

Bill Foresees Levy on Local Cars

By [The Moscow Times](#)

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Both domestic and foreign automobile manufacturers will pay the recycling tax on vehicles in Russia, according to draft legislation approved by the government Tuesday.

The bill would end a disagreement between Russia and the World Trade Organization, which had complained that the tax distorted the market in favor of domestic producers and was in violation of Russia's obligations, Interfax reported.

The recycling tax was introduced last September and applies to all vehicles sold in the Russia. However, certain producers and organizations were given an exemption from the levy if they made recycling commitments, which were made by all major Russian manufacturers. As such, the tax became a levy on imported cars.

The tax was introduced after tariffs were removed when Russia joined the WTO last August.

The recycling tax is variable depending on the age and engine size of the vehicle. The basic rate is around 20,000 rubles (\$640).

According to a statement posted on the Government's website, the legislation was developed "in accordance with agreements made by the Russian Federation in negotiations with the European Union Trade Commissioner Karel De Gucht."

Exemptions from the levy will remain only for classic cars (older than 30 years), vehicles belonging to embassies and those used under a scheme for the relocation of Russians living abroad.

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