1. The following transactions shall be deemed tax basis:

1) the sale in the territory of the Russian Federation by persons of the excisable goods they have produced, in particular, the sale of pledged items and the transfer of excisable goods under release-money or novation agreements (except for the excisable goods specified in Subitems 7-10 of Item 1 of Article 181 of the present Code, hereinafter in the present chapter referred to as "petroleum products").

For the purposes of the present chapter the transfer of a right of ownership to excisable goods and/or excisable mineral raw materials by one person to another on onerous and/or gratuitous basis and also the use thereof in case when payment is made in kind shall be deemed a sale of excisable goods and/or excisable mineral raw materials;

2) abrogated from January 1, 2007;

3) abrogated from January 1, 2007;

4) abrogated from January 1, 2007;

5) abolished from January 1, 2006;

6) the sale by persons of the confiscated excisable goods and/or excisable goods in abeyance, the excisable goods renounced by the owner for the benefit of the state which have been transferred to the persons under judgements or decisions of courts, arbitration courts or other state bodies authorised to do so and which are to be converted to state and/or municipal ownership;

7) the transfer in the territory of the Russian Federation by persons of excisable goods produced by the persons from the client's raw materials (materials), except for the transactions of transfer of petroleum products to

the owner of the said raw materials (materials) or to other persons, in particular, the receipt of the said excisable goods for ownership as setting off payment for the services of production of excisable goods from the client's raw materials (materials);

8) the transfer, within the structure of the organisation, of produced excisable goods (except for petroleum products) for further production of non-excisable goods, except for the transactions specified in Subitems 2 and 3 of Item 1 of Article 183 of the present Code;

9) the transfer in the territory of the Russian Federation by persons of excisable goods produced by the persons (except for petroleum products) for own needs;

10) the transfer in the territory of the Russian Federation by persons of excisable goods produced by the persons (except for petroleum products) into the authorised (contributed) capital of organisations, the share funds of co-operatives and also as a contribution under a simple partnership agreement (joint activity agreement);

11) the transfer in the territory of the Russian Federation by an organisation (a company or a partnership) of excisable goods produced by it (except for petroleum products) to its participant (its successor or heir) when s/he/it quits (opts out) the organisation (company or partnership) and also the transfer of excisable goods (except for petroleum products) produced within the framework of a simple partnership agreement (a joint activity agreement) to a participant (the successor or heir thereof) in the said agreement in the case of partition of his/her/its participatory share from the property in common ownership of the participants in the agreement or division of such property (except for the transactions specified in Subitem 4 of the present item);

12) the transfer of produced excisable goods for processing on a give and take basis (except for petroleum products);

13) the importation of excisable goods into the customs territory of the Russian Federation;

14) the primary sale of excisable goods (except for petroleum products) originating from the territory of the Republic of Belarus and brought into the territory of the Russian Federation from the territory of the Republic of Belarus;

15) the sale of natural gas to territories outside of the territory of the Russian Federation;

16) the sale and/or transfer, in particular on a gratuitous basis, of natural gas in the territory of the Russian Federation by gas-distribution organisations or directly (bypassing gas-distribution organisations) to the end consumers using natural gas as fuel and/or raw material, except for the transactions specified in Subitems 8-12 of Item 1 of Article 183 of the present Code;

17) the transfer of natural gas to be used for own needs, except for the transactions specified in Subitem 9 of Item 1 of Article 183 of the present Code;

18) the transfer of natural gas for industrial processing on a give and take basis and/or within the structure of the organisation for the purpose of producing other types of product, except for the transactions specified in Subitem 12 of Item 1 of Article 183 of the present Code;

19) the transfer of natural gas as a contribution in the authorised (contributed) capital, a contribution under a simple partnership agreement (a joint activity agreement), a contribution in the participatory shares fund of co-operatives.

2. The transactions listed in Subitems 15-19 of Item 1 of the present article shall be deemed tax basis if the excisable types of mineral raw material have been recovered (produced) in the territory of the Russian Federation, its continental shelf and/or exclusive economic zone.

3. For the purposes of the present chapter the term "production" encompasses the bottling of excisable goods effected as a part of the general process of production of these goods under the state standards and/or other regulatory-technical documentation which govern the process of production of the said goods and which are approved by authorised federal executive governmental bodies, and also any types of blending of goods at the place of their storage and sale (except for public catering organisations) resulting in an excisable good.

4. In the event of a reconstruction of an organisation the rights and duties relating to payment of excise taxes shall be transferred to the organisation's successor.

6. In Item 1 of Article 183:

Subitem 4 of Item 1 of Article 183 shall be set out as follows:

"4) the sale of excisable goods (except for petroleum products) placed under the customs regime of export to territories outside of the territory of the Russian Federation with account taken of losses within the natural loss rates and also the transactions deemed tax basis in compliance with Subitems 2, 3 and 4 of Item 1 of Article 182 of the present Code in petroleum products which are thereafter placed under the customs regime of export.

The said transactions shall be relieved from taxation in compliance with Article 184 of the present Code.";

- Subitems 5-12 shall be, respectively, seen as Subitems 6-13.

7. Article 184 shall be set out as follows:

"Article 184. The Peculiarities of Relieving from Taxation in the Event of Sale of Excisable Goods to Territories Outside of the Territory of the Russian Federation

1. The transactions specified in Subitem 4 of Item of Article 183 of the present Code shall be relieved from taxation only when excisable goods

are exported from the territory of the Russian Federation under the customs regime of export.

2. The taxpayer shall be relieved from the duty to pay an excise tax in the case of sale to territories outside of the territory of the Russian Federation of the excisable goods produced by the taxpayer (except for petroleum products) and/or transfer of the excisable goods (except for petroleum products) produced from the client's raw materials, such goods having been placed under the customs regime of export, if a bank's suretyship in compliance with Article 74 of the present Code or a bank guarantee is presented to the tax body. Such a bank's suretyship (bank guarantee) shall incorporate a provision for the bank's duty to pay the amount of excise tax and relevant penalties in the cases of non-filing by the taxpayer in the manner and within the terms established by Item 7 of Article 198 of the present Code of documents confirming the fact of exportation of the excisable goods and non-payment of the excise tax and/or penalties by the taxpayer.

If there is no bank's suretyship (bank guarantee) the taxpayer shall pay the excise tax in the manner envisaged for the transactions of sale of excisable goods in the territory of the Russian Federation.

3. In the event of payment of an excise tax due to the taxpayer's lacking a bank suretyship (bank guarantee) the excise amounts paid shall be refundable after the filing of documents by the taxpayer with the tax bodies to confirm the fact of exportation of excisable goods.

The refund of excise amounts shall be effected in the manner envisaged by Article 203 of the present Code.";

8. In Article 187:

- in the name, after the words, "in the realization (the transfer)" shall be added the words, "or in the receipt";

- Item 3 shall be counted as Item 4, and in it the words, "of the states-participants in the Customs Union without the customs formalization (if there exist agreements on the uniform customs space)", shall be replaced with the words "of the Republic of Belarus";

- Item 4 shall be deleted.

