



3rd of February 2021

Russian Legislation Update

ACCOUNTING AND TAX

Publication of a list of countries, for which it is required to rely on provisions of the Multilateral Convention, when applying double taxation agreements

The Ministry of Finance of the Russian Federation has published a list of 27 States, in the framework of relations with which, from January 1st 2021, it is required to apply the Multilateral Convention on Implementation of Measures Related to Tax Agreements, in order to counteract base erosion and profit shifting. The Convention introduces amendments to the existing agreements on double taxation avoidance and establishes a common system of concepts, for all parties to the Convention.

Document: Information Report of the Ministry of Finance of the Russian Federation

Extension of the list of cases, in which the Tax Inspectorate can order a repeated on-site inspection

From July 1st 2021, the list of reasons, for which the Federal Tax Service can order a repeated on-site inspection, will be supplemented by a situation, in which, when

submitting a replacement tax return, the taxpayer increases the amount of tax, or excise tax, to be reimbursed.

Document: Federal Law of December 29th, 2020, N 470-FZ

Approval of an amendment to the double taxation agreements between Cyprus and Luxembourg

From January 1st 2021, with the exception of certain income categories, for which the preferential tax regime is provided, the tax rate, at the source of income, will be 15%.

Document: Federal Law of December 30th 2020 № 487-FZ, Federal Law of December 30th 2020 N 486-FZ.

PAYROLL AND HR RECORDS KEEPING

From January 1st, the MROT equals 12,792 RUB

Since January 1st, the minimum statutory monthly pay (MROT) has been increased by 5.5%, and amounts to 12,792 RUB.

The MROT depends on the median salary for the previous year. The MROT to median salary ratio was established at 42%. It will be reviewed at least once every 5 years. In addition, the MROT should not be less than:

- The subsistence minimum of the working-age, general population in Russia, for the year;
- The size of the previous year's MROT.

Documents: Federal Law of December 29, 2020 N 473-FZ

Statistical reporting should be submitted only electronically

From December 30th, it is required to submit forms of statistical reporting only in electronic form. The only exceptions are individuals, who may continue to submit information free of charge and voluntarily.

Special provisions are in place for small businesses: such companies can continue filing reports on paper until January 1st, 2022.

Document: Federal Law of December 30th 2020 N 500-FZ

From July 1st 2021, the rules for filling out the ‘Employment History of a Registered Person’ form will change

A section “Information about the Employer, for Whom the Insured Person is a Successor” is added to the form. The section is filled out, when the successor employer makes adjustments to the data relating to the employees of the organization, which is deregistered.

It will also be necessary to indicate whether the employee works in the Far North, or in areas equated to the Far North.

Under the new rules, it will be required to fill in the “Code of Function” column.

Document: Resolution of the Board of the Pension Fund of the Russian Federation of October 27th 2020 N 769p

Updated rules for employment book (EB) maintenance

The draft order of the Ministry of Labor, on changing the employment book maintenance, is under public discussion.

If the draft is approved, there will be the following innovations for employers:

- The format of the paper EB will change - there will be more space for information about employment.
- It will be possible to make entries in the EB using technical means, stamps.
- The employee will no longer have to sign in the EB at the time of dismissal, and the signatures of employees will disappear from the field “Signature of the Owner of Employment Book”, in the card of T-2 form.
- It will be possible to make records about part-time work in non-chronological order.
- There will be an established period for the transfer of / handing over the EB to the employee, when switching to electronic information – within 3 working days. At the moment, such a period is not formalized in legislation. However, there is a recommendation from the Ministry of Labor to hand over a paper EB on a same day basis.

Document: Draft Order of the Russian Ministry of Labor

Relaxation of coronavirus measures for employers in Moscow

From January 27th, employers are not required to transfer 30% of employees to remote work. Now, this rule is of a recommendatory nature.

However, remote work remains mandatory for employees over 65, or those having diseases included in the list. Such employees should be reported on the mos.ru website.

Document: Decree of the Mayor of Moscow dated January 27th 2021 N 5-UM

LABOR LEGISLATION

Established: the minimum subsistence level for 2021

In accordance with the Russian Government's Decree, from January 1st 2021, the minimum subsistence level, for the working-age population of the Russian Federation, is set at 12,702 RUB, for children - 11,303 RUB, for pensioners - 10,022 RUB.

Document: Russian Government Resolution of December 31st, 2020 N 2406 "On setting the minimum subsistence level per capita, and for the main socio-demographic groups of the general public, in the Russian Federation for 2021"

A draft Order of the Russian Ministry of Labor has been prepared, amending the form and procedure for maintenance and storage of Employment Books

In accordance with the text of the draft, the requirements for the maintenance of the account ledger, for recording the EB forms and inserts therein, as well as the book for recording the movement of employment books and inserts therein, are abolished. Furthermore, it is intended to eliminate the obligation of the employer to make records of general labor experience, in the employment books of employees.

Also, the rules and procedures for registration of records, in the employment book, are made consistent with the current requirements of the labor law.

Document: Draft Order of the Russian Ministry of Labor "On approval of the form and procedure for maintenance and storage of Employment Books"

MIGRATION LEGISLATION

A list of airports, open for acceptance of citizens of the EAEU member States, has been established

The list includes 20 airports, hosting citizens of the Republic of Belarus and the Republic of Armenia, subject to mandatory presentation of negative results of the test, for the presence of a new coronavirus infection.

Document: Russian Government Order of January 26th, 2021 N 140-r "On amending the Russian Government's Order of March 16th 2020 N 635-r"

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