

Flash Report

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2010 State Budget Law



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2010 State Budget Law

The 2010 State Budget Law introduces a number of important changes to tax and related legislation:

- During 2010 the joint stock companies are obliged to distribute not less than 30% of their accumulated retained profits and / or net profits as dividends. We are awaiting further clarity on this issue - it may apply to all accumulated profits or only profits generated during 2010.
- All VAT refunds confirmed by the tax authorities by 1 May 2010 tax audits may be converted into the State bonds with 5 years maturity. Regulations for this issue are expected to be issued shortly.
- The tax authorities are obliged to appeal all court decisions which were not in the favour of the State until the decision of the Supreme Court;
- From 1 July 2010 charges to Pension Fund (currently 0.5pc) are not levied on sale and purchase of foreign currency in non-cash form;
- Land tax rates in respect of non-evaluated land plots located in residential areas are increase by a multiple of 3.2.

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