9. Article 190 shall be set out as follows:

"Article 190. The Peculiarities of Tax Base Assessment in the Case of Accomplishment of Transactions in Excisable Goods through the Use of Different Tax Rates

1. In respect of the excisable goods for which different tax rates have been established, tax base shall be assessed for each of the tax rates.

2. If the taxpayer does not keep separate records as required by Item 1 of the present article a single tax base shall be calculated for all the transactions of sale (transfer) and/or receipt of excisable goods. In this case the amounts specified in Item 1 of Article 189 of the present Code shall be included in this single tax base (except for the tax base for

transactions in the excisable petroleum products recognised a tax basis under the present chapter).";

10. Article 192 shall be presented in the following edition:

"Article 192. Tax Period

Seen as the tax period shall be a calendar month."

11. Item 1 of Article 193 shall be worded this way:

"1. The taxation of excisable commodities and of excisable mineral raw materials shall be carried out according to the following tax rates:

Kinds of excisable commodities (in percentages and roubles and kopecks of measurement)	Tax rate /or/ in for a unit
Ethyl alcohol from all kinds of raw materials (including raw ethyl alcohol of anhydrous ethyl from all kinds of raw materials)	16 roubles 20 kopecks for one litre alcohol
Alcohol products with the volume share for one litre of of ethyl alcohol above 25 per cent ethyl alcohol, (with the exception of wines) and in excisable alcohol-containing products	114 roubles anhydrous contained commodities
Alcohol products with the volume share of for one litre of ethyl alcohol above 9 and below 25 per ethyl alcohol, cent inclusive (with the exceptioz of in excisable	84 roubles anhydrous contained

wines)	commodities
-----+-----	
Alcohol products with the volume share for one litre of of ethyl alcohol up to 9 per cent ethyl alcohol, inclusive (with the exception of wines) in excisable	58 roubles anhydrous contained commodities
-----+-----	
Untraditional alcohol-containing wines for one litre of ethyl alcohol, in excisable	75 roubles anhydrous contained commodities
-----+-----	
Wines (with the exception of natural, 50 kopecks for untraditional natural and /or/ of those of anhydrous ethyl not containing alcohol, of natural contained in untraditional not containing alcohol, and commodities of champagne wines and of sparkling wines)	47 roubles one litre alcohol, excisable commodities
-----+-----	
Untraditional natural wines, not for one litre containing alcohol	4 roubles
-----+-----	
Champagne wines and sparkling wines 50 kopecks for	10 roubles

	one litre
-----+	
Natural wines (with the exception of for one litre	2 roubles
untraditional wines, not containing	
2 roubles for one litre	
-----+	
Beer with the normative (standardized) for one litre	0 roubles
content of the volume share of ethyl	
alcohol up to 0.5 per cent inclusive	
-----+	
Beer with the normative (standardized) 40 kopecks for one	1 roubles
content of the volume share of ethyl	litre
alcohol from 0.5 to 8.6 per cent inclusive	
-----+	
Beer with the normative (standardized) 60 kopecks for one	4 roubles
content of the volume share of ethyl	litre
alcohol over 8.6 per cent	
-----+	
Tobacco products:	
-----+	
Pipe tobacco for one kilogram	522 roubles
-----+	

Smoking tobacco, with the exception of for one kilogram tobacco, used as raw material for making tobacco products	214 roubles
-----+-----	
Cigars for one cigar	13 roubles
-----+-----	
Cigarillos for 1,000	143 roubles
-----+-----	
Filter-tipped cigarettes for 1,000 + 5 per	50 roubles cent
-----+-----	
Plain cigarettes for 1,000 + 5 per	19 roubles cent
-----+-----	
Passenger cars with the engine power of up for 0.75 kWt (one to 67.5 kWt (90 horsepowers) inclusive	0 roubles horsepower)
-----+-----	
Passenger cars with the engine power of for 0.75 kWt (one over 67.5 kWt (90 horsepowers) and up to 112,5 kWt (150 horsepowers) inclusive	13 roubles horsepower)
-----+-----	
Passenger cars with the engine power of roubles for 0.75 kWt	129

over 112.5 kWt (150 horsepowers), horsepower)	(one horsepower)
motorcycles with the engine power of over 112.5 kWt (150 horsepowers)	
-----+-----	
Automobile petrol with the octane value of roubles for one ton up to 80 inclusive	2,190
-----+-----	
Automobile petrol with other octane values roubles for one ton	3,000
-----+-----	
Diesel fuel for one ton	890 roubles
-----+-----	
Oil for diesel and (or) carburettor roubles for one ton (fuel-injection) engines	2,440
-----+-----	
Direct-distillation petrol for one ton	0 roubles
-----+-----	
Natural gas, realized (transferred) on the territory of the Russian Federation	15 per cent
-----+-----	
Natural gas, realized (transferred) to the states - members of the Commonwealth of Independent States	15 per cent

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|-----+-----
|-----|
|Natural gas, realized (transferred) | 30 per
|cent" |
|outside of the territory of the Russian|
|Federation (with the exception of the|
|states - members of the Commonwealth of|
|Independent States) |
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12. In Article 194:

- in Item 2, the words, "in their import", shall be replaced with the word, "imported", and the words, "while in case of the separate recording - as the sum, obtained by adding up the sum of excise duties, computed separately as the interest shares of the relevant tax bases, corresponding to the tax rates", shall be deleted;

- the new Item 3 shall be added of the following content:

3. The sum of the excise duty for excisable commodities (including for those imported to the territory of the Russian Federation), with respect to which combined tax rates are established (consisting of the fixed /specific/ and advalore /percentages/ tax rates), shall be computed as the sum, obtained as a result of adding up the sum of the excise duty, computed as the product of the fixed (specific) tax rate and of the volume of the realized (transferred, imported) excisable commodities, expressed in kind, and as the percentages share of the cost (of the customs cost) of such commodities, corresponding to the advalore (percentages) tax rate.";

- Item 3 shall be counted as Item 4 and set it out as follows:

4. The sum total of excise tax in the case of accomplishment of transactions in the excisable goods recognised as tax basis under the present chapter shall calculated as the sum of the amounts of excise tax calculated under Items 1 and 2 of the present article for each type of excisable good taxable by an excise tax at different tax rates. The sum total of excise tax in the case of accomplishment of transactions in the excisable petroleum products recognised as tax basis under the present chapter shall be calculated separately from the sum of excise tax on other excisable goods.";

- Item 4 shall be seen as Item 5, and in it:

- the words, "Total sum", shall be replaced with the word "Sum" while the words, "(Article 192 of the present Code)", and the words, "(Article 195 of the present Code)", shall be removed;

- Item 5 shall be seen as Item 6, and in it the words, "Total sum", shall be replaced with the word "Sum" and after the words, "of excisable commodities", shall be added the words, "(with the exception of oil products)", while the words, "with Item 1 and (or) Item 2", shall be replaced with the words, "with Items 1-3";

- Item 6 shall be counted as Item 7.

