

Official Says Tax System Needs Reforms to Benefit Small and Medium Business

By [The Moscow Times](#)

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VLADIVOSTOK — The Russian tax system is in need of changes aimed at developing small and medium-sized businesses, the chairman of the country's Supreme Arbitration Court said Friday.

Speaking at a forum of Asian-Pacific nations in Russia's Far East, judge Anton Ivanov reiterated a position regularly voiced by Russian officials: that the country must diversify its economy by focusing less on raw materials, like gas and oil, and stimulating the development of small- and, especially, medium-sized businesses.

Among concrete measures, Ivanov called for taxation based on "clear and easily understood parameters, first and foremost [on] the physical volumes of ... [organizations'] activity."

He added that SMEs should not have to spend exorbitant sums on accounting costs, while large companies must be made more transparent.

At the same time, he said legal tax loopholes should be retained, but tax optimization should be strictly regulated by the state "so that funds do not get taken abroad, but stay here and can be invested in the development of the Russian economy" — another leitmotif in official rhetoric.

Ivanov also pointed out that Russia was atypical among developed countries in that taxes made up only about half of its budget revenue. As the country's high customs duties decline under new trade agreements, however, the share of taxes should rise, he said.

The one-day international forum, which brings together officials from courts dealing with business disputes, is focusing on tax regulations. In addition to Russia, participants hail from China, Japan, Kazakhstan, Mongolia, Thailand, the U.S. and Vietnam.

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