



7th of December 2020

Russian Legislation Update

ACCOUNTING AND TAX

The Federal Tax Service recommends filing a register of transactions, for which the VAT is exempt, in electronic form

The Federal Tax Service has developed an electronic format of the registry of documents, confirming the validity of the application of tax benefits, in the context of the declaration codes. This recommendation applies to transactions that are not subject to VAT under Clause 2-3 of Article 149 of the Tax Code of the Russian Federation. The registry can be submitted electronically, during the in-office tax audit of VAT-exempt transactions. The electronic presentation of the registry would significantly reduce the number of documents requested by the inspectorate, or local tax office, to confirm the validity of the benefits applied. Filing a similar registry on paper would result in the request for a complete set of documents.

Document: Letter from the Federal Tax Service of Russia, dated November 12th, 2020, No. EA-4-15/18589.

The State Duma has adopted, at first reading, a bill on the need to file forms of statistical monitoring only in electronic form

The bill is expected to be passed by the end of 2020, and will demand the filing of primary statistics, exclusively in electronic format.

Document: Draft Federal Law No. 1024255-7.

New formats of corrective invoices and cost-change documents have been approved

This amendment came into force on November 27th 2020. Old document formats can be applied until October 1st 2021. The changes affect the formats of corrective invoices, documents on changes in the cost of goods, works, services, and property rights. In particular, the changes affect the information about the goods sold.

Document: Order of the Federal Tax Service of Russia dated October 12th 2020, No. ЕД-7-26/736@

PAYROLL

The form of the Insurance Contributions Calculation has been updated

Starting with the 2020 reporting, the front page of the Insurance Contributions Calculation should provide data on the average staff numbers. There is no need to submit this information separately.

The new form also provides for additional codes of the payer tariff and new codes of the category of insured persons. There will be changes in the bar codes and electronic presentation format.

Document: Order of the Federal Tax Service of Russia dated October 15th 2020, No. ЕД-7-11/751@

Updated form 6-NDFL (personal income tax, PIT)

The 6-NDFL report, starting with the reporting for the first quarter of 2021, must be submitted according to the new form. This document includes certificates on income and amounts of tax of individuals (now it is 2-NDFL).

A separate annex to the Order is the form of certificate of the income of the individual, and the amounts of NDFL, which the tax agent issues on demand, for example, to the employee. It does not differ from the current one.

Thus, the Federal Tax Service has combined the calculation of 6-NDFL with a certificate of income of the individual. The form named "2-NDFL" will not exist any more. Instead, it will be necessary to submit an annex to the calculation of 6-NDFL for the year – a certificate of income and amounts of tax of the individual.

Document: Order of the Russian Federal Tax Service dated October 15th 2020, No. ЕД-7-11/753

Progressive rate of NDFL

From January 1st 2021, the increased rate of NDFL, in respect of incomes over 5 million RUB, will be introduced. The rate of 13% will be applied as long as the total tax base is less, or equal to, 5 million RUB.

The NDFL reports to the budget (government) should be transferred separately:

- Tax in part that is less than, or equal to, 650,000 RUB;
- Tax, the sum of which is more than 650,000 RUB, and which belongs to the part of tax base, which is more than 5 million RUB.

Document: Federal Law of November 23rd 2020, No. 372-FZ

KBK for the progressive scale of NDFL

The list of KBK on taxes for 2021, and the planned period of 2022 and 2023, has been supplemented. For NDFL, there a new code: 000 1 01 02080 01 0000 110 in relation to the tax, which is more than 650,000 RUB, and which belongs to the part of the tax base 'in excess of 5 million RUB'.

Document: Order of the Ministry of Finance of Russian Federation dated October 12th, 2020, No. 236n

New rules for providing details when transferring taxes and contributions

From the beginning of 2021, the Treasury's bank accounts will change. In this regard, taxpayers should pay special attention to the requisite "The recipient's account number", when filling out the payment order and instructions. It will also become mandatory to specify the number of bank account (correspondent account), the value of which will be specified in the requisite 15 ("The number of bank account of the recipient of funds") in the payment order.

From January 1st to April 30th 2021, the Russian Treasury will establish a transition period, when both accounts, old and new, will function simultaneously.

From May 1st, only newly-opened Treasury accounts will operate.

Document: Letter of the Russian Federal Tax Service dated October 8th 2020, No. KЧ-4-8/16504

Mayor of Moscow Extends Measures for Fighting against Coronavirus for Employers

Employers' responsibilities to transfer at least 30% of employees to remote mode, and to submit a relevant report on the mos.ru website, will remain in effect until January 15th 2021 inclusive.

Individuals over 65 years of age and persons, having diseases from the special list, must continue to observe self-isolation.

Document: Decree of the Mayor of Moscow, dated November 26th 2020, No. 114--YM

It is planned to allow individuals to include all information from their electronic employment record book in their paper employment record book

According to the draft submitted to the State Duma, registered persons have the right to apply to the authorities, of the Pension Fund of the Russian Federation, for the inclusion of information about their work activities in their individual personal account for periods until January 1st 2020, which records are contained in their employment record book.

Document: Federal Law Draft No. 1052422-7

LABOR LEGISLATION

A draft Federal law has been submitted to the Federation Council, providing for the possibility of the employee to perform his/her work function remotely on a permanent basis, temporarily (for a period of no more than six months), or periodically, by alternating the remote mode of work and performing work functions in the stationary workplace.

The text of the bill emphasizes separately, that the employee's performance of his/her duties remotely cannot constitute a basis for reducing his/her salary.

Furthermore, the text of the draft Federal law defines the procedure for a temporary transfer of the employee to remote mode of work, in exceptional cases.

The planned date of the draft's entry into force is 01.01.2021

Document: Draft Federal Law No. 973264-7 "On amending the Labor Code of the Russian Federation to the extent of regulating the remote work, and temporary transfer of an employee to remote work, at the initiative of the employer, in exceptional cases"

A Draft Resolution of the Russian Government has been elaborated, establishing a procedure for compensation for the cost of travel for workers of the Far North and equated localities

The Draft Resolution establishes a procedure for compensating the cost of travel and baggage, to and from the holiday destination, for those working in organizations in the Far North and equated localities, in connection with the introduction of restrictive measures, due to the spread of coronavirus infection (COVID-19) in 2021–2022.

This procedure will be extended to children of minority age of this category of workers, who have reached, or will reach, the age of 18 years in 2020–2021.

Document: Draft Resolution of the Russian Government "On amending the Resolution of the Government of the Russian Federation of June 19th 2020 No. 887 "On the peculiarities of legal regulation of employment and other directly linked relations in 2020"

MIGRATION LEGISLATION

A quota for 2021, for the issuance of temporary residence permits, to foreigners and stateless persons, in the Russian Federation, has been established

The total quota for temporary residence permits will be 39,325.

The quota for Moscow is 2,000 permits.

The quota for St. Petersburg is 1,200 permits.

Document: Russian Government Resolution of November 6th, 2020 No. 2883-r “On establishing a quota on issuing temporary residence permits to foreign nationals and stateless persons in the Russian Federation for 2021”

The list of foreign countries has been expanded for the citizens and persons with residence permits, which have the right to enter the Russian Federation, through air checkpoints

In particular, according to the updated list, the list of countries includes: Ethiopia and the Seychelles.

Citizens of the Russian Federation also have the right to enter these countries freely, through air checkpoints.

Document: Russian Government Resolution of November 13th 2020 No. 2968-r “On amending the Russian Government’s Resolution of March 16th, 2020 No. 635-r”

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