

Tax compliance

Gazprom Neft follows a balanced tax policy in line with principles of legality and good faith. Regulators' demands are complied with in full and in due time.

The company's single tax methodology and internal tax control system help to establish a uniform approach to tax matters.

The company's approach to taxation reflects the core values of Gazprom Neft, such as responsibility, efficiency and innovation

Tax management and control system

Strategic decisions on tax issues are made by the head of the Tax Department, Deputy CEO for Economics and Finance or the CEO depending on level of importance. The Gazprom Neft Tax Department is the internal management body charged with ensuring compliance with the tax strategy. The tax accounting function is separated into a dedicated Shared Services Centre (SSC).

Gazprom Neft has a low tolerance to tax risk. The company maintains a register of key and operational tax risks and manages these risks online, including through an open dialogue with the industry, public associations and supervisory authorities (the Federal Tax Service of Russia and the Ministry of Finance of the Russian Federation).

Gazprom Neft tax culture is developed through advising employees of taxation policies and changes in tax laws, including through training events and workshops delivered by the Corporate University, as well as by making sure employees comply with the high standards of professional behaviour.

The company has set up a dedicated hotline to report and respond to unethical behaviour and violations of applicable tax laws.

Total tax claims made by tax authorities following tax inspections of Gazprom Neft companies, which are currently less than 0.1% of taxes payable, is a key indicator of compliance with applicable laws and the performance of the company's tax policy and internal control system.

+ For more details on the hotline, see "Human rights and anti-discrimination" on page 36

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Relations with tax authorities

The company's relations with tax authorities follow principles of transparency and cooperation. In line with this approach, Gazprom Neft is steadily transitioning to tax monitoring – a new form of tax control that provides tax authorities with direct access to the company's accounting and reporting documents without starting a tax audit.

Tax returns and other information are filed with tax authorities through electronic channels using specialist software whereby authorised employees of the SSC tax units can authenticate the data submitted.

Steady transition to a new form of tax control – tax monitoring



Gazprom Neft
at a glance



Sustainable
development
management



Customer
care



Health
and safety



Environmental
safety



Employee
development



Social
policy



Appendices

Contributing to the development of tax laws and government regulations

Gazprom Neft is represented in the Russian Union of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry of the Russian Federation; representatives of the company's tax function are included in expert councils and committees of these business associations, as well as the Expert Council under the State Duma Committee on Budget and Taxes and working groups set up under the Ministry of Finance, the Federal Tax Service and the Ministry of Energy to resolve issues related to taxation and legislative actions to combat the spread of the novel coronavirus. In particular, Gazprom Neft participates in the development and testing of amendments to government regulation, including taxation, and submits its own proposals and recommendations on changes and amendments to tax laws.