



March 2020

Russian Legislation Update

ACCOUNTING AND TAX

New shelf life for accounting documents

Since February 18, 2020, the Russian Archive Agency approved new periods for shelf life of accounting documents in a company.

The table below includes the list of documents which shelf life has changed:

Item	Document	Former shelf life	New shelf life
1	Primary accounting documents	5 years	Generally - 5 years. In case of audit or disputes - pending a final resolution
2	Receivables and payables (certificates, acts, liabilities, correspondence)	5 years	5 years if the debt is paid off
3	Tax invoices	4 years	5 years
4	Certificates confirming payment of taxes, fees, insurance premiums, interest and tax penalties, certificates on settlements with the budget	Not applicable	5 years
5	Documents re. fixed and intangible assets, documents on revaluation, depreciation, write-off	Regularly	5 years after the object disposal
6	Leasing (lists of property, acts, calculation of profit deductions, correspondence)	Regularly	5 years upon contract expiration or property purchase. In case of disputes - pending a final resolution

Source: RF Archive Agency Order #236 dated December 20, 2019

No fines in case of tax return correction before completion of tax audit report

The Ministry of Finance has reminded that a requirement of Tax authorities to provide clarification on the errors in a tax return does not mean the reveal of the error. Only the tax audit report is the document that confirms the error.

This means that when submitting an updated declaration, the company can avoid fines for non-payment of taxes, payment of missing taxes and late fees, if the error is corrected before the tax audit report is drawn up.

Source: RF Ministry of Finance Letter #03-02-08/1322 dated January 15, 2020

The Ministry of Finance explained when it is possible to write off debts to a non-performing creditor

If the creditor is liquidated, or recognized as inactive legal entity, the debtor can write off the payables and reflect this amount as non-operating income. Income is presented in the period when the corresponding entry is made in the State Register of Legal Entities.

The Ministry of Finance explained that if a legal entity is excluded from the State Register of Legal Entities for other reasons, the debt to such a creditor is not written off and, accordingly, is not presented in the debtor's income when:

- It is impossible to liquidate the company due to the lack of funds, and it is impossible to transfer these costs to the founders of the company;
- In the State Register of Legal Entities, there is a record of uncertain information for more than six months from the date of its entry.

Source: RF Ministry of Finance Letter #03-03-06/2/7955 dated February 7, 2020

PAYROLL

New shelf life for HR and payroll documents

Since February 18, 2020, the Russian Archive Agency approved new periods for shelf life of HR and payroll documents in a company.

The table below includes the list of documents which shelf life has changed:

#	Document	Former shelf life	New shelf life
HR documents			
1	Annual vacation schedule	1 year	3 years
2	Ledgers, records, registration cards, vacation databases	3 years	5 years
3	Disciplinary documents	5 years	3 years
4	Applications for foreign specialists	5 years	1 year
5	Documents on working conditions, occupational safety and health	Regularly	5 years
6	Ledgers, records, databases of industrial accidents	Regularly	45 years
7	Employer's notifications, warnings to employees	Not applicable	3 years
8	Employee's applications of work-related documents and their copies	Not applicable	1 year
9	Registers of health and safety briefing (induction and on-the-job training)	Not applicable	45 years
10	Employment contracts, service contracts, agreements on their change, termination	75 years	Depending on the date when the record was completed: 75 years if it was before January 1, 2003, and 50 years if afterwards.
Payroll documents			
1	Documents re. salary and other payments (consolidated (settlement and payment) payroll and supported documents, slips on wages, benefits, fees, pecuniary aid and other payments)	5 years If there are no personal accounts - 75 years	6 years If there are no personal accounts - 50/75 years
2	Personal income registers presented by tax agents	75 years	5 years
3	Employees' personal accounts, salary payment sheets	75 years	75 years for the documents on which the record was completed before the end of 2002. If it was completed after January 1, 2003, the personal account is kept 50 years.
4	Certificates confirming payment of taxes, fees, insurance premiums, interest and tax penalties, certificates on the settlements with the budget	Not applicable	5 years
5	Insurance premium calculation: a) annual b) quarter	a) regularly b) 5 years	50/75 years depending on the date when the record is completed

Source: RF Archive Agency Order #236 dated December 20, 2019

Key interest rate

Since February 10, 2020, the key interest rate is 6%.

Source: RF Central Bank notice dated February 7, 2020

Non-registered employees shall get the certificates on employment for the military enlistment office

Since February 18, 2020, employers shall provide the employee liable to military registration, but having no registration at the place of residence or place of stay, as well as arrived to the place of stay for more than 3 months and not having registration at the place of stay, with the document under special format upon employment and dismissal.

The employee will need this document to register in a military enlistment office at the place of stay.

Source: RF Government Resolution #103 dated February 6, 2020

Approved format of the employment certificate for the employee (STD-R)

Since March 7, 2020, employers shall provide their employees who refused to keep a labor book with the data on their labor activity in the format of STD-R.

This document shall be issued either at the employee's request or upon his dismissal. An employee has the right to choose in what form to receive information. An electronic STD-R shall be certified with an encrypted digital signature, the paper version – with the signature of the company manager and the seal of the company (if any).

Source: RF Ministry of Labor Order #23n dated January 20, 2020

LABOR LEGISLATION

The State Duma is considering the bill granting a day-off to the forty-year-old workers for health monitoring

The bill offers to provide the employees who have reached the age of forty with one day per year of job-protected leave with average earning for health monitoring.

The requirement to provide of a medical certificate to confirm the use of the working day for health monitoring can be included in the collective agreement or a corporate act of the employer.

Source: RF Draft Federal Law #907930-7 “On amendment of the Russian Labor Code, Article 185.1” (<https://sozd.duma.gov.ru/bill/907930-7>)

MIGRATION LEGISLATION

Simplified procedure for hiring foreign students studying in the Russian Federation

Foreign full-time students studying in the Russian vocational schools and higher educational organizations will get the right to be employed without a work permit. In addition, it will be unnecessary to obtain permits to engage foreign employees of this category.

However, a labor or civil law contract, under which foreign citizen works, shall be terminated when the person has graduated from the school or terminated the studies.

Source: RF Federal Law #16-FZ “On amendment of Federal law ‘On legal status of foreign citizens in the Russian Federation’” dated February 6, 2020

Chinese citizens suspend from entering the territory of the Russian Federation

The bill offers to provide the employees who have reached the age of forty with one day per year of job-protected leave with average earning for health monitoring.

The requirement to provide of a medical certificate to confirm the use of the working day for health monitoring can be included in the collective agreement or a corporate act of the employer.

Source: RF Draft Federal Law #907930-7 “On amendment of the Russian Labor Code, Article 185.1” (<https://sozd.duma.gov.ru/bill/907930-7>)

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