

**DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION
NO. 506 OF SEPTEMBER 30, 2004 ON THE APPROVAL OF THE
REGULATIONS ON THE FEDERAL TAX SERVICE (with the
Amendments and Additions of February 11, March 14, May 27,
October 1, November 23, 2005, May 27, June 3, August 10, December
14, 2006, March 31, June 6, 2007, February 22, 2008)**

The Government of the Russian Federation resolves:

1. To approve the annexed Regulations on the Federal Tax Service.
2. To establish that the Federal Tax Service and its territorial bodies shall, in the established sphere of activity, be the successors of the Ministry of Taxation of the Russian Federation and also of the Federal Service of Russia for Financial Recovery and Bankruptcy in all legal relations associated with representation of interests of the Russian Federation in bankruptcy procedures.
3. To permit the Federal Tax Service to have up to eight deputy heads and also, in the structure of the central apparatus, up to 27 departments on the main lines of the activity of the Service.
4. Abolished.
5. The Federal Tax Service shall render the workers made redundant in connection with the transformation of the Ministry of Taxation of the Russian Federation assistance in employment, and if the latter is impossible, shall furnish the guarantees and compensations in accordance with the legislation of the Russian Federation.
6. To establish that, pending approval by the Government of the Russian Federation of the list of jurisdictional organisations of the federal bodies of executive power, under the jurisdiction of the Federal Tax Service there shall be the organisations which were under the jurisdiction of the transformed Ministry of Taxation of the Russian Federation.
7. To approve the proposal of the Ministry of Finance of the Russian Federation for the placement, in the established procedure, of the central apparatus of the Federal Tax Service in Moscow, ul. (street) Neglinnaya, d. (house) 23/6, stroyeniye (building) 1.

8. To invalidate:

Decision of the Government of the Russian Federation No. 254 of February 27, 1999 Issues of the Ministry of Taxation of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1999, No. 11, item 1299);

Decision of the Government of the Russian Federation No. 992 of September 3, 1999 on Amending Decision of the Government of the Russian Federation No. 254 of February 27, 1999 (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1999, No. 37, item 4492);

Decision of the Government of the Russian Federation No. 301 of April 4, 2000 on Approval of the Regulations on the Federal Service of

Russia for Financial Recovery and Bankruptcy (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2000, No. 15, item 1597);

Decision of the Government of the Russian Federation No. 783 of October 16, 2000 on Approval of the Regulations on the Ministry of Taxation of the Russian Federation (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2000, No. 43, item 4242);

Decision of the Government of the Russian Federation No. 1019 of December 27, 2000 Issues of the Federal Service of Russia for Financial Recovery and Bankruptcy (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 1, item 142);

Decision of the Government of the Russian Federation No. 81 of February 1, 2001 Issues of the Ministry of Taxation of the Russian Federation (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 7, item 649);

Decision of the Government of the Russian Federation No. 469 of June 28, 2002 on the Bakovka Country Cottage (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2002, No. 27, item 2691);

Decision of the Government of the Russian Federation No. 649 of August 30, 2002 on Amending and Supplementing the Regulations on the Ministry of Taxation of the Russian Federation (Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2002, No. 36, item 3486);

Decision of the Government of the Russian Federation No. 729 of December 1, 2003 on Amending the Regulations on the Ministry of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2003, No. 49, item 4781).

Chairman of the Government of the Russian Federation

Mikhail Fradkov

Regulations on the Federal Tax Service (approved by Decision of the Government of the Russian Federation No. 506 of September 30, 2004) (with the Amendments and Additions of February 11, March 14, May 27, October 1, November 23, 2005, May 27, June 3, August 10, December 14, 2006, March 31, June 6, 2007, February 22, 2008)

I. General Provisions

1. The Federal Tax Service (the FTS of Russia) shall be the federal body of executive power performing the functions of control and supervision over the observance of the legislation on taxes and fees, over the correctness of the calculation, the fullness and timeliness of payment to the relevant budget of taxes and fees, in the cases stipulated by the legislation of the Russian Federation over the correctness of the calculation, the fullness and timeliness of the making to the relevant budget

of other obligatory payments, over the manufacture and turnover of ethyl alcohol, spirituous and tobacco products and also the functions of the agent of currency control within the limits of the competence of the tax bodies.