13. Article 195 shall be set out as follows:

"Article 195. Determining the Date of Sale (Transfer) or Receipt of Excisable Goods and/or Excisable Raw Materials

1. Abolished as of January 1, 2004.

2. For the purposes of the present chapter the date of sale (transfer) of excisable goods shall be determined as the date of shipment (transfer) of the excisable goods.

As for the transactions specified in Subitem 4 of Item 1 of Article 182 of the present Code, the date of transfer shall be deemed the date when the acceptance certificate is signed for the petroleum products.

3. Abolished as of January 1, 2004.

4. For the purposes of the present chapter the date of sale (transfer) of alcohol products from an excise warehouse shall be determined as the date of end of the effective term of the regime of tax warehouse.

If a shortage of the said products is found the date of its sale (transfer) shall be determined as the date of discovery of the shortage (except for shortages within the natural loss rates approved by an authorised federal executive governmental body).";

14. Abrogated from January 1, 2007.

15. Article 198 shall be set out as follows:

"Article 198. The Amount of Excise Tax Charged by the Seller to the Buyer

1. The taxpayer accomplishing the transactions deemed tax basis under the present chapter, except for the transactions in petroleum products specified in Subitems 2 and 3 of Item 1 of Article 182 of the present Code shall charge the buyer of excisable goods and/or excisable mineral raw materials (the owner of the client's raw materials (materials)) with the relevant amount of excise tax.

2. In settlement documents, in particular, sheets of receipts and sheets for receipt of amounts of money from a letter of credit, source accounting documents and invoices the relevant amount of excise tax shall be shown as a separate item, except for the cases of sale of excisable goods and/or excisable mineral raw materials to territories outside of the territory of the Russian Federation and except for the cases of sale of petroleum products.

3. In the event of sale of excisable goods and/or excisable mineral raw materials of which the sale is effected by means of the transactions exempt from taxation under Article 183 of the present Code the settlement documents, source accounting documents and invoices shall be drawn up

without showing relevant excise tax amounts as separate items. In this case the annotation or rubber stamp "Without excise tax" shall be entered in the said documents.

4. In the event of sale (transfer) of excisable goods (except for petroleum products) on a retail basis the relevant amount of excise tax shall be included in the price of the said goods. In this case the labels and price-tags of the goods posted by the seller and also in the cash receipts and other documents issued to the buyer the relevant amount of excise tax need not be shown as a separate item.

5. Abrogated from January 1, 2007;

6. In the event of importation of excisable goods into the customs territory of the Russian Federation the relevant filled-in customs forms and settlement documents confirming the fact of payment of the excise tax shall be used as verification documents to establish the availability of proper grounds for tax deductibles.

7. In the event of exportation of excisable goods under the customs regime of export out of the territory of the Russian Federation the following documents shall be filed with the tax body at the place of registration of the taxpayer within 180 days after the sale of the said goods to confirm the availability of proper grounds for excise tax exemption and tax deductibles:

1) the contract (copy of the contract) of the taxpayer with a party under contract for the delivery of excisable goods. If the export delivery of excisable goods is effected under a contract of commission agency, contract of commission or contract of agency the taxpayer shall present to the tax bodies the contract of commission agency, contract of commission or contract of agency (copies of these contracts) and the contract (copy of the contract) of the person which carries out the export delivery of the excisable goods on behalf of the taxpayer (under a contract of commission agency, contract of commission or contract of agency) with a party under contract.

If excisable goods produced from the client's raw materials are exported by the owner of the client's raw materials and materials the taxpayer shall present to the tax bodies the contract between the owner of the excisable goods produced from the client's raw materials and the taxpayer for the production of excisable goods and the contract (copy of the contract) between the owner of the client's raw materials and the party under contract. The said procedure shall also extend to the exportation of petroleum products on which the excise tax has been calculated in compliance with Subitem 4 of Item 1 of Article 182 of the present Code.

In case when the exportation of excisable goods produced from the client's raw materials is effected by another person under a contract of commission agency or another contract with the owner of the client's raw materials the taxpayer being the producer of these goods from the client's raw material shall present the following with the tax bodies apart from the contract between the owner of the excisable goods produced from the

client's raw materials and the taxpayer for the production of the excisable goods: the contract of commission agency, contract of commission or contract of agency (copies of the said contracts) between the owner of these excisable goods and the person which effects the export delivery of the goods and also the contract (copy of the contract) of the person which effects the export delivery of the excisable goods with the party under contract.

2) the payment documents and a bank statement (copies thereof) confirming that the proceeds from the sale of the excisable goods to a foreign person have been received in the taxpayer's account in a Russian bank.

Where the export delivery of excisable goods is effected under a contract of commission agency, contract of commission or contract of agency the taxpayer shall present to the tax bodies payment documents and a bank statement (copies thereof) to confirm that the proceeds from the sale of the excisable goods to a foreign person have been actually received in the account of the commission agent (attorney, agent) in a Russian bank.

Where the exportation of excisable goods produced from the client's raw materials and materials is effected by the owner of the said goods the taxpayer being the producer of these goods from the client's raw materials and materials shall present to the tax bodies the payment documents and a bank statement (copies thereof) to confirm that the whole proceeds from the sale of the excisable goods to a foreign person have been received in a Russian-bank account of the owner of the excisable goods produced from the client's raw materials and materials.

When proceeds from the sale of excisable goods to a foreign person come to an account of the taxpayer or the owner of these excisable goods from a third person the following documents shall be filed with the tax bodies apart from payment documents and a bank statement (copies thereof): the contracts of agency for payment for exported excisable goods concluded between the foreign person and the organisation (person) that has effected the payment.

If the non-entry of foreign currency proceeds from the sale of excisable goods in the territory of the Russian Federation is done in compliance with the procedure envisaged by the legislation of the Russian Federation on currency regulation and currency control the taxpayer shall present to the tax bodies the documents (copies of the documents) confirming the right to abstain from bringing the foreign currency proceeds in the territory of the Russian Federation;

3) the cargo customs declaration (a copy thereof) bearing annotations by the Russian customs body that has cleared the goods under the customs regime of export and of the Russian customs body whose operational area includes the check-point via which the said goods have

been taken out of the customs territory of the Russian Federation (hereinafter referred to as "border customs body").

In the event of exportation of petroleum products under the customs regime of export out of the territory of the Russian Federation by pipeline a complete cargo customs declaration shall be presented as bearing annotations by the Russian customs body that has performed customs formalities in respect of the said petroleum product exportation.

In the event of exportation to third countries of petroleum products under the customs regime of export across the border of the Russian Federation with a member state of the Customs Union, with customs control having been abolished at this border, a cargo customs declaration shall be presented as bearing annotations by the Russian custom body that has performed customs formalities in respect of the said petroleum product exportation;

4) copies of carriage or forwarding documents or other documents bearing the annotations by border customs bodies of foreign states confirming that the goods have been exported out of the customs territory of the Russian Federation, except for the exportation of petroleum products under the customs regime of export across the border of the Russian Federation.

