



11th of August 2021

Russian Legislation Update

ACCOUNTING

As of July 8th 2021, a goods traceability system has come into operation

On July 8th, the RF Government Regulation: «On Approval of the List of Goods to be Traced», and also the list of traceable goods, came into force.

The traceability system involves a number of imported goods that circulate in Russia. In particular, refrigeration and freezing equipment, washing-machines, monitors and projectors, television receivers, industrial and warehouse specialized vehicles, perambulators and child booster seats. It is necessary to account for traceable goods, both in case when they were purchased for reselling, and in case when an organization uses them in its activities.

Each batch of imported goods is assigned a batch registration number (BRN). When goods are imported from countries outside EAEU. It is the importer who creates the BRN, on the basis of the customs declaration. If goods were purchased from EAEU member countries, and were owned by an organization as of July 8th 2021, the BRN is assigned, by a tax authority, on the basis of a notification on the inflow of goods from EAEU, or notification about the stock as of July 8th.

Notification about the stock, on the company balance sheet on July 8th, is to be sent to tax authorities no later than the date of the goods' sales, or other transfer to third parties. For organizations applying special tax regimes, an obligation has been established to submit a report about operations for the receipt and transfer of traceable goods.

The due date for the report submission is the 25th day of the month following the quarter termination. Organizations - VAT taxpayers, under the general rules, do not submit a goods flow report, as tax authorities can receive this necessary information from the VAT reporting. Nevertheless, the legislation envisages a number of exceptions, when it is necessary to submit the report.

Further, the requirement has been established to submit a notification to tax authorities about the import of the goods from EAEU member countries. This notification should be submitted within 5 days, from the moment of the balance sheet recognition of the goods. Also, it is established that the invoice for selling traceable goods should be issued electronically. The exception is when goods are sold to an individual, or outside Russia. If a seller is not a VAT taxpayer, he should issue an electronic Integrated Delivery Note (IDN).

It is necessary to note that, for the transition period (at least 1 year), the Federal Tax Service ('FTS') does not establish responsibility for breaking the order of goods traceability, so that system participants can adapt their software to new requirements.

Document: RF Government Regulation of 01.07.2021 N 1108 "On Approval of the Statute on the National System for Goods Traceability", RF Government Regulation of 01.07.2021 N 1110 "On Approval of the List of Goods to be Traced".

Changes have been introduced to corporate property tax payment procedure and reporting

Starting from January 1st 2022, the change in the Tax Code shall come into force, whereunder Russian constituent entities shall be no longer authorized to independently establish due dates for property tax payment, and advance payments for it. The RF Tax Code secures March 1st as the due date for property tax payment, and the last day of the month following the reporting period, as a due date for advance payments.

Besides, starting with the 2022 reporting, organizations shall have the right not to submit declarations for real estate units for which cadastral value serves as property tax base. For such units, it is necessary to calculate the tax amount and pay it to the government. If necessary, tax authorities can request explanations about the tax calculations and supporting documents from organizations.

Also, from 2022, organizations will become entitled not to pay property tax for units that were destroyed, starting with the first month of the unit destruction. For this purpose, it will be necessary to submit a standard application form to FTS.

Document: Federal Law of 02.07.2021 N 305-FZ

Restriction for past losses record has been extended

An amendment has been introduced to the Tax Code, in accordance with which past losses can reduce current-year income tax base by amounts not exceeding 50%.

A previous version of the RF Tax Code established the validity period for this rule until the end of 2021; the revised version extends the period for three years – until 31.12.2024.

Document: Federal Law of 02.07.2021 N 305-FZ

PAYROLL AND HR RECORDS KEEPING

A new statute on employer check-ups has been approved

On July 1st, a new statute on check-ups was introduced.

Frequency of scheduled check-ups will not change and a risk-oriented approach will still be applied during check-up appointments.

Unlike the previous statute, the new law on check-ups does not specify cases when inspectors are obliged to use check lists.

Document: RF Government Regulation of 21.07.2021 N 1230

Minimum wage increase from 2022

The Ministry of Labour has suggested the increase of minimum wage, starting next year will be RUR 825: thus, the minimum wage will be RUR 13 617.

At the same time, the amount of minimum wage, in certain regions, can be established otherwise, by these constituent entities' authorities.

To determine the minimum wage amount, the median wage for the previous year is used. For example, in accordance with the Russian Statistics Agency, in 2020, it amounted to RUR 32 422. Minimum wage amounts to 42% of this index.

Documents: Draft Federal Law, Information from the Ministry of Labour of Russia of 06.07.2021

Application of the Personal Income Tax Progressive scale for individuals with several tax agents

Since 2021, the tax rate of 15% has been applied to individuals with personal income exceeding RUR 5 mln for the tax period. The Ministry of Finance clarifies that the tax agent should not take into account the individual's income from other organizations.

