



February 2020

Russian Legislation Update

ACCOUNTING AND TAX

Tax Service has approved a format of a complaint on actions, inaction or acts of tax authorities

The Federal Tax Service order that establishes a format of a complaint on actions, inaction or acts of tax authorities, as well as the procedure of its filling and submission in electronic form, comes into force on April 30, 2020.

It is possible to appeal against a tax decision on an audit, tax notice, requirement to pay taxes, or other documents or actions (inactions) of the tax authorities. Each appeal subject has its own code.

Section that contains the description of the complaint and requirements of the person, who issues it, provides for 2000 characters. If the text is longer than this limit, only a brief information shall be presented in the section, and the full text is attached to the complaint as a separate file.

The complaint can be submitted either on paper or in electronic form.

It should be taken in mind that the tax authorities may reject the complaint in the following cases:

1. The complaint is addressed to the wrong tax office;
2. The document does not comply with the established format;
3. There is no qualified electronic signature;
4. There is no data re. Representation, if a representative submits the complaint.

Source: RF Tax Service order # MMV-7-9/645 dated December 20, 2019

Expenses on choosing a seat in the plane: the Ministry of Finance explains when it can be considered as travel expenses

If an employee has paid for the choice of a seat in the plane when he\she is on business trip, the employer can reimburse the cost of this service.

The Ministry of Finance has explained that the cost of choosing a seat can be considered as part of the income tax expenses, if the reimbursement of such costs is provided for by the corporate regulatory act.

The Ministry of Finance has also mentioned that if the reimbursement is established by the corporate regulatory act, it is not a subject to personal income tax and insurance premiums.

Source: RF Ministry of Finance Letter # 03-03-06/1/101535 dated December 25, 2019; RF Ministry of Finance Letter # 03-04-00/102629 dated December 27, 2019

PAYROLL

Social allowances indexing since February 1, 2020

The allowance for early pregnancy registration has increased up to 675.15 rubles. This amount is paid if maternity leave begins on February 1, 2020 or after this date.

The childbirth benefit has increased up to 18,004.12 rubles. This payment is due if a baby was born on February 1, 2020 or after this date.

The minimum childcare allowance for the first child under 1.5 years old does not change. However, the minimum allowance on the second child and subsequent children is now 6,751.54 rubles.

Since February 1, 2020, the social funeral benefit is 6,124.86 rubles.

Source: RF Government Resolution #61 dated January 29, 2020

Reporting on the average staff number

The data on the average number of employees shall be included in the calculation of contributions for the year. This procedure has introduced in the reporting for 2020.

There is no more special provisions for new or reorganized companies. Such legal entities will report on the employee number at the same time as all organizations.

Source: RF Law #5-FZ dated January 28, 2020

New codes to be indicated when transferring wages and other income

The Central Bank of Russia is introducing new codes as of June 01, 2020.

Requisite 20 'Purpose of payment' in the payment order shall include the code of the type of income:

- '1' — when transferring salaries and other income (for example, payments under independent contractor agreement), which can be the subject of debt collection;
- '2' — when transferring income, which cannot be used for debt collection according to the Law on Enforcement Proceedings, Article 101. The exception refers to Article 101, Part 2 of this law;
- '3' — when paying the amounts, which are the exceptions of the mentioned above.

In other cases, the code is not necessary.

Source: Central Bank of Russia instruction #5286-U dated October 14, 2019

MIGRATION LEGISLATION

New regulations of filing a notice of residence in the Russian Federation

The new regulations on notification by a foreign citizen his/her confirmation of the residence in Russia have become valid on January 7, 2020. According to the updated document, the notification confirming the residence in the Russian Federation is possible to submit via the State Service Website using the electronic digital signature.

The requirement to provide an income declaration is canceled, if the citizen's income is confirmed by such a declaration.

Source: RF Government Decree #1855 'On Amending Certain Acts of the Russian Government' dated December 26, 2019