In the event of exportation of petroleum products under the customs regime of export via sea ports copies of the following documents shall be presented by the taxpayer to the tax bodies to confirm that the goods have been exported out of the customs territory of the Russian Federation:

the instructions for shipment of the exported petroleum products complete with an indication of unloading port and the annotation "Loading permitted" by the border customs body;

the bill of lading for the carriage of the exported petroleum products with an indication of the place located outside of the customs territory of the Russian Federation in the item "Unloading Port".

Copies of carriage, forwarding and/or other documents confirming the exportation of petroleum products out of the customs territory of the Russian Federation may not be filed in the case of exportation of petroleum products under the customs regime of pipeline exportation.

When petroleum products are exported under the customs regime of export in railway tanks the taxpayer shall present the following to the customs body to confirm that the goods have been exported out of the customs territory of the Russian Federation: copies of the carriage, forwarding and/or other documents confirming that the petroleum products have been exported out of the customs territory of the Russian Federation as bearing annotations by the border customs body.

In the event of exportation of goods under the customs regime of export across the border of the Russian Federation with member state of the Customs Union, with customs control having been abolished at this border, copies of carriage and forwarding documents shall be presented as

bearing annotations by the Russian customs body that has performed customs formalities in respect of the said goods exportation.

If thereafter the taxpayer presents documents (copies of documents) to tax bodies to validate tax exemption the amounts of tax paid shall become refundable to the taxpayer in the manner and on the terms envisaged by Article 203 of the present Code.

8. In the event of non-filing or incomplete filing of the documents which are specified in Item 7 of the present article and which confirm the fact of exportation of excisable goods to a territory outside of the territory of the Russian Federation and must be filed with the tax bodies at the organisation's location (at the place of residence of the individual entrepreneur) the excise tax shall be paid on the said excisable goods in the manner established by the present chapter for transactions in excisable goods and/or excisable mineral raw materials in the territory of the Russian Federation.";

16. In Article 199:

the words "(except for petroleum products)" shall be added to Paragraph 3 of Item 2 after the word "(materials)";

an Item 4 of the following wording shall be added:

"4. In the event of accomplishment of transactions in excisable petroleum products the amount of excise tax shall be taken into account as follows:

1) the amount of excise tax calculated by the taxpayer on the transactions specified in Subitem 2 of Item 1 of Article 182 of the present Code shall be included in the value of excisable petroleum products. The amount of excise tax subject payable by the taxpayer that has been calculated in the manner established by Article 202 of the present Code shall be referred by the taxpayer to the expenses deductible at the calculation of the organisation's profit tax;

2) the amount of excise tax calculated by the taxpayer on the transactions specified in Subitem 4 of Item 1 of Article 182 of the present Code shall be included by the owner of petroleum products in the value of excisable petroleum products. The amount of excise tax payable by the taxpayer that has been calculated in the manner established by Article 202 of the present Code shall be referred by the taxpayer to the expenses deductible at the calculation of the organisation's profit tax;

3) the amount of excise tax calculated by the taxpayer on the transactions specified in Subitem 3 of Item 1 of Article 182 of the present Code in the event of transfer of excisable petroleum products to a person holding a certificate shall not be included in the value of the excisable products transferred. The amount of excise tax calculated by the taxpayer on the transactions specified in Subitem 3 of Item 1 of Article 182 of the present Code in the event of transfer of excisable petroleum products to a person not holding a certificate shall be included in the value of the

excisable petroleum products transferred. The amount of excise tax payable by the taxpayer that has been calculated in the manner established by Article 202 of the present Code shall be referred by the taxpayer to the expenses deductible at the calculation of the organisation's profit tax.

The amounts of excise tax specified in Subitems 1-3 of the present item and referred to the expenses deductible at the calculation of the organisation's profit tax in case when documents are filed in compliance with Item 8 of Article 201 of the present Code and/or Item 7 of Article 198 of the present Code respectively shall be adjusted for the purposes of the organisation's profit tax and deducted in compliance with Article 200 and/or Article 203 of the present Code as of the time of filing of the said documents.";

17. In Article 200:

- in Item 1, the word "common" shall be omitted;
the words "(except for petroleum products)" shall be added to Item 2 after the words "excisable goods";

Item 3 shall be set out as follows:

3. In the event of transfer of excisable goods produced from the client's raw materials (materials) (except for petroleum products) if the client's raw materials (materials) are excisable goods the deductibles shall be the amounts of excise tax paid by the owner of the said client's raw materials (materials) at the acquisition thereof or paid by him at the importation of these raw materials (materials) into the customs territory of the Russian Federation cleared for free circulation (except for petroleum products) and also the amounts of excise tax paid by the owner of these client's raw materials (materials) (except for petroleum products) at the production thereof.";

- Item 5 after the words "of excisable commodities" shall be extended with the words, "(with the exception of oil products)";

18. Abrogated from January 1, 2007;

19. In Article 202:

- in Item 1, the words, "on the realization (on the transfer, recognized", shall be replaced with the word "recognized", the words, "by the Chapter)", shall be replaced with the words, "by the Chapter", and the words, "of excisable commodities", and the word "common" shall be removed;

- in Item 3, the words, "with Item 5", shall be replaced with the words, "with Item 6";

- in Item 5:

- in the first paragraph, the word "common" shall be deleted;

- in the second paragraph, the word "common" shall be deleted and the words, "realized excisable commodities", shall be replaced with the words, "transactions, recognized as the object of taxation in accordance with the present Chapter,";

- in the third paragraph, the word "common" shall be omitted, and the words, "realized excisable commodities" shall be replaced with the words, "transactions, recognized as the object of taxation in accordance with the present Chapter, carried out", and the last sentence shall be removed.

20. In Article 203:

Item 1 shall be set out as follows:

"1. If according to the results of the tax period tax deductible amount exceeds the amount of excise tax calculated on transactions in excisable goods and excisable mineral raw materials deemed tax basis under the present chapter then according to the results of the tax period the resulting difference shall be subject to reimbursement (setoff, refund) to the taxpayer under the provisions of the present article.";

"in Item 4:

in Paragraph 1 the words "in respect of the transactions of sale of excisable goods" shall be replaced with the words "in respect of transactions in excisable goods", and the words "Item 6" shall be replaced with the words "Item 7";

in Paragraph 2 the words "Item 6" shall be replaced with the words "Item 7";

Paragraph 10 shall be set out as follows:

"Not later than the last day of the term specified in Paragraph 2 of the present item the tax body shall adopt a decision to refund the excise tax amount at the expense of a relevant budget (the budget of a territorial road fund) and within the same term it shall forward this decision to a relevant federal treasury body for execution.";

21. In Article 204:

the title shall be set out as follows:

"Article 204. The Term and Procedure for Payment of the Excise Tax at the Accomplishment of Transactions in Excisable Goods and Excisable Mineral Raw Materials";

in Item 1 the words "excisable goods and also the payment of excise tax at the sale (transfer)" shall be deleted;

in Item 3 the words "Subitems 1-7 of Item 1" shall be replaced with the words "Subitems 1-6 of Item 1";

in Item 4:

the words "(except for petroleum products)" shall be added to Paragraph 1 after the words "on excisable goods", and the words "apart from that" shall be deleted;

22. Abolished as of January 1, 2004.

See the text of Item 22 of Article 1

23. Subitem 1 of Item 2 of Article 256 shall be worded as follows:

"1) the property of budgetary organisations, with the exception of the property, acquired in connection with the performance of business activity and used for the performance of such activity;"

24. In Item 1 of Article 257:

- the fourth and the fifth paragraphs shall be presented in this edition:

The replacement value of the depreciated fixed assets, acquired (created) before the present Chapter is put into force, shall be defined as their initial cost with an account for the revaluations, performed before the date of enforcement of the present Chapter.

