

October 2017

Russian Legislation Update

ACCOUNTING

Changes of time limits for claiming excess tax refund paid by taxpayers to the government budget

The draft law stipulates that time limits for submitting claims for refund of excess tax are to be increased. Also, it is planned to reduce the time limits for going to court.

Currently, a claim for refund of excess tax can be submitted to tax authorities within one month. The draft law stipulates that timeframe for submitting such claims should be three years. The claim is to be made within three years from the date when the organization receives information on excess tax payments.

If the tax inspectorate refuses to refund the excess tax paid by the taxpayer, the latter can appeal against this decision within three months.

Source: Draft Federal Law no. 223287-7 adopted on first reading on September 13, 2017

The vendor has the right to keep an invoice in electronic form even when the purchaser keeps hard copy of the invoice

The Inspectorate of the Federal Tax Service explains: in that case the vendor's copy of the invoice must be certified by an advanced qualified electronic signature of company

executive director or other authorized person. A paper copy of such an invoice must be certified by the executive director of the company. In connection with FTS Inspectorate's explanation, this approach is now shared by the Ministry of Finance as well.

Source: The RF Federal Tax Service, Letter N SD-4-3/17731@ dated September 06, 2017

Changes are to be introduced to the tax declaration form for organizations in 2018

The Federal Tax Service Inspectorate proposes the following changes to declaration form:

- Line 150 of Appendix 4 to Sheet 02 should be filled taking into account the provision that companies cannot reduce the income tax base amount by more than 50% when using loss carryforwards on their balance sheets.
- Each sheet of the report will contain a new barcode;
- Section B of Sheet 03 will contain a new income code ("3") to reflect income from bonds, which is subject to taxation at a rate of 15%;
- Sheet 08 is supposed to contain information about transactions in respect to which independent, symmetrical or reverse adjustments were made. It will be necessary to indicate, for example, the number, date, and subject of the transaction.

Source: The Federal Tax Service Draft Order 64562

PAYROLL ACCOUNTING AND HR RECORDS MANAGEMENT

The Federal State Statistics Service (Rosstat) approves new forms for reporting employee headcount, payroll, and working conditions

Also, a new schedule for headcount reporting has been approved:

- Annual reports are to be submitted as from 2018 (2017 report)
- Quarterly reports are to be submitted as from the 1st quarter of 2018;
- Monthly reports are to be submitted as from January 2018.

Source: Rosstat Order no. 566 dated September 1, 2017



The minimum wage is projected to be increased in 2018 to keep up with the cost of living

The new monthly minimum wage will be increased to 9,489 RUB from 7,800 RUB.

Additionally, it is planned that the national minimum wage will be adjusted annually to keep up with the federal minimum subsistence level for the 2nd quarter of the previous year. Meanwhile, the minimum wage for the next year can not be less than that for the current year.

Source: Draft Federal Law 73033

LABOR AND MIGRATION LEGISLATION

The Supreme Court considers it unlawful to specify in employment contracts that labor disputes are to be adjudicated in district court where the employer is headquartered

According to Supreme Court of the Russian Federation, this infringes upon the employee's rights stipulated by law. According to the Civil Procedure Code of the Russian Federation, an employee can bring an action against the employer for labor rights violation in the district where the employee resides (Article 29). Thus, the contractual provision which limits this right of the employee is illegal and irrelevant.

Source: The supreme Court Decision N 75-KG17-4 dated August 14, 2017

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