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*firm of attorneys*



**INFORMATION DIGEST**

**SUBJECT:  
TAX LAW**

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## TODAY'S REALITIES OF DOING BUSINESS

Recently, we have seen that the fiscal authorities apply far-from «standard» methods of filling the state budget. Formally observing the requirements of the current legislation regarding the moratorium on inspections, fiscal office has teamed up with law enforcement agencies and now companies do not deal with tax inspectors but rather with the employees of the tax police and prosecutors, who carry out in respect of enterprises investigative actions in the form of search and seizure.

Practice has shown that companies are not ready for such a phenomenon.

After all, in most cases there are no competent legal professionals (lawyers) at enterprises who can lend a helping hand during the investigation, as well as protect and defend the violated rights of officials and the enterprise after a search. Taking advantage of the situation, the law enforcement agencies during the search and seizure take away all that they may find in the office, often threaten the employees, and exert physical or moral coercion on the staff and management.

The good news for business is that if one makes a plan of defence and proper legal support of both investigation and its results, the criminal case will «crumble» and the tax office will have nothing to assess additionally.



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## MAIN BUSINESS MISTAKES BEFORE, DURING AND AFTER THE SEARCHES AND SEIZURES

- The company does not attempt to study the phenomenon and does not ask the question: what to do if any representatives of fiscal or other organs come? There is no clear, step-by-step strategy of defence.
- The company has neither a staff attorney nor signed contracts with external law firms / attorneys, since only a lawyer can represent the company during the investigation and fix the revealed violations.
- There is no building security and / or entrance to the office is unlimited. Anyone can come in to the territory of the enterprise / office without their identity checked up.
- All the constitutional and accounting documents, seals that formally belong to different companies (groups of companies) are stored in the same enterprise / on the same premises. All electronic documents of different entities are stored on computer hard drives, located in the building. No any instructions and list of documents that must be stored remotely only. Remote server is absent.
- Lack of detailed job descriptions that declare step-by-step actions of any employee in the case of investigative actions, detalize the rights and duties of the company workers.
- Signature of the protocol without recording violations made by the law enforcement agencies, if any.
- Attempts to «touch base with» law enforcement agencies in order to close the criminal case (illegal way).
- Publicity of investigative actions without parallel implementation of legally competent defence strategy. «Empty» publicity without proper legal defense and attack will only aggravate the situation and embitter law enforcement and they will do anything to prove that they were right.



## HOW TO MINIMIZE LEGAL RISKS

- To maintain database of contractors. Regularly check for signs of fictitious contractors.
- To keep contact with contractors and quickly respond to the information about an investigation carried out in respect of the contractors. To obtain from contractors copies of requests and rulings of court from contractors, as well as copies of the documents to the company needs to present in evidence.
- To develop and implement at the enterprise a detailed, step by step defence plan in case of an investigation in relation to the enterprise. To develop and introduce job descriptions with a clear list of actions for each employee during the investigation.
- Not to ignore and to quickly respond to any requests from law enforcement agencies. Practice shows that it is an incompetent answer or lack of it that becomes a cause of search and seizure.
- To sign the contract between the enterprise / officials and a specialized lawyer for the protection of rights of workers.
- To carry out video recording and photographing of procedural violations, and to display them in the protocol.
- To maintain legally competent work after the investigation, including the strategies of «defense» and «attack». To arrange for maximum publicity of violations, on the condition, however, that violations have already been proved by law enforcement bodies.
- Not to apply «illegal» schemes of solution of the problem, as it is at least against the law and will have negative consequences for the company or its director.



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## SPEECH IN THE DAY PROGRAM

Live program The Day invited a guest Natalia Osadchaya, a Partner of JSC Syutkin&Partners.

We talked on current business topics:

**How to interact with the tax authorities?**

**What to do during searches in the enterprises?**

**And what are the predictions for the business? *Expert advice.***

*Watch The DAY TV program by Youtube*





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## THE CAPITAL

«In this world nothing can be said to be certain, except death and taxes»

*Бенджамин Франклин*

Unscheduled tax audits and so-called «Maski-shows» have become frequent? Even diligent companies are not insured against them. To an unprepared business such visits are turn into immense damages and even complete halt of the enterprise.

Everything about unscheduled tax audits is in The CAPITAL TV program.

*Watch The CAPITAL TV program by Youtube*

