

A background image of a city skyline at sunset, with several tall glass skyscrapers reflecting the orange and yellow light of the setting sun. A large, semi-transparent blue shape with a yellow-to-green gradient border is overlaid on the right side of the image.


Legislative Changes Review

February, 2021


Main events in February:

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The Ministry of Finance of Russia clarified the procedure for applying a preferential rate of 5% on the agreements for the avoidance of double taxation with Cyprus, Malta and Luxembourg, taking into account the recently introduced amendments

A blue circular icon with a white border.

There was prepared a draft law for the 3rd reading on the extension of the possibility of absentee voting for JSCs and LLCs on the approval of annual reports and annual balance sheets for 2021, as well as on simplifying the procedure for a foreign legal entity to obtain the status of an international company in the Russian Federation

A blue circular icon with a white border.

There were increased administrative fines for violations of the RF laws in the scope of personal data

Bookkeeping and Tax Accounting

1. The Ministry of Finance has updated the list of international agreements of the Russian Federation on the avoidance of double taxation as of January 1, 2021

"The List of international agreements for the avoidance of double taxation between the Russian Federation and other states (as of 01.01.2021)" (published at <https://minfin.gov.ru>)

Comments

On the website of the Ministry of Finance, the list of international agreements on the avoidance of double taxation between the Russian Federation and other states has been updated as of 01.01.2021. This list includes protocols to agreements with Cyprus and Malta, which increase tax rates.

These protocols are temporarily applied from 01.01.2021 and come into force from the date of the last written notification on the completion of domestic procedures⁶ required for the specified protocols coming into effect.

2. The Central Bank of the RF: the key rate hasn't been changed

Information of the Bank of Russia of 12.02.2021

Comments

The Bank of Russia has again stayed the key rate at the level of 4,25%.

3. The Ministry of Finance of Russia clarified the procedure for applying a preferential rate of 5% on the agreements for the avoidance of double taxation with Cyprus, Malta and Luxembourg, taking into account the recently introduced amendments

Information of the Ministry of Finance of Russia "Clarification of the Ministry of Finance of Russia on the Application of a Preferential Rate for DTT with Countries" (published on the website <https://minfin.gov.ru/>)

Comments

According to the general rule, after the rate change the tax rate at the source of payment on the aforesaid agreements is no more than 15% with respect to incomes in kind of dividends and interests.

However there's a list of exceptions according to which a maximum preferential rate of 5% will be applied to a part of incomes in the form of dividends and interests (for institutional investments, as well as for public companies).

The Ministry of Finance has explained that the rate of 5% shall apply to payments of incomes in kind of dividends and interests by Russian organisations to public companies from contracting countries if a number of conditions are fulfilled, in particular:

- Companies, having the actual right for income, which shares are quoted on the registered stock exchange with a minimum 15% share of stocks in free circulations;
- Owning at least 15% of capital of the company, paying the specified incomes during the year.

At the same time, based on the provisions of the Agreements with Cyprus, Luxembourg and Malta, the term "registered stock exchange" means any stock exchange established and regulated as such by the legislation of any of the contracting countries, that is, Russia or a partner state under the Agreement.

It should also be borne in mind that the Agreements with Cyprus and Luxembourg set forth that in order to receive benefits on incomes in the form of dividends, both the company shares and depositary receipts thereon can be traded on the stock exchange. Whereas, in relation to incomes in the form of interests, a reduced rate shall apply, provided that only shares are traded on the stock exchange. With respect to the Russian-Maltese Convention, the 5% tax rate is not applied on the payment of both dividends and interests to public companies that have depositary receipts in a free circulation, rather than shares.

Civil Law

1. There was prepared a draft law for the 3rd reading on the extension of the possibility of absentee voting for JSCs and LLCs on the approval of annual reports and annual balance sheets for 2021, as well as on simplifying the procedure for a foreign legal entity to obtain the status of an international company in the Russian Federation

The Draft Federal Law No.1026967-7 "On Amendments to the Federal Law" "On International Companies and International Funds" and on the Suspension of Certain Provisions of the Federal Law "On Joint Stock Companies" and the Federal Law "On Limited Liability Companies" (text to the 3rd reading)

Comments

According to the planned changes in 2021, the general meeting of shareholders of a JSC, the agenda of which includes the issues specified in p.2 art.50 the Federal Law of December 26, 1995 No.208-FZ "On Joint Stock Companies" (for which it is usually prohibited to hold an absentee meeting), by decision of the board of directors (supervisory board) can be held in the form of absentee voting.

