



10th of June 2021

Russian Legislation Update

ACCOUNTING AND TAX

The Ministry of Finance has provided clarification on accounting for the cost of tests for coronavirus to calculate income tax

The Ministry of Finance explained that the cost of a coronavirus test, for employees of the organization, can be accounted for as part of sundry expenses, for the purpose of income tax calculation.

At the same time, similar analyses, for potential candidates, should be excluded from the tax base, as they do not meet the criteria of economic feasibility specified in Article 252 of the Tax Code of the Russian Federation.

Document: Letter of the Ministry of Finance of the Russian Federation dated 22.04.2021 N 03-03-06/1/30494

Double taxation agreement with the Netherlands may be terminated in June 2021

Currently, according to the President's instructions, the Ministry of Finance of the Russian Federation is reviewing double taxation agreements with a number of countries. Since

the Netherlands have not considered the terms of renegotiation, the existing agreements with the country can be terminated, starting from 2022. Due to the termination of the agreement, the rates of income taxation will be changed:
15% will be withheld from dividend payments, 20% - from interest payments.

Document: Federal Law of 26.05.2021 N 139-ФЗ

The Federal Tax Service has approved new temporary formats of purchase ledgers and sales ledgers

In connection with the approval of new forms of VAT declarations from July 1st 2021, where the information on traceability of goods will be added, the Federal Tax Service has introduced temporary formats of purchase ledgers and sales ledgers, as well as ledgers of received and issued invoices, that will be valid, until the approval of permanent ones.

Document: Letter of the Federal Tax Service of the Russian Federation dated 05.05.2021 N EA-4-15/6251@

PAYROLL AND HR RECORDS KEEPING

New rules for calculating child-care sick leaves

For cases, when a sick leave has been taken to look after a child aged under 8, from September 1st, the disability period will be paid at the rate of 100% of average earnings, regardless of length of employment, treatment options and duration. However, the amount of the allowance may not exceed the maximum value. (In 2021, the daily allowance on the disability sheet may not exceed 2,434.25 RUB).

In the case of childcare for children aged 8 years and older, the calculation of the allowance remains the same:

- If a child is treated on an outpatient basis – for the first 10 calendar days –the amount is determined by the length of the insurance period of the insured person, for the following days –the amount is 50% of average earnings;
- If a child is treated on an inpatient basis – in the amount determined by the length of the insurance period of the insured person.

Document: Federal Law of 26.05.2021 N 151-ФЗ

Subsidy assistance to 2020 Graduate Employment

Under the Draft Resolution of the Russian Government, subsidies from the budget of the Social Insurance Fund of the Russian Federation in 2021 will be given to legal entities and sole proprietors, to encourage them to employ unemployed citizens, registered with the employment service as unemployed on January 1st 2021, as well as citizens registered with the employment service as unemployed, and classified as citizens who completed either main educational programs of higher education or secondary vocational education, in 2020.

Document: Draft Resolution of the Russian Government

The wording in the employee's statement about termination of employment of his/her own free will may indicate the illegality of dismissal

The Supreme Court of the Russian Federation clarifies: if, in the statement, the employee indicates that he/she resigns of his/her own accord, due to the violation of his/her rights by the employer, and a conflict that has arisen, the dismissal may be considered illegal.

The reluctance of the employee to leave the organization is indicated by the wording in the statement.

Document: Decision of the Supreme Court of the Russian Federation dated 05.04.2021 N 5-KГПР20-165-K2

LABOR LEGISLATION

The Ministry of Labor and Social Protection explained that to extend a fixed-term employment contract is possible only in exceptional cases

The agency repeated that under the general rule, a fixed-term employment contract cannot be reissued, nor extended. After its completion, a new one should be concluded, if there are grounds for doing so. In certain cases, there are exceptions. For example, if, according to the employee's application, it is necessary to extend the term of the employment contract until the end of pregnancy.

Document: Letter of the Ministry of Labor and Social Protection of the Russian Federation dated 27.04.2021 N 14-2/OOF-3772

The court questioned the correctness of setting a term in the employment contract without substantiating the grounds

An employee challenged his dismissal due to the end of his employment contract. He believed that the organization should not have set a term.

The first instance and the appeal courts found the dismissal legal. The type of employment contract is conditioned by the temporary nature of work, on one of the organization's projects.

The cassation court disagreed: the employment contract does not specify the grounds for setting a term. In addition, a day before the conclusion of the fixed-term employment contract, an open-term employment contract, with the employee for another position, was terminated.

Document: Decision of the First cassation court of general jurisdiction of 15.02.2021 for/on case N 88-2631/2021

MIGRATION LEGISLATION

The questionnaire for those arriving to Russia to cross the border has been approved

The questionnaire includes, in particular, such information as: the address of registration, the address of actual residence for the next 14 days, whether it is planned to leave the territory of Russia in the next 15 days, the country to which it is planned to leave, whether a COVID-19 test was successfully taken in the next 72 hours prior to arrival to the Russian Federation, the name of medical organization that performed the test, the date of the test and the test result.

Also, the questionnaire confirms the consent, of the arriving person, for the processing of personal data and acceptance of liability, related to the provision of deliberately-false information.

Document: A questionnaire for people coming to Russia to cross the border (approved by the Federal Service for the Oversight of Consumer Protection and Welfare (Rosпотребнадзор)

The Ministry of Internal Affairs pointed to the need for a number of foreigners to extend the period of their temporary stay in Russia

The agency reported that foreigners, who violated the rules of temporary stay, have the opportunity to extend their stay until June 15th. This applies to primarily to those who work in Russia, although there could have been other purposes of his/her coming to the country.

To extend his/her stay, a foreigner should, within the shortest possible period of time, submit a reasoned statement, in arbitrary form, to the Ministry of Internal Affairs, at the place of actual location. It is also required to produce a valid ID card and a migration card, if applicable.

Document: Information of the Ministry of Internal Affairs of the Russian Federation dated 25.05.2021 (https://мвд.рф/mvd/structure1/Glavnie_upravlenija/guvm/news/item/24364640/)

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