



12th of December 2021

## Russian Legislation Update

### ACCOUNTING

#### Electronic format of reconciliation act

The Federal Tax Service is introducing an electronic format of reconciliation act that counterparties can exchange. This document can also be requested during a tax audit.

Document: Data from the RF Government site (<http://government.ru/news/43634/>)

#### Draft law on transition to special tax regime using electronic data is submitted for consideration

An experiment on introduction of an automated simplified tax system is planned in Moscow, Tatarstan, in the Moscow and Kaluga regions. It means that the data is automatically submitted to the tax inspectorate from a bank, cash register equipment or a taxpayer's personal account. Tax Inspection shall calculate the tax payable without getting a declaration.

Document: Draft Federal Law #20281-8 (<https://sozd.duma.gov.ru/bill/20281-8>)

## Draft law on exemption from import VAT of certain types of electronics and equipment

The import of products that have no analogues in Russia can be exempted from import VAT. To achieve this, organizations shall submit the conclusion of the Ministry of Industry and Trade to the Tax Inspectorate.

Document: Draft Federal Law #542-8

### **PAYROLL AND HR RECORDS KEEPING**

## The President signed the law on electronic HR workflow

The Labor Code of the Russian Federation has secured the ability to create, sign, use and store personnel documents in electronic form. To duplicate them on paper is not necessary.

For HR workflow, employers can use either their own information system or platform 'Work in Russia'.

Interaction with employees and job seekers in the new format is allowed only with their consent. From 2022, there is no need to get such a consent from persons who has no work experience as on December 31, 2021.

The new regulations do not apply to:

- Workbooks and information about work activities;
- Work accident reports;
- Orders (regulations) on dismissal;
- Documents that confirm labor protection trainings.

Documents: Federal Law #377-FZ dated November 22, 2021, Data from the RF President site dated November 22, 2021 (<http://kremlin.ru/acts/news/67163>)

## Transition to electronic HR documents shall be implemented until 2023

The Government has approved a program of digital transformation of the social sector. One of its tasks is to provide citizens and employers with the access to the information services through the 'Work in Russia' website.

Organizations will be able to use this portal for electronic HR document management. The program shall be implemented before 2023.

## Rostrud's clarification how to hire a person with experience but without a workbook

If an applicant does not have a workbook the employer may request the information in the STD-R or STD-PFR formats. There is a mark about the application on the choice of the workbook format.

If an applicant has lost a workbook, damaged it or has not presented it for any other reason, a new workbook shall be issued upon a written application. After that, the employee may choose, either continue to keep a paper workbook, or reject it.

Document: Rostrud Letter #PG/30991-6-1 dated October 20, 2021

## Days-off for vaccinated employees

The employers are encouraged to specify in the internal regulations the option to provide the COVID-19 vaccinated employees with two paid days-off.

In addition, Rostrud also indicated that, based on the Labor Code, various guarantees and compensations can be applied for the vaccinated employees participating in measures to prevent the spread of the coronavirus infection, such as: additional wage-protective days-off, possibility of taking them during the vacations, additional payments, remuneration of travel and food costs, etc.

Employers may establish the appropriate guarantees and compensations, taking into account the financial and economic state of the company.

Documents: RF Government information dated October 29, 2021, Rostrud Letter #PG/30991-6-1 dated October 20, 2021

## Approved single list of the Far North regions and equivalent territories

The Government has approved a single list of regions of the Far North and the areas equated to them.

In terms of geography, the list has not changed.

The list includes individual cities, urban districts, municipal districts and regions of the republics of Altai, Buryatia, Karelia, Komi, Tyva, Trans-Baikal Territory, the Krasnoyarsk, Khabarovsk, Perm, Primorsky Territories, the Amur, Arkhangelsk, Irkutsk, Sakhalin, Tomsk, Tyumen Regions, Khanty-Mansiysk Autonomous Okrug - Ugra, the entire territory of the Republic of Sakha (Yakutia), the Magadan and Murmansk Regions, the Nenets, Chukotka, Yamalo-Nenets Autonomous Districts and the entire Kamchatka Territory.

The Government Decree will enter into force on January 1, 2022.

Document: RF Government Decree #1946 dated November 16, 2021

## Updated categories of employees applying for additional labor guarantees

The list of persons with additional labor guarantees have been expanded. The following categories were identified (in addition to the existing ones):

- Employees raising children under 14 years old without a spouse;
- Foster parents of children under 14 years old;
- Employees with children under 14 years old, if the other parent is a rotation worker;
- Parents of 3 or more children under 18 years old, the youngest of whom is less than 14.

These persons may be engaged in the night work, overtime work and work on weekends and holidays only with their consent and without contraindications for health reasons. They shall be informed in writing about their right to refuse the named work.

For business trips of such workers, their consent and absence of medical contraindications will also be required. The same travel restrictions apply to the workers with disabilities.

Documents: RF Federal Law #372-FZ dated November 19, 2021, Federal Law #373-FZ dated November 19, 2021

## Hiring order is now optional

From November 22, 2021 hiring is formalized by an employment contract.

The employer may issue a hiring order, but this document is no longer mandatory.

The content of the employer's order shall comply with the terms of the concluded employment contract.

