



8th of July 2021

Russian Legislation Update

ACCOUNTING AND TAX

The Ministry of Finance gave clarifications on the calculation of the share of revenues from IT services

In its letter, the Ministry of Finance of the Russian Federation clarified that, when calculating the share of income from IT services, which will enable organizations to apply income tax benefits, it is also possible to take into account the share of income from work performed by subcontracting organizations.

Document: Letter from the Russian Ministry of Finance dated 22.04.2021 N 03-03-06/1/30725.

New measures are planned to support small and medium-sized businesses

At the International Economic Forum in St. Petersburg, on June 4th, the President of the Russian Federation put forward a number of proposals to further support small and medium-sized businesses in connection with the situation caused by the epidemiological situation:

- 1) To reimburse the commission fees paid, within the Faster Payments System, during 2021, to small and medium-sized businesses selling goods and providing services to the public.

2) Since the beginning of 2022, to exempt catering enterprises from VAT, the revenue of which will not exceed 2 billion rubles per year.

3) To save the right of catering companies to reduced contributions of 15%.

Document: [Information from the website of the President of the Russian Federation as of 04.06.2021](#).

Amendments to Law 63-FZ “On Electronic Signature” come into force from July 1st, 2021

From July 1st 2021, only Federal Tax Service Inspectorates (FTSIs), certification authorities and accredited certification centers, which are detailed on the website of the Ministry of Digital Development, Communications and Mass Media of the Russian Federation, will be able to issue an Electronic Digital Signature (EDS). This will be possible during a personal visit of the head of the organization.

The EDSs that expire after July 1st will need to be processed under the new procedure.

Those EDSs, that do not expire, will be valid until January 1st 2022, and then, they will also have to be received under the new procedure.

Document: Federal Law of 11.06.2021 N 170-FZ.

PAYROLL AND HR RECORDS KEEPING

Personal Income Tax calculation when paying dividends to a resident

According to explanations of the Federal Tax Service and the Ministry of Finance, the tax base on the Personal Income Tax (NDFL) from dividends is defined as: the sum of all dividends that the resident has received for the year. The NDFL rate depends on the size of the tax base.

The dividend tax base is calculated separately from other incomes.

Documents: Letter of the Russian Federal Tax Service dated 22.06.2021 N BS-4-11/8724; Letter of the Russian Ministry of Finance dated 07.06.2021 N 03-04-05/44556.

From February 1, 2022, the rule on the protection of minimum income, when collecting money from individuals, will come into force

A citizen (a debtor in enforcement proceedings) will be given the right to apply to the bailiffs for the preservation of his/her monthly income, to the extent of subsistence line. If there are dependents, the citizen will be able to ask the court to save from foreclosure a larger amount. The amendments will take effect on February 1st 2022 (clause 3 of Article 2, Article 3 of the Law).

The subsistence minimum for able-bodied citizens for Russia, as a whole, is 12,702 rubles.

When receiving the application, the bailiff will make a decision and document, in his ruling, the requirement to keep the income. Banks and employers will have to comply with this requirement when withholding money from the person's pay, unless the citizen is charged for alimony, or pays for damages as a result of a crime (clauses 4 and 6, Article 2 of the Law).

Document: Federal Law of 29.06.2021 N 234-FZ.

Rules for counting the average number of persons, listed as employed, in the of report on insurance payments, in case of reduced contributions for the new IT company

To determine the average number of persons listed as employed for Line 010 of Annex 5 to the calculation of insurance payments, it is necessary to add the average staff number for each calendar month, from the date of creation to the end of the reporting, or settlement, period, and divide by the number of such months.

However, there are other rules for the "Average Number" field on the front page: the amount of the average number for all months of work, in the quarter, or the year, should be divided by 3 or 12.

These figures may differ due to a difference in the calculation.

Document: Letter of the Russian Federal Tax Service dated 17.06.2021 N BS-4-11/8511@.

Remuneration for work on weekends, if employee chooses time off

Wages for the month, in which the employee took a day-off, for work on a weekend, or holiday, shall be paid in full. This day shall be excluded from the norms for hours of work. If an employee leaves service without using the right to rest, he/she should be paid extra for work at the weekend.

Document: Letter of the Russian Ministry of Labour and Social Protection dated May 18, 2021 N 14-6/OOG-4466.

Changed rules for employment record book maintenance

The order, on changing the rules for keeping and filling labour books, will come into force on September 1st.

The employment record book form and an insert form will change: the number of pages for job information will be increased and for information about awards will be decreased. There will be no changes in the content of the document.

The records are allowed to be entered both manually and by technical means, or stamps (seals).

If an employee is terminated/dismissed due to a transfer to another organization, the name of the new employer should be indicated.

The employer will have to develop his own forms of books to account for employment record books and inserts therein, as well as their forms. They latter should be numbered, stitched, confirmed with the signature of the executive, and sealed.

It is possible to maintain already-existing books until they finish.

Document: Order of the Ministry of Labour and Social Protection of Russia of 19.05.2021 N 320n.

Mandatory transfer of employees to remote work

From June 28th, legal entities and sole proprietors operating in Moscow must transfer at least 30% of employees, and those working under civil law contracts, to remote work. This transfer is also mandatory for all employees over 65 years old and those who have diseases from the special list.