Also in 2021, the general meeting of the participants of a LLC, the agenda of which includes the issues specified in par.2 p.1 art.38 the Federal Law of February 8, 1998 No.14-FZ "On Limited Liability Companies" (for which an absentee meeting is also usually prohibited), by decision of the executive body of the LLC can be held in the form of absentee voting (by poll).

In addition, the list of countries has been expanded, in one of which a foreign legal entity shall be registered (established) in order to obtain the status of an international company or an international fund. Apart from the member countries of the Financial Action Task Force (FATF), and (or) a member of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering and the Financing of Terrorism (MONEYVAL), a foreign legal entity may be registered in one of the member countries of the following organizations:

- The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG),
- The Asia-Pacific Group on Money Laundering (APG),
- The Eastern and Southern Africa Anti-Money Laundering Groups (ESAAMLG),

The Financial Action Task Force of Latin America (GAFILAT),

- The Middle East and North Africa Financial Action Task Force (MENAFATF),
- The Caribbean Financial Action Task Force (CFATF),
- The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA),
- The Central African Action Group against Money Laundering (GABAC).

It was also clarified that when an international company is reorganized in the form of a merger with another international company, the newly created legal entity is an international company, provided that the location of the business entity created as a result of the reorganization is located within the territory of a special administrative region determined in accordance with the Federal Law "On special administrative regions on the territories of the Kaliningrad region and the Primorsky Territory".

2. The Family Code of the Russian Federation restricts the application of international agreements in accordance with the amendments to the Constitution of the Russian Federation

The Federal Law of 04.02.2021 No.5-FZ "On Amending Article 6 and 165 the Family Code of the RF"

Comments

The Family Code of the RF was added by a provision, stating that it is not allowed to apply the rules of international agreements in their interpretation that contradicts with the Constitution of the Russian Federation, as well as the foundations of legal order and morality. Such a contradiction can be established in the manner determined by a federal constitutional law.

The changes came into force since 04.02.2021.

3. You can find out information on the status of enforcement proceeding according to its number on the portal Gosuslugi.ru

Information of the Ministry of Digital Development, Communications and Mass Media of Russia of 04.02.2021 "Data on the status of enforcement proceedings is now available on the portal Gosuslugi.ru" (published on the website <https://digital.gov.ru/>)

Comments

The Ministry has informed that there's a new FSSP service on the Gosuslugi.ru portal which will enable to receive online information on the status of an enforcement proceeding.

In order to send a request, it is enough to indicate the number of the enforcement proceeding. The response to the request will contain the reason and the amount of debt, the restrictions imposed on the debtor, the actions of the bailiffs in the enforcement proceedings, etc.

4. It is allowed in 2021 to conduct absentee voting for JSCs and LLCs on the approval of annual reports and annual balance sheets and there was simplified the relocation of foreign companies to Russia by way of re-domiciliation

The Federal Law of 24.02.2021 No.17-FZ "On Amendments to the Federal Law "On International Companies and International Funds" and on the Suspension of Certain Provisions of the Federal Law "On Joint Stock Companies" and the Federal Law "On Limited Liability Companies"

Comments

The law establishes simplified rules of corporate procedures for JSCs and LLCs in 2021. For JSCs, the possibility of absentee voting at the general meeting of shareholders is provided, the agenda of which includes the following issues:

- on the election of the board of directors (supervisory board) of the company,
- on the election of the audit commission of the company,
- on the approval of the auditor of the company,
- on the approval of the company annual report,
- on the approval of the annual accounting (financial) statements of the company.

In an LLC a general meeting of participants can be held in the form of absentee voting (by poll), the agenda of which includes the following issues:

- on the approval of the company annual reports,
- on the approval of the company annual accounting balance sheets.

