

September 2019

Russian Legislation Update

ACCOUNTING AND TAX

New format of Notification on participation in foreign companies

The format of notification that is submitted to the Federal Tax Service has changed since August 12, 2019, if the company participates in foreign organization or sets up a foreign structure with no separate legal entity.

So, the name of a foreign company or foreign structure will no longer need to be duplicated in Russian. The information only in Latin will be sufficient.

Principal State Registration Number (OGRN) of the organization on the title page is no longer necessary to indicate.

Sheet A will be added with the data that includes: country code of the tax residence, taxpayer code, the foreign organization registration date, and the date of change in share or shareholding procedure, if it occurred.

Sheet B should include the name of the document on establishing a foreign structure in the Russian language without duplicated Latin text. Also on this sheet you need to add some information previously specified on sheet B1, which has been excluded from the new format.

Source: RF Tax Service Order N MMB-7-13/338, dated July 5, 2019

Liability period for non-submitted data to Rosstat could be increased up to two years

The Ministry of Economic Development proposes to increase up to two years the liability period for non-reporting statistics.

Currently, the violation of the procedure or deadline of the data provision, or the provision of inaccurate information may lead to a fine imposed within two months since the date of violation. The fine for organizations varies from twenty to seventy thousand rubles, for officials – from ten to twenty thousand rubles.

Source: RF Draft Federal Law “On amending Article 4.5 of the Russian Code of Administrative Offenses”

Wrong VAT rate will ban tax deduction

The Ministry of Finance explained that if an invoice contains an incorrect VAT rate, the organization cannot get tax deduction under such a document.

The explanation concerns the situation when the counterparty has indicated the rate of 18% instead of 20% in relation of goods or services sold in 2019.

This approach can be applied to the cases when a supplier uses a 10% rate to the products for which the government has not set such a rate, or for international transportation when the carrier indicates a 20% instead of zero rate in the document.

Source: RF Ministry of Finance Letter N 03-07-11/58375 date August 2, 2019

PAYROLL

How to submit electronic disability certificate to the inspection

To verify the accounting of payments, the inspection may require, among other things, disability certificates. If these certificates are electronic, they should be printed and enclosed with the payments' accounting.

Source: RF Federal Tax Service Letter N BC-4-11/13464 dated July 10, 2019

LABOR LEGISLATION

Ministry of Labor has explained the exemption from work for health screening

Generally, to do health screening employees have the right to be out of work for one working day once every three years, with retention of the position and average wage. Employees of five years before the retirement age get two working days for the health screening each year (men – from 60 years old, women – from 55 years old, as the retirement age increased).

To exercise the right to release from work, the employee shall submit a written application in the name of the employer and agree the days-off. The Ministry of Labor explains that the days-off for health screening are agreed considering the schedule of health screening approved by the employer.

The amount of the average wage for this period is established according to the calculation procedure specified in the Government Decree N 922 of December 24, 2007 (amended on December 10, 2016) “On special aspects of average wage calculating”.

Source: RF Federal Tax Service Letter N ED-4-5/14104 “On circulation of letter by the Russian Ministry of Labor N 18-4/B-319 of 11.06.2019” dated July 2019

List of positions with limited women’s employment has significantly reduced

The Russian Ministry of Labor has issued the order that excludes 350 professions where the women’s labor is limited. The list will be valid from January 1, 2021.

For example, the professions of heavy-truck driver, deck-crew member of all types of ships, fishermen of coastal fishing, car repair mechanic, electric train driver, tractor driver, skydiver and others are excluded from the list.

Source: RF Ministry of Labour N 512n “On approval of the list of productions, works and positions with harmful and (or) dangerous working conditions, where women’s labor is limited” dated July 18, 2019

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