

Experts Warn of Wine Market Exodus Over New Russian Tax Laws

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New tax laws could force 80 percent of the country's wine importers to flee the Russian market, experts have warned.

Russia's Finance Ministry ruled in early May that foreign companies would be banned from using special tax breaks for "protected wines," [the Kommersant newspaper reported Thursday](#).

The law had allowed wines with a protected appellation or designation of origin from anywhere in the world to enjoy reduced excise rates.

Now, the special rates will apply exclusively to Russian firms, Kommersant reported.

Dmitry Syrykh, the owner of the Moreau wine company, said that the move could paralyze the Russian wine market. "Eighty percent of companies could end up leaving the market,

which would all but put a stop to imports,” he told the news outlet.

Foreign companies set to lose their special tax status would not only be forced to pay more, but would also be expected to make back payments from the start of 2016, several unnamed sources told the newspaper.

Excise tax lifted 18 rubles (\$0.30) per liter for wine and 36 rubles (\$0.63) per liter for sparkling wine at the start of 2017. Protected wines saw their tax rates remain unchanged from 2016, where it stood at 5 rubles per liter. Rates for sparkling wines rose from 13 to 14 rubles per liter.

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