When defining the replacement value of the depreciated fixed assets, for the purposes of the present Chapter shall be taken into account the revaluation of the fixed assets, effected by the tax payer's decision as in the state on January 1, 2002 and reflected in the tax payer's business accounting after January 1, 2002. This revaluation shall be accepted for the purposes of taxation in an amount, not exceeding 30 per cent of the replacement value of the corresponding objects of fixed assets, reflected in the tax payer's business accounting as in the state on January 1, 2001 (with an account for the revaluation as in the state on January 1, 2001, made by the tax payer's decision and reflected in his business accounting in 2001). In this case, the size of the revaluation (of the devaluation) as in the state on January 1, 2002, reflected by the tax payer in 2002, shall not be recognized as the tax payer's income (outlays) for the purposes of taxation. In a similar order, for the purposes of taxation shall be accepted the corresponding revaluation of the sums of depreciation.;

- the new paragraphs 6 and 7 of the following content shall be added:

When the tax payer carries out in the subsequent reporting (tax) periods after the enforcement of the present Chapter the revaluation (devaluation) of the cost of the fixed assets objects by the market cost, the positive (negative) sum of such revaluation shall not be recognized as an income (as the outlays), taken into account for the purposes of taxation, and shall not be accepted in defining the replacement value of the depreciated property and in computing the depreciation charges, taken into account for the purposes of taxation in conformity with the present Chapter.

The residual cost of the fixed assets, introduced before the enforcement of the present Chapter, shall be defined as the difference between the replacement value of such fixed assets and the sum of depreciation, determined in the order, laid down in the fifth paragraph of the present Item.;

- in the eighth paragraph, the word "(replacement)" shall be deleted.

25. In the second paragraph of Item 2 of Article 276, the word "quarterly" shall be replaced with the word "monthly".

26. In the first paragraph of Item 2 of Article 280, after the words, "by the emitter", shall be added the words, "(by the bill giver)".

27. Item 1 of Article 284 shall be rendered in the following edition:

1. The tax rate shall be established (unless otherwise envisaged in Items 2-5 of the present Article) in the amount of 24 per cent. In this case:

- the sum of the tax, computed in accordance with the tax rate of 6 per cent, shall be entered into the federal budget;

- the sum of the tax, computed in accordance with the tax rate of 16 per cent, shall be entered into the budgets of the subjects of the Russian Federation;

- the sum of the tax, computed in accordance with the tax rate of 2 cent, shall be entered into the local budgets.

The laws of the subjects of the Russian Federation may reduce the tax rate, envisaged in the present Item, for the individual categories of tax payers as concerns the taxes, entered into the budgets of the subjects of the Russian Federation. The said rate cannot be less than 12 per cent.

28. Article 321.1 of this content shall be added:

Article 321.1. Specifics in Keeping Tax Records by Budgetary Institutions

1. The tax payers - budgetary institutions, financed at the expense of funds from the budgets of all levels and of the state extra-budgetary funds, allocated in accordance with an estimate of the incomes and the outlays of the budgetary institution and deriving incomes from the other sources, shall also be obliged, for the purposes of taxation, to keep a separate recording of the incomes (the outlays), received (made) in the framework of the goal-oriented financing at the expense of the other sources.

For the purposes of this Chapter, recognized as the other sources - the incomes from the commercial activity - shall be the incomes of budgetary institutions, received from legal and natural persons on transactions, involved in the realization of commodities, works and services, and of the property rights, as well as the extra-realization incomes.

The tax base of budgetary institutions shall be defined as the difference between the sum of an income, derived from the realization of commodities, from the performed works and rendered services, as well as the sum of extra-realization incomes (not taking into account the value added tax, the sales tax and the excise duty for excisable commodities), and the sum of the actually made outlays, involved in the performance of the commercial activity.

Transactions, involved in the computation of incomes from the commercial activity and of the outlays connected with the performance of this activity, shall be reflected on the tax records in accordance with the procedure, established in the present Chapter.

The sum of an excess of the incomes from the commercial activity over the outlays cannot be directed before the computation of the tax towards coverage of the outlays, envisaged at the expense of the funds of the goal-oriented financing, allocated in accordance with an estimate of the incomes and the outlays of the budgetary institution.

2. In the composition of the incomes and the outlays of budgetary institutions, included into the tax base, shall not be taken into account the incomes, received in the form of the funds of the goal-oriented financing and of the goal-oriented receipts for the maintenance of budgetary

institutions and for the performance of the statutory activity, financed at the expense of the above-said incomes, or the outlays, made at the expense of these funds.

An analytical recording of the incomes and the outlays on the funds of the goal-oriented financing and the goal-oriented receipts shall be kept on every kind of the receipts, with an account for the demands of the present Chapter.

3. If in the estimates of the incomes and the outlays of the budgetary institution is envisaged financing of the outlays on the remuneration for the public utilities and for the communications services, as well as for the transportation expenses, involved in servicing the administrative-managerial personnel at the expense of two sources, for the purposes of taxation the acceptance of such outlays for the reduction of the incomes, derived from the business activity, and of the funds of the goal-oriented financing shall be effected in proportion to the volume of the funds, derived from the business activity, in the total sum of the incomes (including the funds of the goal-oriented financing). In this case, for the above-said purposes in the total sum of the incomes shall not be taken into account the extra-realization incomes (the incomes, derived in the form of the bank's interest on the funds, kept on the settlement and on the deposit accounts or received from letting out the property, the differences in the exchange rates, and the other incomes).

4. For the purposes of the present Chapter, when delineating the tax base, to the outlays, involved in the performance of the commercial activity, shall be referred, besides the outlays, made for the purposes of the performance of the business activity, also the sums of depreciation charges, computed on the property, acquired at the expense of the funds, derived from this activity and used for the performance of this activity. In this case, for the fixed assets, acquired before January 1, 2002, the residual cost shall be defined as the difference between the initial cost of the fixed assets object and the sum of depreciation charges, computed in accordance with the business accounting rules for the period of operation of such object.

5. In the budgetary institutions (regardless of whether such institutions possess settlement or other accounts), engaged in commercial activity, business accounting shall be kept by centralized accountant's offices in conformity with the provisions of the present Chapter.