At that, the possibility of absentee voting does not arise automatically, but on the basis of the decision of the authorized management body of the company. The decision on absentee voting shall be made:

- in JSC - by the board of directors (supervisory board);
- in LLC – by the executive body of the company.

In addition, the list of countries has been expanded*

In the event if an international company joins another international company, the status of an international company is retained by the international company to which the merger is carried out.

When an international company of one organizational and legal form is transformed into an international company of another organizational and legal form, the rights and obligations of the reorganized international company in relation to other persons do not change, with the exception of the rights and obligations in relation to the founders (participants), the change of which is caused by the reorganization.

The changes came into force since 07.03.2021.

5. For the Russian Federation the legalization of documents, drawn up by diplomatic agents or consular officials, is canceled from 09.03.2021

The Letter of the Ministry of Foreign Affairs of Russia of 10.02.2021 No.4309/kd "On the European Convention on the Abolition of the Legalization of Documents, Drawn up by Diplomatic Agents or Consular Officials for Russia entry into force"

Comments

The Ministry of Foreign Affairs of the Russian Federation informs that on March 9, 2021, the European Convention on the Abolition of the Legalization of Documents, Drawn up by Diplomatic Agents or Consular Officials of June 7, 1968 (hereinafter - the Convention) comes into force for the Russian Federation.

In addition to Russia, 24 states are parties of the Convention; Austria, Belgium, Great Britain, Germany, Greece, Ireland, Spain, Italy, Cyprus, Liechtenstein, Luxembourg, Malta, Moldova, Netherlands, Poland, Norway, Portugal, Romania, Turkey, France, Czech Republic, Switzerland, Sweden and Estonia.

The Convention provides for exemption from consular legalization of documents drawn up by employees of diplomatic missions and consular offices of the countries participating in the Convention.

In this regard, starting from March 9, 2021, certificates on the absence of obstacles to marriage, certificates of no criminal record and other documents usually issued by the embassies and general consulates of these foreign states no longer need to be legalized by the Consular Department of the MFA of the RF.

6. There were increased administrative fines for violations of the RF laws in the scope of personal data

The Federal Law of 24.02.2021 No.19-FZ "On Amending the Code of Administrative Offences of the RF"

Comments

Changes in article 13.11 the Code of Administrative Offences of the Russian Federation significantly increase the amount of administrative fines for all violations of the RF laws in the scope of personal data. In addition, there was introduced liability in an increased amount for the repeated commission of the following violations:

- processing of personal data in cases not provided by the legislation of the Russian Federation in the scope of personal data, or processing of personal data incompatible with the purposes of collecting personal data,
- processing of personal data without a written consent of the subject of personal data to the processing of its personal data in cases where such consent shall be obtained in accordance with the legislation of the Russian Federation or processing of personal data in violation of the requirements established by laws of the RF to the scope of personal data, included in the written consent of the subject of personal data to the processing of its personal data.

Besides that, the CAO of the RF was added by new articles which set forth administrative liability in the scope of communication and information:

- violation of legal requirements for the installation of technical means to counter threats to the stability, security and integrity of the functioning of the information and telecommunication

network "Internet" and public communication network on the territory of the Russian Federation, or technical means of monitoring compliance by telecom operators, owners or other possessors of technological communication networks with legal requirements providing for the restriction of access to information (article 13.42);

- violation of legal requirements for ensuring the operation of traffic exchange points or legal requirements for ensuring the stable operation of communication facilities that ensure interaction with other communication facilities (article 13.43);
- failure to fulfill the obligation to use, in order to identify in the information and telecommunications network "Internet" network addresses corresponding to the domain names of hardware and software (including communication facilities), functioning in accordance with the requirements established by the authorized federal executive body, as well as the national system domain names (article 13.44);
- violation of the requirements of the legislation on the centralized management of the public communications network (article 13.45);
- failure to comply with the obligation to implement the requirements for networks and communication facilities used for activities by authorized state bodies carrying out operational investigative activities or ensuring the security of the Russian Federation (article 13.46);
- failure of the owner of the information resource involved in violations of fundamental human rights and freedoms, rights and freedoms of citizens of the Russian Federation, warning about the need to stop illegal actions (article 19.7.10-3).

