



12th of October 2021

Russian Legislation Update

ACCOUNTING

Testing employees for coronavirus, Ministry of Finance position regarding taxes and fees

If employees undergo COVID-19 tests or check antibodies as required by law, a company can account the expenses on medical services when calculating income tax. This is not the first time that the Ministry of Finance has recognized these amounts as other expenses. The Federal Tax Service approaches the same.

The employer undertakes testing of the personnel to ensure safe working environment. Employees do not have any income for personal income tax purposes. Finance and Tax authorities give similar explanation of the matter.

As for insurance deductions, it depends on how the testing is handled. If this is a direct contract with a medical organization, the payments are non-accrued. If employees are compensated for the research expenses, the payments shall be paid in accordance with the general procedure. The Ministry of Finance has given similar explanations earlier.

Document: RF Ministry of Finance Letter #03-03-06 / 1/71912 dated September 6, 2021

Ministry of Finance reminds about integrity of a counterparty

If a counterparty lacks any resources to exercise due care it does not mean that the taxpayer violates the Tax Code of the Russian Federation. However, this may be one of the signs of receiving an unjustified tax benefit. It is the Inspection burden to prove it.

Still, the taxpayer also shall exercise reasonable care in checking counterparties. It is reasonable to apply the risk assessment criteria developed by the Federal Tax Service, including the use of The Transparent Business service.

Document: RF Ministry of Finance Letter #03-02-11/71548 dated September 3, 2021

Updated application forms for tax offset and refund

From October 23, 2021, the new application templates are in use when contacting the tax inspectorate for overpayment offset or refund of. They also apply to the taxes to be refunded.

There are few discrepancies to the existing forms. For example, in addition to the revised barcodes there is no more field for the code of a tax (accounting) period.

The resolutions templates on offset and refund have been changed too.

Document: RF Tax Service Resolution # ED-7-8/757 dated August 17, 2021

PAYROLL AND HR RECORDS KEEPING

Interaction with the Employment Service since 2022: public discussion of data submitting deadlines and draft form of vacancies posting

From January 1, 2022, organizations will be required to post vacancies on the Work in Russia portal in the following cases:

- if the average staff number for the previous year was more than 25 people;
- if the average staff number is more than 25 people for newly created and reorganized legal entities.

The Ministry of Labor proposes to establish exact deadlines for employers to provide information to the employment service:

- Data about bankruptcy, data about disabled people employment – no later than the 10th working day of the month following the reporting;
- Data on existing vacancy – no later than the next day from the date of its occurring. If the data on vacancies does not change, such information shall be sent before the end of the reporting month.

The specified data shall be submitted in the format established by the Ministry of Labor. A separate form will be filled out for each vacancy including the requirements to candidates, job description and other information.

Documents: RF Ministry of Labor Draft order, Federal Law #219-FZ dated June 28, 2021

Substitute holiday schedule in 2022

The Government has approved the substitute holiday schedule as of 2022.

There will be the following days-off in 2022:

- December 31, 2021 - January 9, 2022;
- March 6 - 8;
- April 30 - May 3;
- May 7 - 10;
- June 11 - 13;
- November 4 - 6.

Document: RF Government Resolution # 1564 date September 16, 2021

LABOR LEGISLATION

Rostrud: trip of a remote worker within a settlement is not a business trip

Rostrud was asked to clarify how to process papers on the trip of a remote worker to the office. The department has explained that a business trip is an employee's forwarding to another location (territory), different from the location (territory) where the labor function is performed. A place of work means a settlement. If the employee does not travel outside the administrative boundaries of the settlement where his working place is, then he does not need to issue business trip documents.

Recall that earlier Rostrud considered any trip of the remote worker to the office as a business trip and did not specify the distance from the workplace.

Document: RF Rostrud (Federal Labor and Employment Service) Letter # PG/19582-6-1 dated July 15, 2021

MIGRATION LEGISLATION

Ministry of Internal Affairs of Russia reminds that foreign citizens not regulated legality of stay on the Russian territory until September 30, 2021 are subject to administrative liability

The terms of temporary stay, temporary and permanent residence, registration at the place of stay without the need to do anything to extend them, is still suspended regarding the foreigners legally staying in Russia and having settled their status until September 30, 2021. At the same time, such persons have the right to apply for provision of the migration related state services.

Until the end of 2021, obtaining and re-issuing a patent is possible without considering the requirements for the deadline for submission of documents and declared purpose of entry. Citizens of the EAEU countries retain the right to conclude employment contracts or civil law contracts regardless the stated purpose of visit, and employers who have permission to attract foreign workers may apply for issuance or renewal of work permits for foreign citizens not considering the requirements for the stated purpose of their visits to the Russian Federation.

Document: Information by RF Ministry of Foreign Affairs 'Official information'

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