The tax amount is calculated excluding income received by the taxpayer from other tax agents, and tax amounts, withheld by other tax agents.

Should the individual's personal income from several organizations exceed the indicated amount for the tax period, additional payment of the tax should be made upon notification from the tax inspection.

Document: Letter of the Ministry of Finance of Russia of 11.06.2021 N 03-04-05/46440

Ministry of Finance clarification on fee introduction on payment for employees' rehabilitation after coronavirus

No fees are imposed on employer's payments, if employees' coronavirus treatment and rehabilitation was provided under a voluntary medical insurance contract, with the duration of at least one year.

In this case, the general rule on exemption from fees of payments, under long-term personal insurance contracts, is applied.

Document: Letter of the Ministry of Finance of Russia of 29.06.2021 N 03-04-06/51279

LABOR LEGISLATION

For Moscow employers, a memo has been prepared, how to file information about employees who have undergone vaccination against coronavirus

Organizations and individual entrepreneurs working in trade and service rendering, as well as public agencies of the city of Moscow, must provide information that more than 60%

of their employees have undergone vaccination against the new coronavirus infection. The indicated requirements apply to all employers from the above-mentioned areas of activities, working in Moscow, regardless the domicile of a legal person, or individual entrepreneur.

In this regard, it is explained, in particular:

- what information should be provided;
- when it is necessary to file information about employees;
- where one can file information about employees;
- how to file information about employees;
- how to calculate the percentage of vaccinated employees.

Besides, employers can receive any necessary consultation:

- by telephone: +7 (495) 197-97-77;
- in the specialized section of i.moscow portal.

Document: "How an employer can file information about employees who have undergone vaccination against Covid-19" (information from the official site of the Mayor of Moscow of 01.07.2021)

Federal Labour and Employment Service has reviewed issues related to suspension from work of employees who refused vaccination against coronavirus

The letter contains the following items, including:

- employees, working remotely, who refused vaccination and have no counter-indications, can be suspended from work;
- date of suspension from work, due to refusal from vaccination, depends on vaccination timing, determined in certain regions by Chief State Health Inspectors in Russian constituent entities;
- if an employee refuses vaccination, the employer should ask for a written refusal, and then issue an order on the employee's unpaid suspension;
- statutes on mandatory vaccination do not apply to employees with counter-indications to vaccination, established by methodological recommendations to the vaccination procedure with GAM-COVID-VAC, EpiVacCorona and CoviVac medications, confirmed by a medical assessment report;
- the employer is entitled to request supporting medical documentation, from employees with counter-indications to vaccination.

Ministry of Labour and the Russian Federal State Agency for Health and Consumer Rights (Rospotrebnadzor) have prepared clarification for employers on arranging vaccination among their organized labour forces (personnel) and the procedure for recording the percentage of the vaccinees

Clarifications contain, among other things, the legal basis for vaccination, employee categories liable for vaccination, procedure for calculating the percentage of the vaccinated employees in the organization.

The Appendix contains action recommendations for employers, after decisions on preventive vaccination for epidemic cause are made by Chief Health Inspectors in Russian constituent entities.

Document: <Letter> of the Ministry of Labour of Russia of 23.07.2021 N 14-4/10/П-5532 <On sending Clarifications of the Ministry of Labour of Russia and the Russian Federal State Agency for Health and Consumer Rights on arranging vaccination among the organized labour force (personnel) and the procedure for recording the percentage of the vaccinees>

MIGRATION LEGISLATION

Belgium, Bulgaria, Jordan, Ireland, Italy, Cyprus, China, Lichtenstein, North Macedonia, and the United States of America are included into the list of countries, for which citizens now have the restrictions of entry to Russia, through air checkpoints, lifted

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

Document: Russian Government Resolution of 28.06.2021 N 1745-p < On amendments to the Order of the Government of the Russian Federation dated 16.03.2020 N 635-p>

The law has been signed, aimed at providing due control over temporary stays of foreign citizens, who have arrived in Russia

In particular, amendments, introduced to the Federal Law 'On Legal Status of Foreign Citizens in the Russian Federation', establish the possibility of extending temporary stays in Russia for certain categories of foreign citizens, including foreign citizens who have arrived in accordance with a procedure that do not require the receipt of a visa, and who are family members of a Russian citizen, or a foreign citizen – Russian permanent resident, domiciled in Russia.

Document: Federal Law of 01.07.2021 N 274-FZ "On Introduction of Changes to the Federal Law 'On Legal Status of Foreign Citizens in the Russian Federation' and the Federal Law 'On State Dactyloscopy Registration in the Russian Federation'

Draft regulation on establishing the quota for employees – foreign nationals for 2022 has been prepared

According to the draft, it is necessary to bring the number of foreign employees into compliance with the new requirements before January 1st 2022.

Document: Draft RF Government Regulation 'On establishing quota for 2022 for foreign employees used by economic entities, performing certain types of economic activity on the territory of the Russian Federation'

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