The Service shall be the authorised federal body carrying out the state registration of juridical persons, natural persons as individual businessmen and peasant farms, and also the authorised federal body of executive power ensuring representation in bankruptcy cases and in bankruptcy procedures of demands for making the obligatory payments and demands of the Russian Federation on monetary obligations.

2. The Federal Tax Service shall be under the jurisdiction of the Ministry of Finance of the Russian Federation.

3. The Federal Tax Service shall be guided in its activity by the Constitution of the Russian Federation, federal constitutional laws, federal laws, acts of the President of the Russian Federation and the Government of the Russian Federation, international treaties of the Russian Federation, normative legal acts of the Ministry of Finance of the Russian Federation, and also by these Regulations.

4. The Federal Tax Service shall carry out its activity directly and through its territorial bodies in interaction with other federal bodies of executive power, the bodies of executive power of the entities of the Russian Federation, the bodies of local self-government, public associations and other organisations.

The Service and its territorial bodies - the departments of the Service at the entities of the Russian Federation, the interregional inspectorates of the Service, the inspectorates of the Service in districts, in districts in cities, in towns without district division, and the inspectorates of the Service of interdistrict level (hereinafter, the tax bodies) - shall constitute a single centralised system of tax bodies.

II. Authority

5. The Federal Tax Service shall perform the following authority in the established sphere of activity; it shall:

5.1. exercise control and supervision over:

5.1.1. the observance of the legislation on taxes and fees, and also of the normative legal acts adopted in accordance therewith, the correctness of the calculation, the fullness and timeliness of the paying of taxes and fees, and in the cases stipulated by the legislation of the Russian Federation, - over the correctness of the calculation, the fullness and timeliness of the making to the relevant budget of other obligatory payments;

5.1.2. the submission of declarations on the volumes of the production and the sale of ethyl alcohol, alcoholic drinks and spirit-

containing food products, spirit-containing non-food products with a content of ethyl alcohol of over 40 per cent of the ready-made products and on the volumes of the use of ethyl alcohol for the production of alcoholic drinks and spirit-containing products;

5.1.3. the actual volumes of the production and the sale of ethyl alcohol, alcoholic drinks and spirit-containing products;

5.1.4. removed;

5.1.5. the performance of currency operations with residents and non-residents that are not credit organisations or by currency markets;

5.1.6. the observance of the requirements to cash registers and of the procedure and conditions of their registration and application;

5.1.7. the fullness of the accounting of the receipts of monetary funds at organisations and with individual businessmen;

5.1.8. the conduct of lotteries, including over the targeted use of the receipts from the conduct of lotteries;

5.1.9. observance by the gambling organiser of the requirements established by Items 1 and 2 of Article 16 of the Federal Law on the State Regulation of the Activity in the Organisation and Conduct of Gambling and on Amending Certain Legislative Acts of the Russian Federation.

5.2. it shall issue in the established order:

5.2.1. abrogated;

5.2.2. abrogated;

5.2.3. abrogated;

5.2.4. abrogated;

5.2.5. abrogated;

5.2.6. abrogated;

5.2.7. abrogated;

5.2.8. abrogated;

5.2.9. permits for holding all-Russia lotteries;

5.2.10. certificates of the registration of the person handling operations in oil products;

5.2.11. certificates of the registration of the organisation handling operations in denatured ethyl alcohol;

5.3. carry out:

5.3.1. the state registration of juridical persons and natural persons as individual businessmen, and peasant farms;

5.3.2. the installation and sealing of controlling alcohol-measuring instruments at enterprises and organisations manufacturing ethyl alcohol from raw materials of all types;

5.3.3. state control over the process of the denaturation (the introduction of denaturing substances) of ethyl alcohol and spirit-containing non-food products and over the content of denaturing substances in them;

5.3.4. the licensing in conformity with the Legislation of the Russian Federation of an activity in the area of the production and turnover of ethyl

alcohol, of alcohol and alcohol-containing products, as well as of the other kinds of activity, referred to the Service's competence;

5.3.5. the issue of special federal marks for marking alcoholic drinks and special marks for marking tobacco and tobacco goods produced on the territory of the Russian Federation;

5.3.6. the functions of the state customer of the works of elaborating and modernising the softwares of the single state automated information system of accounting the volume of the production and sale of ethylalcohol, alcoholic drinks and spirit-containing products.

5.3.7. verification of the technical state of the gambling equipment.