The changes come into force on March 27, 2021, with the exception of the provisions that come into force on February 1, 2023 - on liability for non-compliance by the telecom operator, the owner or other possessors of the technological communication network, or the organizer of the dissemination of information on the Internet, who have a unique identifier of a set of communication facilities and other technical means in the information and telecommunication network "Internet", the obligation to comply with the requirements established by the federal executive body in the field of communication, to ensure the stable functioning of communication facilities that ensure interaction with communication facilities of other communication operators, owners or other possessors of technological communication networks, including those located outside the territory of the Russian Federation.

7. There was introduced administrative liability for financial violations while organizing public events

The Federal Law of 24.02.2021 No.24-FZ "On Amending the Code of Administrative Offences of the RF"

Comments

The amendments provide for a fine of up to 20 thousand rubles for citizens, up to 200 thousand rubles for legal entities for violation by the organizer of a public event of the established procedure for collecting, returning, transferring to the federal budget or spending money on organizing and holding a public event, failure to submit or untimely submission to the authorized body of a report on the expenditure of funds and (or) other property collected for the organization and conduction of a public event, or its submission in the incomplete or distorted form (p.9 art. 20.2 the Code of Administrative Offences of the Russian Federation).

For the transfer (transfer) of funds and (or) other property for the organization and holding of a public event, committed by a person who is not entitled to transfer (transfer) funds and (or) other property for these purposes in accordance with federal law, a fine is provided for citizens in the

amount of 15 thousand rubles; for officials - up to 30 thousand rubles; for legal entities - up to 100 thousand rubles.

In addition, for the commission of administrative offences provided by art.19.3 of the CAO of the RF in the form of disobedience to a lawful order or demand of a police officer, a soldier or an employee of a body or institution of the penal system or an employee of the National Guard of the Russian Federation in connection with the performance of their duties to protect public order, and ensuring public safety, as well as preventing them from performing their official duties, an increased fine for citizens is established in the amount of 2,000 to 4,000 rubles (in case of a repeated offence - from 10,000 to 20,000 rubles), and the possibility of applying an administrative penalty to them is also fixed in the form of compulsory work.

The changes came into force since 07.03.2021.

Migration rules

1. Multiple entries to the RF were allowed to highly qualified specialists and their family members

The Resolutions of the RF Government of 06.02.2021 No.258-r "On Amending the Resolution of the RF Government of 16.03.2020 No.635-r"

Comments

Previously, for highly qualified specialists, as well as for their family members, only one entry into the Russian Federation was allowed (par.2, p.9 the Resolution of the Government of the Russian Federation of March 16, 2020 N 635-r).

From 06.02.2021, multiple entries into the Russian Federation are allowed for the specified category of persons.

As before, for entry it is necessary to include these persons into the list sent to the Federal Security Service of Russia and the Ministry of Internal Affairs of Russia by the federal executive body in whose sphere of jurisdiction is the organization - the employer or customer of works (services), or by the State Corporation "Rosatom", as well as the showing by the specified persons of valid documents proving their identity and recognized by the Russian Federation in this capacity, and visas or in a visa-free manner in cases stipulated by international agreements of the Russian Federation.

2. The Ministry of Health updated the requirements for the certificate of absence of HIV infection submitted by foreign citizens arriving to the Russian Federation

The Decree of the Ministry of Health of Russia of December 10, 2020 No.1313n "On Amending the Requirements for the Certificate of Absence of Human Immunodeficiency Virus (HIV Infection) Required by Foreign Citizens and Stateless Persons Arriving to the Russian Federation, approved by the decree of the Ministry of Health of the Russian Federation of 09.01.2019 No.1n "Registered in the Ministry of Justice of Russia on 05.02.2021 No.62398"

Comments

In order to apply for a visa to enter to the Russian Federation for foreign citizens and stateless persons arriving to the RF for a period of more than 3 months, foreign citizens and stateless persons

shall submit to diplomatic missions or consular offices of the Russian Federation a certificate issued by medical organizations on the RF territory or on the territory of foreign states.

