

January 2020

Russian Legislation Update

ACCOUNTING AND TAX

The State Tax Service has approved new procedure and formats for accounting reports

From January 1, 2020, organizations shall submit financial statements to the tax authorities in electronic format. Obligation to submit reports to statistical authorities canceled for most organizations.

The new procedure requires submitting financial statements and corresponding audit opinion in an electronic format. An exception concerns small businesses – they may submit reporting on paper.

The reporting procedure is similar to the one of submitting most electronic documents by telecommunication channels. The submission of the reports makes for a set of documents: a dispatch date confirmation, acceptance or rejection receipt, receipt notification and other standard documents.

The audit opinion is submitted as a PDF-file. If the audit opinion is submitted after the financial statements, it is necessary to use the format provided for electronic document exchange.

Source: RF Tax Service Order N MMV-7-1/569 dated November 13, 2019; RF Tax Service Order N MMV-7-1/570 dated November 13, 2019

Special forms of financial statements for reorganized and liquidated companies

The Federal Tax Service has presented the templates of financial statements recommended for reorganized and liquidated companies. The templates are designed as for standard, so for simplified reporting.

Previously, the reorganizing and liquidating companies used standard reporting forms.

The new templates shall be used with the reporting as for 2019 that submit in 2020.

Source: RF Tax Service Order N VD-4-1/24013 dated November 25, 2019

PAYROLL

Tax office notification in case of submission of personal income tax returns

Since 2020, a new procedure on personal income tax reporting is introducing. If a company has several separate business units located in the same city district, it can choose one unit and submit a consolidated report on personal income tax (Form 2 and Form 6) to the Tax office where this unit is registered.

To apply this procedure, it is necessary to notify the Tax office in the format specified in the Russian Federal Tax Service Order N MMV-7-11 / 622, dated December 6, 2019. It is declared that the document should be sent before January 9, 2020. However, for the first time the term is extended until January 31, 2020. Still it is recommended that from January 1, 2020, tax agents pay personal income tax using the payment details of the selected unit.

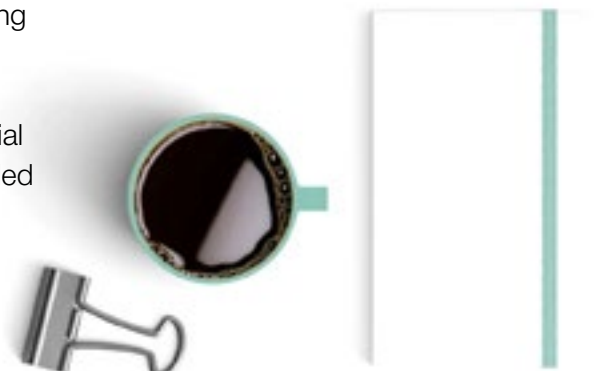
Source: RF Tax Service announcement dated December 27, 2019

New order how to use the results of special assessment of labor conditions

Since January 2020, the employers are unable to use the results of special assessment of labor conditions until they appear in the reporting database. The organization that carried out the special assessment shall enter the data to the database, and notify the employer about it within three working days. The certificate on the labor conditions conformity becomes effective only after entering information into the database.

If an employee remarks on the results of special assessment of labor conditions, an unscheduled inspection can be initiated.

Source: RF Law N 451-FZ dated December 27, 2019



Insurance premium on the return ticket price if the employee spends vacation at the place of business trip after the business trip is over

The Ministry of Finance explained that the price of a return ticket is subject to insurance premium because this is the payment under employment relationships and does not apply to the compensation related to the business trip, as the return date of the business trip specified in the order and the date of the ticket do not match.

Source: RF Ministry of Finance Letter N 03-04-06/94974 dated December 6, 2019

Key interest rate

Since December 16, 2019, the key interest rate is 6.25%.

Source: RF Central Bank information dated December 13, 2019

LABOR LEGISLATION

Minimum living wage has increased since January 1, 2020

According to Order of the Russian Ministry of Labor N 561n dated August 9, 2019, the minimum living wage is 12,130 rubles, which equals to the average cost of living of the working population in the Russian Federation in Q2, 2019.

Before the minimum living wage was 11,280 rubles.

Source: RF Law N 463-FZ dated December 27, 2019; RF Ministry of Labor Order N 561n

MIGRATION LEGISLATION

Vaccination of the attracted labor migrants against measles shall begin

The resolution by the Chief Sanitary Doctor of the Russian Federation says that all employers (legal entities and individual entrepreneurs) shall ensure that all labor migrants

who are not vaccinated against measles, or cannot provide the data about their measles vaccination, and who did not go through measles, shall be vaccinated before December 31, 2020.

If an employee does not have a mandatory measles vaccination, the employer may get an administrative warning or fine in amount of 500 – 1,000 rubles, in accordance with the Russian Code of Administrative Offenses, Article 6.3.

Source: RF Chief Sanitary Doctor Resolution N 19 “On vaccination against measles of labor migrants temporarily staying and living in the territory of the Russian Federation” dated November 7, 2019

DISCLAIMER:

The information contained in this communication has been provided by ABU Accounting Services for information purposes only and shall not be regarded as professional legal and/or tax advice. ABU Accounting Services (MSRN 1027739238570) shall not be liable for any loss whatsoever sustained by any person in respect of this communication.