



September 2017

Russian Legislation Update

The RF Ministry for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM) proposes to release most employers from duties relating to civil defense

Draft law no. 01/01/07-17/00067963 provides that these duties should be only imposed on those organizations that are classified in terms of civil defense in accordance with established order.

At present, all organizations must:

- Develop, based on model programs approved by the RF Ministry for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters and taking the specifics of the activities of the organization into account, training courses in Civil Defense for personnel of the departments and support service divisions of the organization, as well as for civil defense specialists;
- Conduct training courses for civil defense specialists and training courses in Civil Defense for employees of the departments and support service divisions that are created in the organization;
- Create and maintain appropriate educational materials and resources;
- Develop an induction course in Civil Defense for the personnel of the organization;
- Organize and conduct an induction course in Civil Defense for new employees within the first month of their work;
- Plan and conduct drills and exercises in Civil Defense (Regulations on Civil Defense Training approved by RF Government Decree No. 841 dated November 02, 2000, Clause 5g).

ACCOUNTING

The format of Purchase Book and rules for keeping it will change from October 1, 2017

Please take note of the following novelties:

- the cost of goods imported from non-EAEU countries should be indicated in column 15 as in accounting. Now the Federal Tax Service offers other options as well;
- advance payment invoices should not be marked “partial payment” in Purchase Book anymore. This requirement will be removed from the rules;
- it will be possible to register advance payment invoices concerning non-monetary transactions in Purchase Book. Accordingly, the tax authorities definitely will not treat tax deductions relating to such documents with suspicion;
- two columns of Purchase Book are renamed. The “Information about Intermediary (commission agent/agent)” column changes to “Information about Intermediary (commission agent/agent/forwarder/person acting as a developer)” and the “Customs Declaration Number” column changes to “Registration Number of Customs Declaration.” Although the corrections are minor, all taxpayers should necessarily update their Purchase Book Format.

Source: RF Government Decree No. 981 dated August 19, 2017 (effective October 1, 2017)

It is not enough to indicate only the name of city in invoices: Changes effective from October 1, 2017

Lines 2a and 6a should necessarily contain the address of legal entity **as indicated in the Unified State Register of Legal Entities (EGRUL)**.

These lines should contain information on the location of the seller and buyer as per the constituent documents. Tax officials have explained earlier that the full postal address should be specified in Line 2a.

It is recommended that the postal index, the name and type of the constituent entity of the Russian Federation, settlement name, street name, and house or building number should be written in invoices now.

This applies to both the buyer and seller.

Source: RF Government Decree No. 981 dated August 19, 2017 (effective October 1, 2017)

PAYROLL ACCOUNTING AND HR RECORDS MANAGEMENT

Personal income tax deduction for persons with disabled children

Income tax deduction the amount of which depends on whether the child is the first or the second or the third etc. should be added to child's disability-related tax deduction. Thus the total value of personal income tax deductions for a person with a disabled child who is the first child is 13,400 RUB (12,000 RUB + 1 400 RUB) a month.

Source: The Ministry of Finance Letter No. 03-04-05/51063@ dated August 9, 2017

If a woman works during her parental leave and her working hours are only slightly smaller than usual, then the Social Insurance Fund can withdraw her parental leave benefit

A working parent is entitled to parental benefit if he/she:

- cares for a baby;
- is on parental leave to care for a child;
- works on a part-time basis.

This right is embodied in the RF Labor Code, Article 256, and Federal Law No. 255-FZ dated December 29, 2006, Article 11.1, Part 2. The law does not specify what work must be regarded as part-time work.

Juridically, if working time is just a little shorter than usual, e.g. less than by 5 min, the parent is deprived of the opportunity of caring for a child. In that case, parental benefit is just additional stimulating remuneration rather than compensation for lost earnings.

Source: The RF Supreme Court Decision N 307-KG16-1728 dated July 11, 2017



LABOR AND MIGRATION LEGISLATION

The RF Supreme Court explains: if a foreigner has acquired Russian citizenship during his/her work for a company, the federal executive body dealing with migration should not be necessarily notified of termination of his/her employment contract

According to Federal Law No. 115-FZ dated July 25, 2002 "On the Legal Status of Foreigners in the Russian Federation," the employer/ owner who hires foreign workers to perform work/services is bound to inform the regional office of the Federal Migration Service (FMS) of the Russian Federation, on the territory of which the foreign worker works, about the conclusion and termination of the foreigner's employment agreement or civil law contract for work or services within no more than three working days of the date of the conclusion or termination of the respective contracts.

According to the law, a foreigner is a person who does not have citizenship of the Russian Federation, and who has proof of another citizenship.

It follows from case records and evidence presented by the defendant that by the date of denunciation/termination of the employment contract the employee had acquired Russian citizenship, which was confirmed by a notarized copy of his Russian passport. According to the Supreme Court, since the employee acquired Russian citizenship during the period of his work, the employer must not notify the Federal Migration Service. Therefore, the legal action against the employer for administrative violation was abated on the grounds of the RF Code on Administrative Offenses, Article 24.5, Part 1, Clause 1.

Source: The RF Supreme Court Decision no. 81-AD17-17 dated June 26, 2017

Police interrogation cannot be a valid reason for an employee's absence from work

By its decision, the Moscow City Court supported Decree no. 1240 dated December 1, 2012 of the RF Government "On the Procedure and Amount of Reimbursement for Court Costs in Criminal, Civil, and Administrative Lawsuits, as well as for Expenses Incurred in Connection with Enforcement of Orders of the RF Constitutional Court, and on Invalidation of Some Acts of the Council of Ministers and Government of the Russian Federation."

According to case records, the defendant was absent from work due to police questioning.

According to the Moscow City Court's position and the above-mentioned decree of the RF Government, public duties of the citizens do not include participation in police interrogations.

Thus, employees who participate in interrogations of law enforcement agencies are not liable to guarantees and compensations stipulated by the RF Labor Code, Article 170. In other words, in such cases the employer is not obliged to grant leaves to the employee and retain the employee's employment (position).

Source: The Moscow City Court Appellate Decision dated May 26, 2017 on Case no. 33-15618/2017

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