

Legal Alert

Recycling of Product and Packaging Waste: Confirmation of the Requirement to Submit First Reporting

EY's Russian Tax & Law practice was named **a leading Tax firm in Russia** in "World Tax 2015," an annual guide published by the *International Tax Review*.

The 1st April 2016 saw the deadline for the first reporting to be submitted to the Federal Service for Supervision of Natural Resource Usage ("Rosprirodnadzor") under the new regulations on recycling of consumer goods and related packaging. On the same date Rosprirodnadzor published the first clarifications regarding the new reporting. The details are below in this EY alert.

New Obligations

As we wrote in a previous EY alert (dated 29 February 2016), amendments to Federal Law No. 89-FZ of 24 June 1998 "On Production and Consumption Waste", which came into force on 1 January 2015, established extended producers'/importers' responsibility with regard to recycling waste from use of goods.

The requirements apply to goods/packaging included in the Government-approved list of goods/packaging subject to recycling (Government Decree No. 1886-r of 24 September 2015).

Producers/importers of goods are now required to ensure that a certain quantity of goods/packaging waste is recycled (in compliance with the respective recycling target) or pay an ecological fee. As far as packaging is concerned, responsibility for achievement of the recycling target is imposed on the producer/importer of the goods packaged in such packaging.

Fulfilment of the recycling obligations is to be confirmed by submitting the respective reports to the Rosprirodnadzor in a form of a declaration of total volume of goods released into circulation (“**Declaration**”) and a report on compliance with recycling targets (“**Report**”). As a rule, these documents are to be submitted to Rosprirodnadzor by 1 April of the year following a reporting calendar year.

Official Clarifications

The recycling targets for all groups of goods/ packaging subject to recycling were set at 0% for 2015¹. This led many producers/ importers to question the need to submit first reporting to Rosprirodnadzor. In the absence of certainty or official clarifications, many producers/ importers chose either to wait or not to submit them at all.

Rosprirodnadzor on 1 April 2016 posted on its official website “Clarifications on legislative requirements related to regulation in the sphere of the management of waste generated from the use of goods”². The document expressly states that:

- ▶ Declaration and Report for 2015 must be submitted to Rosprirodnadzor in accordance with the established procedure;
- ▶ no sanctions have been introduced yet in the current legislation with regard to late submission or presentation of incomplete and (or) inaccurate information in Declarations and Reports submitted by producers/ importers of goods/ packaging.

Meanwhile, late submission of the reporting is not equal to failure to submit it at all. All things considered, the best course of action would be to submit 2015 reporting to Rosprirodnadzor.

Although there is no new deadline, it is not advisable to delay too long in preparing and submitting the documents. Rosprirodnadzor has powers to serve demands on individual basis to producers/ importers requiring them to submit Declaration and Report.

Declarations and Reports for 2015 may be submitted in the form of electronic documents signed by a simple electronic signature (using the electronic service on the website of Rosprirodnadzor³). In this case it is not necessary to submit documents in paper form as well.

It is also acceptable to submit the reporting documents to Rosprirodnadzor in a paper form, either in person or via post (producers should submit them to the territorial body for its place of state registration and importers - to the central office). In this case the documents must be accompanied by a copy on an electronic storage, generated using the natural resource user’s module.

We will keep you up to date with further news.

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¹ Government Decree No. 2491-r of 4 December 2015.

² The full text is available via the link:
<http://rpn.gov.ru/node/851>.

³ “Electronic service” page is available via the link:
<http://rpn.gov.ru/otchetnost/>.

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