5.4. register in the established procedure:

5.4.1. agreements of commercial concession;

5.4.2. cash registers used by organisations and individual businessmen in accordance with the legislation of the Russian Federation;

5.5. conduct in the established procedure:

5.5.1. the recording of all taxpayers;

5.5.2. abrogated;

5.5.3. removed;

5.5.4. removed;

5.5.5. removed;

5.5.6. the Single State Register of Juridical Persons, the Single State Register of Individual Businessmen, and the Single State Register of Taxpayers;

5.5.7. abrogated;

5.5.8. the single state register of lotteries, and the state register of all-Russian lotteries;

5.5.9. abrogated;

5.5.10. the uniform state automated information system of accounting the volume of the production and sale of ethyl alcohol, alcoholic drinks and spirit-containing products.

5.6. gratuitously inform (including in written form) the taxpayers about the existing taxes and fees, about the legislation on taxes and fees and the normative legal acts adopted in accordance therewith, about the procedure for the calculation and payment of taxes and fees, about the rights and duties of taxpayers, the powers of the tax bodies, and also furnish the forms of tax reporting and explain the procedure for their filling in;

5.7. carry out, in the procedure established by the legislation of the Russian Federation, the return or offset of excessively paid or excessively exacted amounts of taxes and fees, and also of penalties and fines;

5.8. take, in the procedure established by the legislation of the Russian Federation, decision on changing the time for the payment of taxes, fees and penalties;

5.9. establish (approve):

5.9.1. the form of the tax notification;

- 5.9.2.** the form of the demand for the payment of a tax;
- 5.9.3.** the forms of the applications for the placement on the records and the striking off of the register in the tax body;
- 5.9.4.** the forms of the applications for the placement on the records and the striking off of the register in the tax body;
- 5.9.5.** the form of the certificate on registration at the tax body;
- 5.9.6.** the form of the decision of the head (deputy head) of a tax body on the conduct of a visiting tax inspection;
- 5.9.7.** the form of and the requirements to the drawing-up of the report on a tax inspection;
- 5.9.8.** the form of the act on the discovery of the facts testifying to the tax offences provided for by the Tax Code of the Russian Federation (except for the tax offences stipulated by Articles 120, 122 and 123) and the requirements for its drawing up;
- 5.9.9.** the form of the submission by the tax agents to the tax body of information about the incomes of natural persons and about the amounts of charged and withheld taxes for a tax period;
- 5.9.10.** the form of the reference on incomes received by natural persons and on tax amounts withheld;
- 5.9.11.** the form of the submission to the tax body by a tax agent of information about the amounts of incomes paid to foreign organisations and of the taxes withheld for the past accounting (taxable) period;
- 5.9.12.** the form of the application for a return of withheld tax on incomes paid to foreign organisations;
- 5.9.13.** the form of the submission to the tax body by the bodies issuing, in the established procedure, licences (permits) for the use of objects of the animal world and for the use of objects of the aquatic biological resources, of information about the issued licences (permits), the fee amount payable for each licence (permit), and also of information on the time for the payment of the fee;
- 5.9.14.** the form of the submission by organisations and individual businessmen using objects of the animal world on the basis of the licence (permit) for the use of objects of the animal world to the tax bodies at the place of their registration of information about the licences (permits) received for the use of objects of the animal world, about the payable fee amounts and the amounts of actually paid fees;
- 5.9.15.** a list of documents to be submitted by organisations and individual businessmen to the tax body for the offset or return of the fee amounts on unrealised licences (permits) for the use of objects of the animal world;
- 5.9.16.** the form of the submission to the tax bodies by organisations and individual businessmen using objects of the aquatic biological resources on the basis of the licence (permit) for the use of objects of the aquatic biological resources of information about the licences (permits) received for the use of objects of the aquatic biological resources and

about the fee amounts payable in the form of one-time and regular installments;

5.9.17. the form of the application for registration at the tax body of a taxpayer in the fulfilment of a production sharing agreement;

5.9.18. the form of the certificate on registration at the tax body of a taxpayer in the fulfilment of a production sharing agreement;

5.9.19. the form of the submission by the bodies carrying out the state registration of transport vehicles of information about transport vehicles registered or deregistered at those bodies, and also about persons on which the transport vehicles are registered;

5.9.20. abrogated;

5.9.21. the forms of notices about the opening or closing of accounts or deposits in foreign currency or the currency of the Russian Federation in banks beyond the territory of the Russian Federation;

