

Payment of taxes and fees

Total payable taxes and fees in 2015 amounted to RUB 283.0 bln.

Payment and taxes and fees

According to accounting data, total payable taxes and insurance premiums for 2015 amounted to RUB 283.0 bln, an increase of 4.6% compared with 2014, including:

- to the federal budget – RUB 54.9 bln, or 5.3% less than in 2014;
- to extra-budgetary funds – RUB 127.7 bln, or 3.9% more than in 2014.
- to regional and local budgets – RUB 100.4 bln, or 11.9% more than in 2014;

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

	2014	2015	+/-	%
Total taxes and fees	270.6	283.0	+12.4	104.6
Federal budget	58.0	54.9	-3.1	94.7
VAT	57.68	54.69	-2.99	94.8
Profit tax	0.16	0.00	-0.16	—
Profit tax charged as a tax agent on income generated by a foreign organisation from sources in the Russian Federation	0.06	0.04	-0.02	66.7
Other taxes to the federal budget	0.11	0.14	+0.03	127.3
Regional and local budgets	89.7	100.4	+10.7	111.9
Profit tax	0.00	0.00	0.00	—
Personal income tax	54.24	55.67	+1.43	102.6
Property tax	33.50	42.78	+9.28	127.7
Land tax	1.68	1.61	-0.07	95.8
Transportation tax	0.19	0.20	+0.01	105.3
Mineral extraction tax	0.008	0.009	+0.001	112.5
Water tax	0.03	0.03	0.00	100
Other taxes to regional and local budgets	0.07	0.10	+0.03	142.9
Extra-budgetary funds	122.9	127.7	+4.8	103.9
Pension Fund	91.75	93.39	+1.64	101.8
Social Insurance Fund	10.69	10.89	+0.20	101.9
Health Insurance Fund	18.88	21.81	+2.93	115.5
Accident Insurance Fund	1.59	1.66	+0.07	104.4

A total of RUB 280.5 bln were spent on the payment of current taxes and insurance premiums (including offsets and refunds) in 2015, including:

- to the federal budget – RUB 64.5;
- to the budgets of the constituent regions of the Russian Federation and municipalities – RUB 97.9 bln;

- to extra-budgetary funds – RUB 118.1 bln.

The amount of taxes paid in 2015 increased by RUB 27.2 bln, or 10.7%, compared with the amount of tax payments made in 2014.

The amount of taxes paid to the federal budget grew by RUB 20.6 bln, or 46.9%, compared with 2014, taxes paid to regional

and local budgets increased by RUB 2.1 bln, or 2.2%, and taxes paid to extra-budgetary funds increased by RUB 4.5 bln, or 4.0%.

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

	2014	2015	+/-	%
Total taxes and fees	253.3	280.5	+27.2	110.7
Federal budget	43.9	64.5	+20.6	146.9
Value-added tax	43.3	64.9	+21.6	149.9
Profit tax	0.5	-0.5	-1.0	2 times
Regional and local budgets	95.8	97.9	+2.1	102.2
Profit tax	7.5	0.0	-7.5	—
Personal income tax	54.5	55.4	+0.9	101.7
Property tax	31.7	40.5	+8.8	127.8
Land tax	1.7	1.6	-0.1	94.1
Extra-budgetary funds	113.6	118.1	+4.5	104.0
Insurance premiums	112.2	116.7	+4.5	104.0
Accident Insurance Fund	1.4	1.4	0.0	100

VAT

Russian Railways paid RUB 64.9 bln in VAT in 2015. The increase in VAT payments by RUB 21.6 bln (49.9%) was primarily due to the payment of RUB 14.2 bln in VAT 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

Due to the Company's losses, it had no profit tax payable to the federal budget or the budgets of the constituent regions of the Russian Federation.

RUB 64,9 bln
spent on VAT in 2015

Regional and local taxes

Russian Railways paid a total of RUB 97.9 bln to the budgets of the constituent entities of the Russian Federation and municipalities in 2015, or 2.2% more than the 2014 level.

The increase in tax payments to regional and local budgets compared with 2014 resulted from growth in property tax payments to the budgets of the constituent entities of the Russian Federation.

The amount of property taxes charged in 2015 totalled RUB 42.8 bln, an increase of RUB 9.3 bln, or 27.7%, compared with 2014 due to an increase in the tax rate (from 0.7% to 1%) for railway transportation infrastructure facilities starting from 1 January 2015.

The Company spent a total of RUB 40.5 bln on the payment of property taxes in 2015,

an increase of RUB 8.8 bln, or 27.8%, compared with the previous year.

Personal income tax grew by RUB 0.9 bln, or 1.7%, compared with 2014 due to the salary indexation of Russian Railways employees.

Insurance premiums

Total insurance premiums paid to extra-budgetary funds amounted to RUB 127.7 bln in 2015, an increase of RUB 4.8 bln, or 3.9%, compared with 2014.

Insurance premium tariffs for payers making pay-outs to individuals in 2015 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.

Starting from 1 January 2015, mandatory medical insurance premiums are paid at a tariff of 5.1% of all payments and other remuneration paid to an individual for the corresponding fiscal year with no restriction on the maximum amount (Federal Law No. 519-FZ dated 31 December 2014).

Additional insurance premiums for mandatory medical insurance due to the 5.1% tariff introduced in 2015 on all payments with no restriction on the maximum amount totalled RUB 2.5 bln.

In accordance with Resolution No. 1316 of the Russian Government dated 4 December 2014, the maximum amount of insurance premiums to be paid for mandatory medical insurance is RUB 711,000, 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 670,000 per individual.

In 2014, the maximum amount of insurance premiums to be paid for mandatory pension

insurance and mandatory social insurance was unified for each individual taking into account indexation and totalled RUB 624,000 per individual per year.

The increase in the maximum amount of insurance premiums to be paid from RUB 624,000 in 2014 to RUB 711,000 for pension insurance and to RUB 670,000 for social insurance in the event of temporary disability or in connection with maternity in 2015 led to growth of RUB 0.5 bln in the amount of insurance premiums paid.

The effective rate on insurance premiums (ratio of accrued insurance premiums versus the amount of payments and other remuneration to individuals) was 27.2% in 2015 (26.8% in 2014).

Share capital and dividends

Share capital

The Russian Federation is the founder of and sole shareholder in Russian Railways. The Russian Government exercises shareholder powers on behalf of the Russian Federation.

The charter capital of Russian Railways was formed by the founder through the contribution of the property and assets of federal railway transportation organisations.

As of the end of 2015, Russian Railways had total charter capital of RUB 2,091.21318 bln split into 2,041,213,180 common registered shares in uncertificated form with par value of RUB 1,000 each and 50,000,000 preferred registered shares with par value of RUB 1,000 each.

The Company's charter capital was increased by a total of RUB 73,238,838,000 in 2015, including:

- by RUB 64,280,838,000 through the placement of common shares with par value of RUB 1,000 each in accordance with Order No. 995-r of the Russian Government dated 29 May 2015;
- by RUB 8.95 bln through the placement of common shares with par value of RUB 1,000 each in accordance with Order No. 2666-r of the Russian Government dated 24 December 2015.