Tax declarations shall be submitted by the centralized accountant's offices to the tax bodies at the place of location of each budgetary institution in accordance with the procedure, established by the present Code.

29. The second paragraph of Item 1 of Article 328, after the words, "of the emission", shall be extended with the words, ", on the bills - by the terms for the issue or for the transfer (for the sale)".

30. Section IX shall be extended with Chapter 28 of the following content:

Chapter 28. Transport Tax

Article 356. General Provisions

The transport tax (hereinafter in the present Chapter referred to as the tax) is established by the present Code and by the laws of the subjects of the Russian Federation on the tax, is put into force in conformity with the present Code by the laws of the subjects of the Russian Federation and is obligatory for payment on the territory of the corresponding subject of the Russian Federation.

In introducing the tax, the legislative (representative) bodies of the subject of the Russian Federation shall define the rate of the tax within the limits, set down by the present Code, the procedure and the time terms for its payment, and the form for reports on the given tax.

When establishing the tax, the laws of the subjects of the Russian Federation may also envisage tax privileges and the grounds for their use by the tax payer.

Article 357. Tax Payers

Recognized as the payers of the tax (hereinafter in the present Chapter referred to as the tax payers) shall be the persons, on whom in conformity with the legislation of the Russian Federation are registered transportation facilities, recognized as an object of taxation in conformity with Article 358 of the present Code, unless otherwise envisaged in this Article.

Seen as the taxpayer on the transportation facilities, registered on natural persons, acquired and handed over by them on the ground of a warrant for the right of possession and of disposal of the transportation facility until the moment of an official publication of the present Federal Law, shall be the person, named in such warrant. The persons, on whom the said transportation facilities are registered, shall notify the tax body at the place of their residence about handing over the said transportation facilities on the ground of a warrant.

Article 358. Object of Taxation

1. Seen as an object of taxation shall be automobiles, motorcycles, motor scooters, buses and other self-powered pneumatic and caterpillar machines and mechanisms, as well as the aircraft, helicopters, motorships, yachts, sailing vessels, launches, snowmobiles, motor sledges, motor boats, hydrocycles, nonself-powered ships (tugboats) and other water and air transport vehicles (hereinafter in the present Chapter referred to as the

transportation facilities or transport vehicles), registered in the established order in conformity with the legislation of the Russian Federation.

2. Not recognized as an object of taxation shall be:

1) rowing boats, as well as motor boats with an engine of less than 5 horsepowers;

2) passenger cars, specially equipped for invalids' use, and passenger cars with an engine of up to 100 horsepowers (up to 73.55 kWt), received (acquired) through the bodies for the social protection of the population in the law-established order;

3) catching sea and river vessels;

4) passenger and freight sea, river and air vessels in the ownership (by the right of economic control or of operational management) of organisations, whose principal kind of activity is the performance of passenger and (or) freight carriages;

5) tractors, self-powered combines of all models, specialized automobiles (those for the transportation of milk, of cattle and of poultry, for the shipment and the application of mineral fertilizers, for rendering veterinary aid and for technical servicing), registered on the agricultural commodity producers and used during agricultural works for the output of agricultural products;

6) transportation facilities, belonging by the right of economic control or operational management to the federal executive power bodies, in which the military service and (or) that equated to it is stipulated by the legislation;

7) transportation facilities declared to be searched after, under the condition that the fact of their hijacking (theft) has been confirmed with the document, issued by an authorised body;

8) the aircraft and helicopters of the sanitary aviation and of the medical service.

Article 359. Tax Base

1. The tax base shall be defined:

1) with respect to the transportation facilities with engines - as the power of the transport vehicle engine, expressed in horsepowers;

2) with respect to the water nonself-propelled (towed) transportation facilities, for which the gross carrying capacity is defined - as the gross carrying capacity in vessel tons;

3) with respect to the water and the air transportation facilities, not mentioned in Subitems 1 and 2 of the present Item - as a unit of the transportation vehicle.

2. With respect to the transportation facilities, indicated in Subitems 1 and 2 of Item 1 of the present Article, the tax base shall be defined separately for every transportation vehicle.

As concerns the transportation facilities, mentioned in Subitem 3 of Item 1 of the present Article, the tax base shall be delineated for them separately.

Article 360. Tax Period

Recognized as the tax period is a calendar year.

Article 361. Tax Rates

1. The tax rates shall be established by the laws of the subjects of the Russian Federation, respectively, depending on the engine power or on the gross carrying capacity of the transportation facilities, on the category of the transport vehicles as calculated per one horsepower of the engine power of the given transport vehicle, or on one vessel ton of the transport vehicle, or per unit of the transport vehicle, in the following amounts:

Name of the object of taxation	Tax rate
(in roubles)	

Passenger cars with the engine power of (from every horsepower):

up to 100 horsepowers (up to 0.73.55 kWt) inclusive 5

over 100 horsepowers up to 150 horsepowers (over 73.55 kWt up to 110.33 kWt) inclusive 7

over 150 horsepowers up to 200 horsepowers (over 110 kWt up to 147.1 kWt) inclusive 10

over 200 horsepowers up to 250 horsepowers (over 147.1 kWt up to 183.9 kWt) inclusive 15

over 250 horsepowers (over 183.9 kWt) 30

Motorcycles and motor scooters with the engine power of (from every horsepower):

up to 20 horsepowers (up to 14.7 kWt) inclusive 2

over 20 horsepowers up to 35 horsepowers (over 14.7 kWt up to 25.74 kWt) inclusive	4
over 35 horsepowers (over 25.74 kWt)	10
Buses with the engine power of (from every horsepower):	
up to 200 horsepowers (up to 147.1 kWt) inclusive	10
over 200 horsepowers (over 147.1 kWt)	20
Trucks with the engine power of (from every horsepower):	
up to 100 horsepowers (up to 73.55 kWt) inclusive	5
over 100 horsepowers up to 150 horsepowers (over 73.55 kWt up to 110.33 kWt) inclusive	8
over 150 horsepowers up to 200 horsepowers (over 110.33 kWt up to 147.1 kWt) inclusive	10
over 200 horsepowers up to 250 horsepowers (over 147.1 kWt up to 183.9 kWt) inclusive	13
over 250 horsepowers (over 183.9 kWt)	17
Other self-powered pneumatic and caterpillar transportation facilities, machines and mechanisms (from every horsepower)	5
Snowmobiles and motor sledges with the engine power of (from every horsepower):	
up to 50 horsepowers (up to 36.77 kWt) inclusive	5
over 50 horsepowers (over 36.77 kWt) inclusive	10
Launches, motor boats and other water transport facilities with the engine	

power of (from every horsepower):	
up to 100 horsepowers (up to 73.55 kWt) inclusive	10
over 100 horsepowers (over 73.55 kWt)	20
Yachts and other sailing and motor boats with the engine power of (from every horsepower):	
up to 100 horsepowers (up to 73.55 kWt) inclusive	20
over 100 horsepowers (over 73.55 kWt)	40
Hydrocycles with the engine power of (from every horsepower):	
up to 100 horsepowers (up to 73.55 kWt) inclusive	25
over 100 horsepowers (over 73.55 kWt)	50
Nonselved-propelled (towed) ships, for which the gross carrying capacity is defined (from every vessel ton of the gross carrying capacity)	20
Airships, helicopters and other aircraft with an engine of (from every horsepower)	25
Other water and air transportation facilities without an engine (from a unit of the transport vehicle)	200

2. The tax rates, cited in Item 1 of the present Article, may be increased (reduced) by the laws of the subjects of the Russian Federation, but by no more than five times over.