5.9.22. the form of the notice about the existence of accounts in banks beyond the territory of the Russian Federation, opened in accordance with the permits, the operation of which has ceased;

5.9.23. the procedure for bringing to taxpayers, fee payers and tax agents information about the change of the requisites of the following accounts of the Federal Treasury and other information necessary to fill in the assignments for the transfer of taxes, fees, penalties and fines to the budget system of the Russian Federation;

5.9.24. the form of the receipt that confirms the acceptance of money against the payment of taxes made by the local administration to taxpayers or tax agents;

5.9.25. the form of the document drawn up during the disclosure of arrears;

5.9.26. the form and the procedure for the dispatch to a bank of the decision on the repeal of the suspension of operations in bank accounts on a paper carrier;

5.9.27. the form and the procedure for sending to a bank of the decision on the revocation of the suspension of operations in bank accounts on a paper carrier;

5.9.28. the form of the act of the joint checking of calculations of taxes, fees, penalties and fines;

5.9.29. the form of the bank's communication to the tax body about the opening or closing an account and about the change of the account requisites;

5.9.30. the form and the procedure of the dispatch of the inquiry of the tax body to the bank;

5.9.31. by agreement with the Central Bank of Russia the form and the procedure of granting information by banks according to the inquiries of tax bodies;

5.9.32. the grounds and the procedure for the extension of the time of the field tax check;

5.9.33. the order of the mutual interaction of tax bodies to fulfil orders on the reclamation of documents;

5.9.34. by agreement with the Central Bank of the Russian Federation the procedure for the control over the discharge by credit organisations of the duties established by the Tax code of the Russian Federation;

5.9.35. the procedure for the change by tax bodies of the time of the payment of the tax and fee;

5.9.36. the formats of the submission of tax declarations (payments) in electronic shape;

5.9.37. the forms of the documents provided for by the Tax Code of the Russian Federation and used by tax bodies during the realisation of their powers in the relations regulated by the legislation on taxes and fees, and also the procedure for their completion, unless the contrary procedure for their approval is provided for by the Tax Code of the Russian Federation;

5.10. work out the forms and procedure for the filling in of settlements on taxes, the forms of the tax declarations and other documents in the cases established by legislation of the Russian Federation and send them for approval to the Ministry of Finance of the Russian Federation;

5.11. represent, in accordance with the legislation of the Russian Federation on insolvency (bankruptcy), the interests of the Russian Federation in obligatory payments and/or monetary liabilities;

5.12. consider notifications about the conduct of promotion lotteries;

5.13. carry out, in the established procedure, inspection of the activity of juridical persons, natural persons, and peasant farms in the established sphere of activity;

5.14. perform the functions of the chief manager and recipient of the funds of the federal budget stipulated for the maintenance of the Service, and the realisation of the functions assigned thereon;

5.15. ensure, within the limits of its competence, the protection of information constituting a state secret;

5.16. organise the reception of citizens, ensure the timely and full consideration of applications of citizens, take decisions thereon and send answers to the applicants within the time established by the legislation of the Russian Federation;

5.17. ensure the mobilisational training of the central apparatus and of the territorial bodies of the Service;

5.18. organise the professional training of the personnel of the central apparatus and the territorial bodies the Service, their retraining, professional development and practical study;

5.19. perform, in accordance with the legislation of the Russian Federation, the work of completing, keeping, recording and use of archival documents formed in the course of the activity of the Service;

5.20. interact, in the established procedure, with the bodies of state power of foreign states and with international organisations in the established sphere of activity;

5.21. conduct, in the established procedure, tenders and conclude state contracts for the placement of orders for the supply of goods, performance of works or services for the needs of the Service, and also for the conduct of scientific-research works for state needs in the established sphere of activity;

5.22. perform other functions in the established sphere of activity if such functions are established by federal laws, normative legal acts of the President of the Russian Federation or the Government of the Russian Federation.

