



December 2018

## Russian Legislation Update

### ACCOUNTING AND TAX

The procedure for preparation and submission of financial statements will change since January 1, 2020

Federal laws N443-FZ and N447-FZ approve changes to the procedure for submitting to the regulatory authorities the annual financial statements for 2019.

All organizations shall submit the reporting electronically and exclusively to the tax authorities. Reporting to the statistical authorities will not be required.

In addition, the Federal Tax Service shall prepare a unified accounting reporting database, and any organization will be able to request a balance there. This service will be provided on a paid basis.

The procedure to submit the reporting for 2018 remains unchanged.

Source: Federal Law N 443-FZ, dated November 28, 2018;  
Federal Law N 447-FZ, dated November 28, 2018



## Since January 01, 2019, the procedure for submitting a property tax return will change for organizations owing real assets

Change of the procedure concerns the organizations which have real assets in their balance sheets, and those which are registered in several inspections of the same region. In this case, the taxpayer can independently choose an inspection where a single declaration on all immovable objects will be submitted. To take advantage of this opportunity is possible by sending an appropriate notice to the Federal Tax Service before April 1 of the reporting year.

Source: The Russian Federal Tax Service Letter N BS-4-21/22551, dated November 21, 2018

## The Federal Tax Service has adjusted the procedure for penalty calculation

Two amendments to the procedure of penalty calculation and payment related to the delayed tax will become effective since December 27, 2018:

- Penalties cannot exceed the deficiency tax amount on which they were accrued;
- Penalties will be paid for the period, including the day of tax deficiency payment.

Source: Federal Law N 424-FZ, dated November 27, 2018

### **PAYROLL**

## Payment of childcare benefits during part-time work

An employee can receive the wage and benefit if he/she is on a parental leave and works part-time. The main term is that the employee takes care of the child.

### **How much should the working day be reduced?**

The legislation does not specify how much the working day should be reduced, the main thing is that it is not reduced just formally. For example, the Russian Supreme Court considered the formal the reduction of the working day by 12 minutes a day (1 hour per week). The Social Insurance Fund and Arbitrary Court of the West Siberian District recognized that reduction of the working day by 30 minutes to 1 hour is formal.

Therefore the reduction of the working day by one hour or less is quite risky.

### **If the Employee is sent on a business trip**

The Social Insurance Fund presumes that an employee cannot work part-time and be sent on a business trip, since he/she cannot take care of the child.

However, the Court of First Instance and Arbitrary Court of the Volga-Vyatsky District has not confirmed this approach as they consider that a short business trip (5 days) is not a period when the child is without parental care. It indicates that the employee retains the right to the parental benefit.

Sources: Resolution of the Arbitrary Court of the West Siberian District under case N A19-21032/2017 dated October 22, 2018;  
Resolution of the Arbitrary Court of the Volga-Vyatsky District under case N A28-11443/2017 dated October 5, 2018.

## Drafting of the annual vacation schedule for 2019

**Term of drafting:** the vacation schedule should be drafted and approved two weeks before the New Year, so the schedule for 2019 should be done before December 17, 2018.

### **Basic drafting regulations:**

- The schedule shall be prepared under standard form N T-7, or under the form set up by the Employer;
- At least one part of the vacation shall be longer than 14 calendar days;
- The wishes of the employees of preferential categories shall be taken into account. The vacations for such a category should be granted whenever convenient to them.

## Regular medical examination, accounting of extraordinary days-off

From January 1, employees will have the opportunity to take one paid day-off to undergo a regular medical examination. People who are five or less years before retirement have the right to take two paid days-off annually.

In 2019 the employees born in 1989, 1986, 1980, and 1977 are entitled to regular medical examination.

## LABOR LEGISLATION

### The employer has to notify the employees about the wages credited to bank cards

The Russian Ministry of Labor indicated in its letter that the employer shall issue pay-slips when transferring the parts of the wage, including the cases where the wage is credited to bank cards.

This conclusion was made based on the Russian Labor Code, Article 136, which establish that there is no exception for the employer and it has to obligatory notify the employee in writing about the amount of accrued funds.

Besides the Russian Ministry of Labor specially stressed that this responsibility of the employer cannot be recalled by collective contract of agreement of the parties.

Source: The Russian Ministry of Labor Letter N 14-1/OOG-8459, dated October 23, 2018

### The amount of unemployment benefits will increase since January 1, 2019

According to the decision of the Russian Government, the minimum unemployment benefit since January 1, 2019 will be 1,500 rubles, the maximum — 8,000 rubles.

Persons of pre-retirement age will get an increased unemployment benefit; its maximum amount will be 11,280 rubles.

Source: The RF Government Decision N 1375 'On minimum and maximum amounts of unemployment benefits for 2019' dated November 15, 2018

## MIGRATION LEGISLATION

### The state duty for a patent of foreign employees will increase in 2019

The order of the Ministry of Economic Development says that the ratio affecting the amount of advance payments will increase in 2019.

So the cost of the state duty for the patent issue will be about 3,800 rubles.

Source: Order by the RF Ministry of Economic Development N 595 'On deflator ratios for 2019' dated October 30, 2018

## Quotas for work permits and invitations for foreign citizens to entry the Russian Federation have changed

The number of work permits issued to foreign nationals arriving on the territory of the Russian Federation on the visa basis has been increased in the following federal districts:

The Urals District – 21,223 instead of 20,701;  
The Far East District – 44,905 instead of 44,291;  
The Central District – 33,976 instead of 33, 841;  
The Volga District – 8,040 instead of 7,674.

In contrast, the number of work permits issued to foreign nationals arriving on the territory of the Russian Federation on a visa basis has been decreased in the following federal districts:

The North-West District – 14,766 instead of 15,227;  
The Southern District – 3,621 instead of 3,684;  
The North Caucasus District – 864 instead of 2,394.

The quota limit in the Russian Federation is increased from 29,051 to 29,566.

Source: Order of the RF Ministry of Labor N 658n On Amendments to Appendices N 1-3 to Order of the RF Ministry of Labor and Social Protection of December 15, 2017 N 848n On district quotas' distribution of work permits and invitations for foreign citizens arriving in the Russian Federation on a visa basis for carrying out labor activities, dated 10.24.2018

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