

Payment of taxes and insurance premiums

Total payable taxes and insurance premiums as reflected in the accounting statement amounted to RUB 311.5 bln in 2016, a 10% increase from 2015, including:

- to the federal budget – RUB 48.8 bln, or 11.3% less than in 2015;
- to regional and local budgets – RUB 134.34 bln, or 34% more than in 2015;
- to extrabudgetary funds – RUB 128.32 bln, or 0.5% more than in 2015.

Tax payments accrued for taxes and insurance premiums reflected in Russian Railways accounting, RUB bln

Indicator	2015	2016	+/-	%
Total for taxes and fees	283.04	311.46	28.42	110.0
Federal budget	55.00	48.80	-6.20	88.7
VAT	54.69	45.30	-9.39	82.8
Profit tax	0.00	3.00	3.00	-
Profit tax charged as a tax agent on income generated by a foreign organisation from sources in the Russian Federation	0.04	0.03	-0.01	75.0
Profit tax charged on income as profit of controlled foreign companies (CFC)	0.00	0.16	0.16	-
Other taxes to the federal budget	0.27	0.31	0.04	114.8
Regional and local budgets	100.29	134.34	34.05	134.0
Profit tax	0.00	26.40	26.40	-
Personal income tax	55.67	56.24	0.57	101.0
Property tax	42.78	49.93	7.15	116.7
Land tax	1.61	1.55	-0.06	96.3
Other taxes	0.23	0.23	0.00	100
Extrabudgetary funds	127.75	128.32	0.57	100.5
Pension Fund	93.39	93.89	0.50	100.5
Social Insurance Fund	10.89	10.98	0.09	100.8
Health Insurance Fund	21.81	21.85	0.04	100.2
Accident Insurance Fund	1.66	1.61	-0.05	97.0

A total of RUB 289.4 bln were spent on the payment of current taxes and insurance premiums (including offsets and refunds) in 2016, including

- to the federal budget – RUB 52.8 bln;
- to the budgets of the constituent regions of the Russian Federation and municipalities – RUB 117.3 bln;

- to extrabudgetary funds – RUB 119.3 bln

The amount of taxes paid in 2016 increased by RUB 8.8 bln, or 3.1%, compared with the amount of tax payments made in 2015.

Payment of taxes and insurance premiums (including offsets and refunds) by Russian Railways, RUB bln

Indicator	2015	2016	+/-	%
Total taxes and fees	280.53	289.37	8.84	103.1
including				
to the federal budget	64.63	52.83	-11.80	81.7
of which				
value-added tax	64.89	50.40	-14.49	77.7
profit tax	-0.54	2.06	2.60	
Regional and local budgets	97.76	117.25	19.49	119.9
of which				
profit tax	0.04	11.80	11.76	29.5 x
personal income tax	55.44	55.87	0.43	100.8
property tax	40.45	47.75	7.30	118.0
land tax	1.61	1.60	-0.01	99.4
Extrabudgetary funds	118.14	119.29	1.15	101.0
of which				
insurance premiums	116.70	117.88	1.18	101.0
Accident Insurance Fund	1.44	1.41	-0.03	97.9

The amount of taxes paid to the federal budget in 2016 decreased by RUB 11.8 bln, or 18.3%, compared with 2015, taxes paid to regional and local budgets increased by RUB 19.5 bln, or 19.9%, and taxes paid to extrabudgetary funds increased by RUB 1.1 bln, or 1.0%.

Russian Railways paid RUB 50.4 bln in VAT in 2016. The decrease in VAT payments by RUB 14.5 bln (22.3%) was primarily due to the payment of RUB 14.2 bln in VAT in the first quarter of 2015 as part of the transaction to transfer the motorway section of the Joint Adler Road project to Alpika-Service under an exchange agreement with the Federal Railway Transportation Agency.

Corporate profit tax

Profit tax payments increased by RUB 14.4 bln in 2016 compared with last year. Given the loss generated in 2015 for the purposes of profit tax, there was no payable profit

tax to the federal budget and budgets of the constituent entities of the Russian Federation.

Regional and local taxes

Russian Railways paid a total of RUB 117.3 bln to the budgets of the constituent entities of the Russian Federation and municipalities in 2016, or 19.9% more than the 2015 level.

The increase in tax payments to regional and local budgets compared with 2015 resulted from growth in profit tax and property tax payments

to the budgets of the constituent entities of the Russian Federation.

The amount of property taxes charged in 2016 totalled RUB 49.9 bln, an increase of RUB 7.1 bln, or 16.7%, compared with 2015 due to an increase in the tax rate (from 1.0% to 1.3%) for railway transportation infrastructure facilities starting from 1 January 2016.

The Company spent a total of RUB 47.8 bln on the payment of property taxes in 2016, an increase of RUB 7.3 bln, or 18%, compared with the previous year.

Personal income tax grew by RUB 0.4 bln, or 0.8%, compared with 2015.

Insurance premiums

Total insurance premiums paid to extrabudgetary funds amounted to RUB 128.3 bln in 2016, an increase of RUB 0.6 bln, or 0.5%, compared with 2015.

Insurance premium tariffs for payers making payments to individuals in 2016 amounted to: 22% to the Russian Pension Fund, 2.9% to the Social Insurance Fund and 5.1% to the Federal Mandatory

Medical Insurance Fund. In accordance dated 26 November 2015, the maximum amount of insurance premiums to be paid for mandatory medical insurance is RUB 796,000 (RUB 711,000 in 2015), while the maximum amount of insurance premiums to be paid for mandatory social insurance in the event of temporary disability or in connection with maternity is RUB 718,000 (RUB 670,000) per individual.

The increase in the maximum amount of insurance premiums led to growth of RUB 755.6 mln in the amount of insurance premiums paid to the Pension Fund and RUB 85.0 mln to the Federal Social Fund.

The effective rate on insurance premiums was 27.3% in 2016, which is consistent with last year's level.