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Sberbank Online Tax System Goes Live

By Howard Amos

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The service is currently available only to account holders at the country's largest, state-owned lender, Sberbank. **Vladimir Filonov**

An online tax payment service, a Russian first, went live Tuesday giving millions of taxpayers the option of avoiding lengthy lines — but only if they have an account with the country's biggest lender, state-owned Sberbank.

Under a new section of the Federal Tax Service's web site, a "personal office for taxpayers" allows users to pay transport, property and land tax obligations online.

Once they have specified which payments they would like to make, taxpayers are transferred to "Sberbank online," Sberbank's Internet platform where the financial transaction is concluded.

Head of Sberbank and former Economic Development Minister German Gref, present at the launch of the new facility alongside Federal Tax Service director Mikhail Mishustin, said the new process simply replicated in an online format the current system, which requires

the payer's presence in a tax office. No additional personal data would be required by Sberbank or the Federal Tax Service, he said.

Gref added that it could prove particularly helpful to small and medium-sized businesses.

Mishustin said that while Sberbank was currently the only bank through which online tax payments could be made, the Federal Tax Service was "actively encouraging" other big banks to participate in the project.

President Dmitry Medvedev has said he wants all state services to be available online by 2015.

Although numbers are growing fast, the majority of Russian citizens do not have regular online access — Internet penetration at the end of 2010 was 43.6 percent. There is a sharp disparity between urban centers and the regions. Broadband penetration in Moscow is 55 percent, compared with 20 percent in households outside the country's two biggest cities.

Mishustin said he did not know what level of interest the new service would stimulate.

The Federal Tax Service has 18 electronic initiatives but levels of use are mixed. One launched last month, he said, "has unfortunately not seen a large amount of activity."

The Central Bank picked Goldman Sachs, JPMorgan, Morgan Stanley, Credit Suisse and Troika Dialog on Tuesday to manage its sale of a 7.58 percent stake in Sberbank, Bloomberg reported.

The five investment banks were chosen from 17 applicants based on criteria including experience in organizing initial public offerings, rankings in capital market league tables, overall competency and the amount of fees charged, the Central Bank said in a statement on its web site Tuesday.

Troika Dialog — currently being acquired by Sberbank — was the only Russian bank selected, beating big players Renaissance Capital and VTB Capital.

Prime Minister Vladimir Putin's government plans to raise at least 1 trillion rubles ($36 billion) in privatization over the next three years. The Central Bank, Sberbank's biggest shareholder, is seeking to raise as much as $7 billion.

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