Document: RF Federal Law #377-FZ dated November 11, 2021

## Maximum base for calculating insurance premiums in 2022

In accordance with the Decree of the Government of the Russian Federation #1951, of November 16, 2021 the maximum size of the base for calculating insurance contributions

for compulsory pension insurance, compulsory social insurance in case of temporary disability and maternity has been established from January 1, 2022.

The maximum base for contributions of compulsory pension insurance will be RUB 1,565,000, for contributions of compulsory social insurance in case of temporary disability and maternity – RUB 1,032,000.

Document: RF Government Decree #1951 dated November 16, 2021

## Approved minimum wage for 2022

The State Duma has approved a draft law proposed by the Government to increase the minimum wage up to RUB 13,890. The new law will enter into force on January 1, 2022.

Document: <https://sozd.duma.gov.ru/bill/1258300-7>

## New regulations for alimony recovery have entered into force

The Government has issued a new list of incomes from which child support is withheld (Decree #1908 of November 02, 2021). It is valid from November 11, 2021, the old list of July 18, 1996 (Decree #841) is canceled.

The list of incomes from which the child support is added by:

- Interest on bank deposits;
- Income of self-employed persons (earlier the Ministry of Finance mentioned in letter #27-3/OOG-4275 dated February 11, 2021 that the alimony from this income is withheld);
- Amounts of the received PIT deduction (regardless of how it was received, in the tax office or at work);
- Income from the sale of real estate during economic activities.

Only the salary in cash will now be considered for alimony calculation; income in kind is not taken into account.

Document: RF Government Decree #1908 dated November 2, 2021 'On types of wages and other income, from which alimony for minor children is withheld, and invalidation of some acts and certain provisions of some acts of the Government of the Russian Federation'

## New codes of income and deductions for personal income tax

Since November 9, 2021, Federal Tax Service has supplemented the list of income and deduction codes for personal income tax. The tax authorities updated the list of codes of income and deductions for personal income tax due to introduction of new types of expenses on which a social deduction is provided.

Document: Federal Tax Service Order #ED-7-11/844 dated September 28, 2021

### LABOR LEGISLATION

## The court has recognized that it is impossible to fire a part-time worker with a child under 3 years old because of the main employee hiring

The labor contract with a part-time worker was terminated due to hiring of the main employee. The part-time worker challenged the organization's actions declaring that she had a child under 3 years old.

The Mytishchi City Court of the Moscow Region and the Judicial Collegium for Civil Cases of the Moscow Regional Court sided with the employee. She was dismissed on an additional basis, which means at the initiative of the employer. In such cases it is forbidden to terminate the employment contract with persons who have 'family responsibilities', in particular children under 3 years of age. Therefore, the Mytishchi City Court of the Moscow Region reinstated the employee in her position.

Document: Decision of the 1st Court of Appeal #88-21617/2021 dated September 13, 2021

## Moscow City Court sided with the employee from whom the employer wanted to collect an organization fine

A company was fined for a discrepancy in notifications of foreigners' admission. The employer decided to recover these costs from the HR officer who submitted the incorrect information.

The Tverskoy District Court and the Moscow City Court sided with the employee. The fine does not apply to the actual direct damage to the company. The employer was accused of a violation, so the company should be held responsible. The employee is not obliged to reimburse the expenses.

Document: Appellate Decision of the Moscow City Court #33-38671/2021 dated September 28, 2021

## MIGRATION LEGISLATION

### Ministry of Labor explained how to apply quotas for foreign workers by type of activity in 2022

In October, quotas for attracting foreign employees in various activities were set for the next year. The Ministry of Labor mentions, if an employer indicates even one of the activities as additional, restrictions apply.

In addition, the officials recalled that citizens of Armenia, Belarus, Kazakhstan, Kyrgyzstan, and highly qualified specialists can be admitted outside the quotas.

Document: RF Ministry of Labor #16-4/10/B-13774 dated October 19, 2021

### Electronic VHI policies for labor migrants from December 4, 2021

Voluntary medical insurance contract for labor migrants may be concluded in the electronic form. In addition, from April 1, 2022, contracts for provision of voluntary medical insurance should be valid throughout the whole territory of Russia.

Document: Bank of Russia Resolution #5974-U dated October 11, 2021

### Forms, descriptions and document recording procedure confirming mandatory state fingerprint registration and photographing for foreign citizens and stateless persons arriving to the Russian Federation come into force on December 29, 2021

Forms, descriptions, procedures for recording documents, including in the form of electronic carrier of information, that confirm the passage of mandatory state fingerprint registration and photographing by foreign citizens who have arrived to the Russian Federation for purposes not related to labor activities for a period exceeding ninety calendar days, or to carry out labor activities.

The provisions of Federal Law #274-FZ of July 1, 2021 'On Amendments to Federal Law 'On Legal Status of Foreign Citizens in the Russian Federation' and Federal Law 'On State Fingerprint Registration in the Russian Federation' have been implemented.

Document: RF Ministry of Internal Affairs #800 dated November 2, 2021 'On approval of forms, descriptions, procedure for recording documents confirming compulsory state fingerprint registration and photographing by foreign citizens and stateless persons who arrived to the Russian Federation for purposes not related to the labor activities for period exceeding ninety calendar days, or for employment purposes'

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