A certificate issued by medical organizations on the territory of the RF is issued based on the results of a medical examination carried out in accordance with the Procedure for confirming the presence or absence of infectious diseases that pose a danger to others and are the basis for refusal to issue or revoke a temporary residence permit for foreign citizens and stateless persons, or a residence permit, a patent, a work permit in the Russian Federation, approved by the decree of the Ministry of Health of the RF of 29 June 2015 No.384n.

A certificate issued by medical organizations on the territory of a foreign state is issued based on the results of a medical examination for HIV infection using laboratory research methods for the total determination of antibodies of classes M, G (IgM and IgG) to the human immunodeficiency virus HIV-1 and HIV-2 (Human immunodeficiency virus HIV 1 / HIV 2) and p24 antigen in human serum or plasma.

The Ministry of Health has determined a list of data which shall be contained in a certificate submitted by foreign citizens and stateless persons to diplomatic missions or consular offices of the Russian Federation.

The new procedure came into force since 16.02.2021.

3. The Ministry of Industry and Trade of Russia announced what documents shall be submitted to the department in case of entry into Russia of foreign specialists participating in the adjustment and maintenance of foreign-made equipment

Information of the Ministry of Industry and Trade of Russia of 05.02.2021 "Clarifications on the entry of foreign citizens into the territory of the Russian Federation" (published on the website <https://minpromtorg.gov.ru>)

Comments

The Ministry of Industry and Trade of Russia (hereinafter - the Ministry) requires providing the Ministry with copies certified by the head of the organization:

- in case of obtaining an entry permit for highly qualified foreign specialists: an employment agreement or a civil agreement for the performance of works (provision of services) with an employer or customer of works (services);
- in case of registration for entry of foreign specialists invited for the purposes of maintenance and commissioning works on foreign equipment: contracts for the supply of equipment to the customer or equipment leasing, other civil agreements related to the purchase of equipment, amendments and additions thereto, as well as copies of the employment agreement or the civil agreement for the performance of works (provision of services) with the employer or the customer of works (services).

In addition, the Ministry of Industry and Trade requires sending an official letter from the organization to the Ministry with a list of foreign citizens participating in the above mentioned works.

If a positive decision is made by the Ministry of Industry and Trade of Russia, it is possible to check whether a foreign citizen is on the list for crossing the border on the Unified Portal of State Services and Functions (<https://fc.gosuslugi.ru/search>).

These documents should be sent to the Ministry email: info_admin@minprom.gov.ru.3.

4. The government has introduced a draft law to the State Duma on the obligatory fingerprinting registration and photographing of labor migrants

The Draft Federal Law No.1104310-7 "On Amendments to the Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation" and the Federal Law "On State Fingerprint Registration in the Russian Federation" Regarding the Regulation of the Temporary Staying Foreign Citizens in the Russian Federation"

Comments

The draft law supposes to introduce amendments to the Federal Laws of 25.07.2002 No.115-FZ "On the Legal Status of Foreign Citizens in the RF", and of 25.07.1998 No.128-FZ "On State Fingerprint Registration in the RF" which will ensure passing of the obligatory fingerprint registration, photographing and subsequent biometric identification, as well as medical examination of foreign citizens who arrived to the Russian Federation in a manner that does not require obtainment of a visa and who are on the territory of the Russian Federation for a long period (more than 90 days in total during a calendar year).

For foreign citizens who arrived to the Russian Federation in order to carry out labor activities, it is proposed to establish the obligation to go through these procedures within 30 calendar days from the date of entry into the RF.

5. The procedure for issuing a temporary identity card of a stateless person in the Russian Federation has been established

The Federal Law of 24.02.2021 No.22-FZ "On Amendments to the Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation" and Certain Legislative Acts of the Russian Federation Regarding the Regulation of the Legal Status of Stateless Persons"

Comments

A temporary identity card of a stateless person in the Russian Federation (hereinafter - a temporary identity card) is a document issued to a stateless person in confirmation of his identity and temporary staying in the RF.

