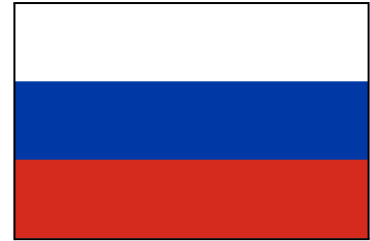


Country: The Russian Federation
Committee: Economic and Financial Affairs Council (ECOFIN)
Topic: International cooperation in combating tax evasion



Tax evasion poses a significant challenge for the economies of countries, as well as the Russian Federation, draining resources that could otherwise be utilized for public welfare and development. Tax evasion has certain effects on Russia, both in terms of our economy and the overall functioning of the tax system.

When individuals and businesses engage in tax evasion, it creates an unfair distribution of the tax burden among compliant taxpayers. The burden of funding public services and government programs falls more heavily on those who pay their taxes honestly, exacerbating inequalities within society. It fosters a culture of non-compliance, erodes trust in the tax system, and can lead to a broader erosion of public trust in government institutions. This can have broader implications for the functioning of the state and its ability to implement policies effectively.

As an economic burden, in 2017, Russia was losing an estimated 65 billion roubles (\$990 million) a year in unpaid taxes.

The Russian government has enacted and updated tax laws and regulations to close loopholes and enhance transparency. It has introduced stricter penalties and sanctions for tax evasion and implemented measures to prevent aggressive tax planning and abusive tax practices. The Russian tax authorities have strengthened their auditing and enforcement capabilities to detect and prosecute cases of tax evasion. This involves conducting comprehensive audits, implementing risk-based approaches, and utilizing advanced technology to identify potential non-compliance and suspicious activities.

Beyond our individual solutions for tax evasion, we advocate the necessity of international cooperation together. To find beneficial and permanent solutions with other countries' help, we actively participate in international forums and organizations dedicated to addressing tax evasion and avoidance.

The fight against our main issue, tax evasion and avoidance, continues to evolve as governments and international bodies strengthen their legal frameworks, enhance enforcement capabilities, and leverage technological advancements. Stricter regulations, international cooperation, and public awareness campaigns are being employed to curb tax evasion and ensure fair and effective taxation systems. Combating tax evasion requires a multi-faceted and ongoing effort involving cooperation between governments, international organizations, and taxpayers themselves.

<https://www.elibrary.imf.org/display/book/9781589062078/ch04>