



August 2019

Russian Legislation Update

ACCOUNTING AND TAX

Amendments to Federal Law ‘On Accounting’

Federal Law No. 402-FZ ‘On Accounting’ was amended on July 26, 2019. Most changes concern public organizations, but some provisions relate to the accounting procedure in commercial entities.

One of the new provisions have legally secured the right of the chief accountant, or the person responsible for the company accounting under the contract, to require the compliance with the prescribed processing and delivery of primary documents.

Also, the new version of the federal law restricts any amendment of the financial reporting after its approval.

In addition, the provisions related to the state information resource of financial reporting have been updated; the changes shall come into force in 2020. If the reporting is adjusted after its delivery to the tax authorities, the corrected data should be submitted within 10 business days or after the reporting approval (if the approval procedure is required by law or charter documents). It should be taken in mind that any adjustment in the reporting can be made only before the approval.

Source: RF Federal Law N 247-FZ dated July 26, 2019

Ministry of Finance clarifies writing off bad debts on liquidated company

The Ministry of Finance explains that the debts not recovered before a company's liquidation should be included in non-operating expenses to calculate the income tax for the period before the company was excluded from the State Register (UGRLE).

If the debt was not written off on time it can be included into the expenses of the period when such an error was recognized. This provision can be applied within three years from the date when the debtor company was excluded from the State Register.

Source: RF Ministry of Finance letter N 03-03-06/1/48327 dated July 1, 2019

State Record Office (Rosarchiv) proposes to adjust the retention period of documents

A draft memorandum that changes retention periods of accounting documents has been proposed for public discussion.

The changes might concern the following documents:

- Tax returns are planned to store 6 years instead of 5;
- Personal income registers on are proposed to store 5 years instead of 75;
- Shelf life of commercial invoices is proposed to increase from 4 to 5 years;
- Specimen signatures of inventory custodians are supposed to store 5 years after these persons have changed.

Source: National Record Office draft memorandum "On approval of the List of standard documents resulted from activities of state bodies, local authorities and organizations, and their storage periods"



PAYROLL

Substitute holiday schedule in 2020

The following schedule of holidays and non-working days has been approved for 2020 considering the substitution:

The New Year holidays, 8 days: January 1, 2020 – January 8, 2020

Defender's Day, 3 days: February 22, 2020 - February 24, 2020

International Women's Day, 3 days: March 7, 2020 – March 9, 2020

Spring and Labour Day, 5 days: May 1, 2020 – May 5, 2020

Victory Day, 3 days: May 9, 2020 – May 11-2020

Russia Day, 3 days: June 12, 2020 – June 14, 2020

National Unity Day, 1 day: November 4, 2020

Source: RF Government Resolution N 875, dated July 10, 2019

LABOR LEGISLATION

Period of the employer's notification about changing a bank card has increased

The Russian State Duma has adopted a federal law, which requires that, within fifteen working days before a salary day, an employee shall notify the employer in writing if he wishes to change the credit organization where his salary is transferred. The previous edition of the Labor Code, Article 136, specified the notification period of five working days.

This amendment comes into force on August 6, 2019.

Source: RF Federal Law N 231-FZ "On amendment of the Russian Labor Code, Article 136" dated July 26, 2019

Draft law on employer's obligation to pay salary has been submitted to the State Duma

The Russian Government submitted a bill to the State Duma according to which a resolution of a labor inspector that confirms the employer's obligation to pay the due salary to an employee will be recognized as a writ of execution.

The period to challenge the decision in court is ten calendar days from the employer's receipt date.

Source: RF Draft Federal Law N 755304-7 (<https://sozd.duma.gov.ru/bill/755304-7>)

Employer undertakes administrative liability for preventing employee to change a payroll bank

Amendment to Article 5.27 of the Russian Code of Administrative Offenses specifies the following penalties for prescribing a payroll bank to employees:

- 10,000 - 20,000 rubles – for officials;
- 1,000 - 5,000 rubles – for individual entrepreneurs;
- 30,000 - 50,000 rubles – for legal entities.

Source: RF Federal Law N 221-FZ "On Amendment of the Russian Code of Administrative Offenses, Article 5.27"

MIGRATION LEGISLATION

Simplified procedure of renunciation of foreign citizenship

In accordance with the amendments to Article 6 of Federal Law "On the Russian Citizenship", if the Russian citizen wish to renounce a foreign citizenship, it is enough to submit a written notification to a territorial body of the Ministry of Internal Affairs and attach a copy of passport and the document confirming the foreign citizenship termination.

The established abovementioned procedure comes into force on October 17, 2019.

Source: RF Federal Law N 188-FZ "On Amendment to Article 6 of Federal Law 'On the Russian Citizenship'" dated July 18, 2019