

Russia Approves 'Google Tax' for App Stores

June 29, 2016



Russia's Federation Council has approved a law requiring foreign companies to pay value added tax (VAT) of 18 percent on online content, the Interfax news agency reported Wednesday.

The Finance Ministry predicts that the new law will bring in no less than ten billion rubles (\$156 million) when it comes into force in January 2017.

The bill, nicknamed the "Google Tax", will also require companies who distribute or sell online applications, games, music, or other content to register private offices in Russia and submit information on their sales in the country.

The Google Play platform, Apple's AppStore and Microsoft's appstore for Windows will all be subjected to the law. Customers will be identified as Russian residents by their credit card number or IP address.

Google overtook Russia-based search engine Yandex as the country's most popular based on numbers of monthly users at the end of May 2016.

Original url:

<https://www.themoscowtimes.com/2016/06/29/russia-approves-google-tax-for-app-stores-a53495>