3. It is admissible to establish the differentiated tax rates with respect to every category of the transportation facilities, as well as with an account for the useful service life of the transportation facilities.

Article 362. Procedure for Computing the Tax

1. The tax payers - organisations shall compute the sum of the tax on their own. The sum of the tax, subject to payment by the tax payers - natural persons, shall be computed by the tax bodies on the ground of information, submitted to the tax bodies by the bodies, carrying out the state registration of transportation facilities on the territory of the Russian Federation.

2. The sum of the tax, unless otherwise envisaged in the present Article, shall be computed with respect to every transportation facility as the product of the corresponding tax base and the tax rate.

3. In the case of the registration of the transport vehicle and (or) of taking the transport vehicle off from the registration (of taking it off the records, of its removal from the state register book, etc.) in the course of the tax period, the sum of the tax shall be computed with an account for the coefficient, defined as the ratio of the number of full months, in the course of which the given transportation facility was registered on the tax payer, to the number of calendar months in the tax period. The month of the registration of the transportation facility, as well as the month of taking off the transportation facility from the registration shall be taken for a full month. In case of the registration and of taking off from the registration of the transport vehicle in the course of one calendar month, this said month shall be taken as one full month.

4. The bodies, carrying out the state registration of transportation facilities, shall be obliged to report to the tax bodies at the place of their location about the transport vehicles, registered or taken off from the registration in these bodies, as well as about the persons, on which the transport vehicles are registered, within ten days after their registration or after taking them off the records.

5. The bodies, carrying out the state registration of transportation facilities, shall be obliged to forward to the tax bodies at the place of their location information about the transportation facilities, as well as about the persons, on which the transportation facilities are registered, as in the state on December 31 of the past calendar year and up to February 1 of the current calendar year, and also about all changes that have occurred over the past calendar year.

Information, mentioned in Items 4 and 5 of the present Article, shall be submitted by the bodies, performing the state registration of transportation facilities, in accordance with the forms, approved by the tax bodies.

Article 363. Procedure and Time Terms for Paying the Tax

1. The payment of the tax shall be effected by the tax payers at the place of location of the transportation facilities in accordance with the procedure and the time terms, established by the laws of the subjects of the Russian Federation.

2. The tax payers - organisations shall submit to the tax body at the place of location of the transport vehicles the tax declaration within the time term, fixed by the laws of the subject of the Russian Federation.

3. The tax notification on the sum of the tax, subject to payment, shall be handed in to the tax payer - natural person, by the tax body within the time term of not later than June 1 of the tax period year.

Article 2. Abolished from January 1, 2005.

Article 3. The following amendments shall be introduced into Law of the Russian Federation No. 2003-1 of December 9, 1991 on the Taxes on the Property of Natural Persons (Vedomosti Syezda Narodnykh Deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, No. 8, 1992, item 362; No. 4, 1993, item 118; Sobranie Zakonodatelstva Rossiyskoy Federatsii, No. 16, 1994, item 1863; No. 5, 1995, item 346; No. 29, 1999, item 3689):

- Item 2 of Article 2, Item 2 of Article 3 and Item 3 of Article 4 shall be removed;

- in Article 5:

- the fourth paragraph of Item 2 and Item 3 shall be deleted;

- in Item 4, the words, "the Chief Aviation Board, the inspectorates of river and sea shipping and other organisations, carrying out the registration of transportation facilities", shall be omitted;

- in Item 5, the words ", as well as on the acquired transportation facilities" and the words, "or of the transport vehicle" shall be deleted;

- in Item 6, the words, "or the transport vehicle" shall be omitted;

Article 4. Tax payers, who in 2002 defined the earnings from the realization of products (commodities, works, services) as soon as these were shipped, are obliged to compute and to pay the motor road users tax into the budget of the corresponding subject of the Russian Federation for the products (commodities, works, services), shipped (delivered, performed, rendered) before January 1, 2003, proceeding from the tax rate that operated in 2002, before January 15, 2003.

Tax payers, who in 2002 defined the earnings from the realization of products (commodities, works, services) as soon as these were paid for, are obliged to compute and to pay the motor road users tax into the budget of the corresponding subject of the Russian Federation for the commodities (products, works, services), shipped (delivered, performed, rendered) before January 1, 2003, proceeding from the tax rate that operated in 2002, before January 15, 2003.

For the tax payers who in 2002 defined the earnings from realization as soon as they came in, the tax base for the motor road users tax for the commodities (products, works, services), shipped (delivered, performed,

rendered), but not paid for as at the state on January 1, 2003, shall be defined proceeding from the sum of the debit indebtedness for the commodities (products, works, services), shipped (delivered, performed, rendered) but not paid for as at the state on January 1, 2003. For the purposes of the present Article, the sums of the debit indebtedness, expressed in foreign currency or in conventional units, shall be recalculated into roubles in accordance with the currency exchange rate of the Central Bank of the Russian Federation, fixed as on January 1, 2003.

Article 5. As concerns motor oils for diesel and (or) carburettor (fuel-injection) engines, shipped in the period from January 1, 2001 to December 31, 2002 inclusive and not paid for as at the state on January 1, 2003, the payment of excise duties to the federal budget shall be effected not later than on July 1, 2003 on the grounds of a separate declaration, submitted by the tax payer not later than March 25, 2003 to the tax body at his location (at the place of his residence), as well as at the location of every set-apart subdivision, in the part of the realization (transfer) of motor oil, made through the said set-apart subdivisions.

Article 6. The sums of excise duty, computed by the tax payer in the performance of transactions with oil products, recognized as subject to taxation in conformity with Article 182 of the Tax Code of the Russian Federation, are subject to payment less the sum of an excise duty, paid up in the price of excisable commodities, indicated in Subitems 7-10 of Item 1 of Article 181 of the Tax Code of the Russian Federation, which were shipped by the producers before January 1, 2003, or in the price of the services, involved in the output of oil products from the customer's raw materials taking account of the excise duty, when the payment orders were submitted, confirming that the acquired oil products have been paid for at a price which included the excise duty, or that the services, involved in the output of the oil products, have been remunerated taking account of excise duty.

Article 7. It is established that the size of the rent for the lands in state or municipal ownership and the rates land tax, operating in 2002, shall be applied in 2003 with the coefficient 1.8.