6. For the purpose of the realisation of its authority in the established sphere of activity, the Federal Tax Service shall have the right:

6.1. to organise the conduct of the necessary investigations, tests, expert examinations, analyses and assessments, and also scientific investigations on the issues of the exercise of control and supervision in the established sphere of activity;

6.2. to request and receive information necessary for the adoption of decisions on issues assigned to the established sphere of activity;

6.3. to give juridical and natural persons explanations on issues assigned to the established sphere of activity;

6.4. to exercise control over the activity of the territorial bodies of the Service and its jurisdictional organisations;

6.5. to attract scientific and other organisations, scientists and specialists for the working out of issues assigned to the established sphere of activity;

6.6. to apply the measures, stipulated by legislation of the Russian Federation, of restrictive, preventive and prophylactic character, and also the sanctions aimed at the exclusion and/or elimination of consequences caused by violation by juridical and natural persons of the obligatory requirements in the established sphere of activity for the purpose of deterring facts of violation of the legislation of the Russian Federation;

6.7. To create consultative and expert bodies (councils, commissions, groups, collegia) in the established sphere of activity;

6.8. to work out and approve in the established procedure patterns of uniforms, insignia and decorations, and certificates, and also the procedure for the wearing of the uniforms.

7. The Federal Tax Service may not carry out normative-legal regulation in the established sphere of activity except the cases established by federal laws, decrees of the President of the Russian Federation and decisions of the Government of the Russian Federation, and also the management of state property and the rendering of paid services.

The restrictions of the authority of the Service established by paragraph one of this Item shall not cover the authority of the head of the

Service in the management of the property assigned to the Service on the right of operating management and in the Service.

III. Organisation of Activity

8. The Federal Tax Service shall be directed by a head appointed to and dismissed from the post by the Government of the Russian Federation on the recommendation of the Minister of Finance of the Russian Federation.

The head of the Federal Tax Service shall bear personal responsibility for the performance of the tasks and functions assigned to the Service.

The head of the Federal Tax Service shall have deputies appointed to and dismissed from the post by the Minister of Finance of the Russian Federation on the recommendation of the head of the Service.

The number of deputy heads of the Service shall be established by the Government of the Russian Federation.

9. The head of the Federal Tax Service shall:

9.1. distribute duties among his deputies;

9.2. submit to the Minister of Finance of the Russian Federation:

9.2.1. a draft of the regulations on the Service;

9.2.2. proposals for the maximum strength and the fund for the remuneration of labour of the personnel of the apparatus of the Service;

9.2.3. proposals for the appointment to and dismissal from the post of deputy heads of the Service;

9.2.4. proposals for the appointment to and dismissal from the post of the heads of the territorial bodies of the Service at the entities of the Russian Federation;

9.2.5. a draft of the annual plan and the expected indices of the activity of the Service, and also a report on their execution;

9.2.6. proposals for the formation of a draft of the federal budget in the part concerning the ensuring of the activity of the Service;

9.3. in the established procedure appoint to and dismiss from the post the personnel of the central apparatus of the Service;

9.4. in the established procedure, appoint to and dismiss from the post the heads of the interregional inspectorates of the Service and their deputies, the deputy heads of the departments of the Service at the entities of the Russian Federation, the heads of the inspectorates of the Service at districts, at districts in cities, at cities without district division, and of the inspectorates of the interdistrict level;

9.5. resolve, in accordance with the legislation of the Russian Federation on governmental service, matters associated with undergoing federal governmental service at the Service;

9.6. approve the structure and the list of members of the staff of the central apparatus of the Service within the limits, established by the

Government of the Russian Federation, of the fund of the remuneration of labour and the strength of the personnel, the estimate of expenses on its maintenance within the limits of the allocations approved for the relevant period and stipulated in the federal budget;

9.7. approve the strength and the fund of the remuneration of labour of the personnel of the territorial bodies of the Service within the limits, established by the Government of the Russian Federation, of the fund of the remuneration of labour and the strength of the personnel, and also the estimate of expenses on their maintenance within the limits of the allocations approved for the relevant period and stipulated in the federal budget;

9.8. on the basis and in execution of the Constitution of the Russian Federation, federal constitutional laws, federal laws, acts of the President of the Russian Federation, the Government of the Russian Federation and the Ministry of Finance of the Russian Federation, issue orders on matters within the competence of the Service.

10. The financing of the expenses on the maintenance of the central apparatus and the territorial bodies of the Federal Tax Service shall be done from the funds stipulated in the federal budget.

11. The Federal Tax Service and its territorial bodies shall be juridical persons, shall have a form and a seal with an image of the state arms of the Russian Federation and with their name, an emblem, other seals, stamps and forms of the established pattern, and accounts opened in accordance with the legislation of the Russian Federation.

12. The location of the Federal Tax Service shall be the city of Moscow.