This requirement does not apply to two groups of employees:

- Those, whose presence is critical to employers;
- The employees, who have received both components of the COVID-19 vaccine, or a single-component vaccine.

There is no requirement to report on the transfer of employees to remote work.

Document: Decree of the Mayor of Moscow dated 25.06.2021 N 38-UM.

LABOR LEGISLATION

The Ministry of Labor explained whether it is necessary to conduct a briefing on health and safety with a remote employee

The agency reminded all that an employer's responsibilities to ensure safe conditions and health and safety of remote employees are limited. The remote worker should be made aware only of health and safety requirements, when dealing with equipment and facilities, if the worker has been recommended, or been provided with the equipment and facilities. In other cases, there is no need to provide briefings and training on work safety. At the same time, the employer may provide for such a duty (e.g. in the employment agreement).

Document: Letter of the Ministry of Labour and Social Protection of Russia dated 26.02.2021 N 15-2/OOF-493.

The State Duma adopted a new version of the Chapter on Work Safety of the Labor Code of the Russian Federation

The State Duma, in the third reading, approved the idea of improving the mechanisms for prevention of industrial injuries and occupational diseases. It is proposed to carry out more activities on preventive measures. Organizations will have to identify hazards and professional risks in the workplace, analyse and assess working conditions, keep records of microtrauma and investigate the causes of their occurrence.

In addition, organisations may maintain electronic paperwork in the field of occupational health and work safety, with the help of equipment for remote video, audio or other registration.

The changes are scheduled to take effect on March 1st 2022.

Document: [Draft Federal Law N 1070354-7](#).

In a number of areas, employers in Moscow and Moscow Region must vaccinate at least 60% of employees against COVID-19

Some employers and owners of services in Moscow and the Moscow Oblast (Region) are obliged to ensure vaccinations against coronavirus, among staff and people working under civil law contracts. At least 60% of staff must be vaccinated in a number of areas, such as:

- Trade;
- Services of cosmetic, massage and spa salons, baths, fitness clubs;
- Personal services;
- Catering;
- Education, health, social protection and social services;
- Leisure, entertainment events and activities.

From July 1st to July 15th, compliance must be reported. The information should be transmitted electronically, using the employer's personal account (for Moscow – on mos.ru website, for Moscow Oblast - on uslugi.mosreg.ru website).

Documents:

[Decree of the Chief Public Health Officer for the City of Moscow of 15.06.2021 N 1;](#)

[Decree of the Mayor of Moscow dated 16.06.2021 N 32-UM;](#)

[Decree of the Chief Public Health Officer for Moscow Oblast dated 16.06.2021 N 3;](#)

[Decree of the Moscow Oblast Governor dated 16.06.2021 N 184-ПГ.](#)

MIGRATION LEGISLATION

The President has taken new measures in relation to foreigners, in connection with the pandemic

Foreigners and stateless persons will not be expelled from the Russian Federation, their temporary stay will not be reduced and there will not be any prohibition on their entry until September 30th.

From June 16th to December 31st, it is permitted to enter into labor and civil contracts, with foreigners from the EAEU, to perform works, or provide services, without considering

the requirements for the stated purpose of their visit to Russia. The purpose is not taken into account either when issuing (reissuing) a patent for “visa-free” foreigners. They will be able to submit documents, even with a violation of deadlines. Such foreigners have the right to work until the end of their contracts, patents or work permits.

Until December 31st, organizations can apply for the issuance, or extension, of work permits to foreigners having a visa. The purpose of coming into the country is also unimportant. The main thing is that the employer has a permission to hire foreigners and observes restrictions and other sanitary standards.

The suspension of some terms, up to 90 days from the date of opening of borders with a foreign State, has been extended, for example:

- Temporary stay, registration at the place of residence, valid visa and migration card;
- Temporary residence permits and permanent residence permits.

The terms of temporary or permanent residence, registration at the place of residence, validity of refugee certificates and certificates of temporary asylum in Russia have been extended until December 31st.

Document: [Decree of the President of Russia of 15.06.2021 N 364](#)

From June 28th, 2021, regular air services with Belgium, Bulgaria, Jordan, Ireland, Italy, Cyprus, Northern Macedonia, the United States and Turkey have been resumed

Also, from June 28, the air service with the United States will be resumed on routes Moscow - Washington and Moscow - New York, with a frequency of 2 flights per week.

In addition, it has been decided to restore regular and charter flights with Turkey from June 22nd 2021 on routes, and with the frequency, agreed before its suspension.

Given the difficult epidemiological situation in Tanzania, the current restrictions on air traffic have been extended through 19th July 2021.

Information from the official website of the Russian Government of 18.06.2021: “Russia resumes air service with Belgium, Bulgaria, Jordan, Ireland, Italy, Cyprus, Northern Macedonia, USA and Turkey.”

Austria, Hungary, Lebanon, Luxembourg, Mauritius, Morocco, and Croatia are included

in the list of countries, for whose citizens' restrictions on entry to Russia, through air checkpoints, have been removed

Citizens of the Russian Federation, on the basis of reciprocity, may also travel to any of these countries.

Document: Order of the Government of the Russian Federation dated 18.06.2021 N 1649-r "On amendments to the Order of the Government of the Russian Federation of 16.03.2020 N 635-r."

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