Article 8. Article 5 of Federal Law No. 118-FZ of August 5, 2002 on Putting into Force Part Two of the Tax Code of the Russian Federation and on the Introduction of Amendments into Certain Legislative Acts on Taxes (Sobranie Zakonodatelstva Rossiyskoy Federatsii, No. 32, 2000, item 3341; No. 13, 2001, item 1147; No. 33, item 3413; No. 51, item 4330 and No. 22, 2002, item 2026) shall be deleted.

Article 9. *Federal Law No. 122-FZ of August 22, 2004 abolished this Article from January 1, 2005*

Article 10. Abolished from January 1, 2006.

Article 11. It is established that Items 5 and 6 of Article 213 of the Tax Code of the Russian Federation in the edition of Federal Law No. 57-FZ of May 29, 2002 on the Introduction of Amendments and Addenda into Part Two of the Tax Code of the Russian Federation and into the Individual Legislative Acts of the Russian Federation on Taxes, shall come into force as from January 1, 2004.

Article 12. Abolished from January 1, 2005.

Article 13. The Article is abrogated upon the expiry of six months after the official publication of Federal Law No. 164-FZ of December 8, 2003.

Article 14. The following addenda shall be introduced into Article 10 of Federal Law No. 110-FZ of August 6, 2001 on the Introduction of Amendments and Addenda into Part Two of the Tax Code of the Russian Federation and into Certain Other Acts of the Legislation of the Russian Federation on Taxes and Fees, and Also on Recognizing as Having Lost Force the Individual Acts (Provisions of the Acts) of the Legislation of the Russian Federation on Taxes and Fees (Collected Legislation of the Russian Federation, No. 33, 2001, item 3413; No. 1, 2002, item 4; No. 22, item 2026):

- Item 7.1 of the following content shall be added:

7.1. If tax payer, who defined the earnings from the realization before the enforcement of Chapter 25 of the Tax Code of the Russian Federation for the purposes of taxation by the method of shipment and who has transferred as from January 1, 2002 to determining incomes and the outlays by the method of computation, has obtained on the base of the transitional period an excess of outlays over incomes, the sum of such excess in an amount not exceeding the sum from writing off onto the outlays the underdepreciated part of the fixed assets of no more than 10,000 roubles in value, or with the term of useful life of not over twelve months, shall be recognized as the tax payer's outlays from the transitional period, which shall be classed as outlays to be included into the tax base of the corresponding reporting periods in equal parts in the course of five years as from the date of enforcement of Chapter 25 of the Tax Code of the Russian Federation.;

- Item 8 shall be extended with a paragraph of the following content:

If the tax payer sustained a loss over 2001, the computed sum of tax shall be subject to payment into the budget in equal parts, in conformity with the procedure envisaged in the present Article, in the course of five

years within the time terms, fixed for making advance payments on the tax in accordance with the results of the reporting period.

Article 15. Articles 341 and 344 of the Tax Code of the Russian Federation in the edition of Federal Law No. 57-FZ of May 29, 2002 on the Introduction of Amendments and Addenda into Part Two of the Tax Code of the Russian Federation and into the Individual Legislative Acts of the Russian Federation shall be put into force as from January 1, 2003.

Article 16. Small-scale businesses, regardless of the applied accounting policy, for the purposes of taxation in 2002 shall pay the tax on the motor road users for this year within a ten-day term, fixed for submitting the annual business accounting reports for 2002.

Article 17. The arrears, penalties and fines, accumulated as on January 1, 2003 on the tax by the owners of transportation facilities, as well as on the taxes on the property of natural persons with respect to aircraft, helicopters, motorships, yachts, launches, motor sledges, motor boats and other water and air transportation facilities, shall be entered into the revenue of the budgets of the subjects of the Russian Federation and of the local budgets in conformity with the legislation of the Russian Federation in effect before the present Federal Law is put into force.

Article 18. it is established that in 2003 the payers of the land tax and of the land rent for the lands of towns and settlements shall transfer these payments in full onto the accounts of the federal treasury bodies, with the subsequent distribution of the incomes from the receipts thereof among the levels of the budgetary system of the Russian Federation in accordance with the following normatives:

- to the budgets of the subjects of the Russian Federation (with the exception of the Cities of Moscow and St. Petersburg) - 50 per cent;
- to the budgets of the Cities of Moscow and of St. Petersburg, and to the budgets of closed administrative -territorial entities - 100 per cent;
- to the budgets of towns and settlements, as well as of other municipal entities (with the exception of the municipal entities, included into the composition of the Cities of Moscow and St. Petersburg) - 50 per cent.

Article 19. Article 88 of Federal Law No. 194-FZ of December 30, 2001 on the Federal Budget for the Year 2002 (Sobranie Zakonodatelstva Rossiyskoy Federatsii, No. 53, 2001, item 5030) shall be extended with a third part of the following content:

It is hereby resolved to extend up to December 1, 2002 the restructuring of the indebtedness on the insurance premiums to the extra-budgetary funds (the Pension Fund of the Russian Federation, the Social Insurance Fund of the Russian Federation, the Federal Fund of Obligatory Medical Insurance and the territorial funds of obligatory medical insurance),

on imposed penalties and fines for institutions of public health, education and culture, and of the social sphere, financed from the budgets of all levels of the budgetary system of the Russian Federation, in accordance with the procedure, laid down by the Government of the Russian Federation in conformity with Article 20 of Federal Law No. 118-FZ of August 5, 2000 on Putting into Force Part Two of the Tax Code of the Russian Federation and on the Introduction of Amendments into Certain Legislative Acts on Taxes (Sobranie Zakonodatelstva Rossiyskoy Federatsii, No. 32, 2000, item 3341; No. 13, 2001, item 1147).

Article 20. When preparing the draft Federal Law on the Federal Budget for the Year 2003, the Government of the Russian Federation shall envisage:

- formation of the revenues of the budgets of the subjects of the Russian Federation at the expense of excise duties on oil products in the amount of 50 per cent of the incomes;

- transfer of 15 per cent of the land tax and land rent for land from the federal budget into the budgets of the subjects of the Russian Federation;

- allocation from the federal budget of subventions to finance the highway sector of the subjects of the Russian Federation and to compensate for the incomes, which have been stopped in connection with the repeal as from January 1, 2003 of the tax on motor road users in an amount of not less than 36 billion roubles;

- transfer to the subjects of the Russian Federation of the receipts from coverage of the indebtedness, accumulated as on January 1, 2003 on the tax on motor road users, on the penalties and fines for untimely payment of said tax, as well as on the final settlements on the tax on motor road users for 2002.

Article 21. The present Federal Law shall come into force after the expiry of one month from the day of its official publication, with the exception of the following norms, which shall be put into operation in the following order:

- Items 1, 2, 4-22 and 27 of Article 1, Articles 3-7, Articles 9-11, Article 13 and Articles 16-18 of the present Federal Law shall come into force from January 1, 2003;

- the norms, envisaged in Items 23, 24-26 and 29 of Article 1, and in Article 14 of the present Federal Law, shall come into force after the expiry of one month from the day of its official publication and shall extend to relations that have arisen since January 1, 2002.

President of the Russian Federation

V. Putin

Moscow, the Kremlin