A temporary identity card is issued to a stateless person if such a person does not have documents proving the identity of a stateless person and recognized by the Russian Federation in this capacity, and in the absence of a state to which a stateless person can leave the Russian Federation, if he has a residence permit or another document confirming the right to temporary or permanent residence on the territory of a foreign state, or in connection with the execution of the decision taken in relation to him on administrative expulsion from the Russian Federation, on deportation or readmission (p.1 art.5.2 the Federal Law of July 25, 2002 No.115-FZ "On the legal status of foreign citizens in the Russian Federation", hereinafter – the Law 115-FZ).

Persons who have a temporary identity card of a stateless person in the Russian Federation can be engaged to labor activities in the RF (pp.13 p.4 art.13 the Law 115-FZ).

A temporary identity card is issued for ten years on the basis of an application after the completion of the procedure for establishing the identity of a stateless person (p.2 and p.3 art.5.2 the Law 115-FZ).

The amendments establish the procedure for replacing a temporary identity card, its validity period, administrative consequences for a stateless person in respect of whom a decision was made to issue him a temporary identity card, the grounds for canceling the issued identity card and the consequences of such a decision for the said person.

Stateless persons cannot be held administratively liable for violation of the rules of entry into the Russian Federation or the regime of staying (residence) in the Russian Federation, illegal employment in the Russian Federation or violation of immigration rules, if such violations were identified in connection with the submission of an application by these persons to establish identity, or an application for the issuance of a temporary identity card of a stateless person in the RF (p.6 art. 5.2 the Law 115-FZ).

The changes will come into force on 24.08.2021.

6. The procedure for the accreditation of branches and representative offices of foreign legal entities has been clarified

The Federal Law of 24.02.2021 No.27-FZ "On Amending Article 21 the Federal Law "On Foreign Investments in the RF"

Comments

Accreditation of a branch, a representative office of a foreign legal entity (except for a representative office of a foreign legal entity operating in the field of civil aviation) is carried out within 15 working days from the date of submission of documents. For persons carrying out activities in the field of civil aviation, the accreditation period is no more than 25 working days from the date of submission of documents (p.3 art.21 the Federal Law of July 9, 1999 No.160-FZ "On Foreign Investments in the Russian Federation", hereinafter – the Law 160-FZ).

A procedure has been established for suspension of accreditation, amending the data contained in the state register of accredited branches, representative offices of foreign legal entities, or termination of accreditation (if the necessary documents are not submitted or the documents submitted do not correspond to the duly approved forms, formats or requirements for their registration) (p.5 art.21 the Law 160-FZ).

A refusal to accredit a branch, a representative office of a foreign legal entity or to make a decision on the accreditation of a representative office of a foreign legal entity operating in the field of civil aviation, refusal to amend the information on the branch, representative office of a foreign legal entity contained in the register, or to make a decision on amendments to the information on the representative office of a foreign legal entity operating in the field of civil aviation contained in the register, refusal to terminate the accreditation of a branch, representative office of a foreign legal entity or to make a decision to terminate the accreditation of a representative office of a foreign legal entity operating in the field of civil aviation, can be appealed in the pre-trial (extrajudicial) procedure established by Chapter 2.1 the Federal Law of July 27, 2010 N 210-FZ "On the organization of state and municipalities services provision", and in court (p. 5.1. art.21 the Law 160-FZ).

The changes will come into force on 24.08.2021.

7. There were adjusted provisions of the Law on the legal status of foreign citizens in the RF within transfer of data by the Federal Tax Service to the MIA authorities on taxes with respect to highly qualified specialists

The Federal Law of 24.02.2021 No.28-FZ "On Amending Article 13.2 the Federal Law "On the Legal Status of Foreign Citizens in the RF"

Comments

In order to monitor compliance by employers or customers of works (services) with the conditions for engaging and using highly qualified specialists, the tax authorities, at the request of the federal executive body in the field of internal affairs, provide information on the amounts of personal income tax in respect of highly qualified specialists (p.28 art.13.2 the Federal Law of 25.07.2002 No.115-FZ "On the legal status of foreign citizens in the Russian Federation", hereinafter – the Law 115-FZ).

Previously it was specified in the Law 115-FZ that it's necessary to transfer data "on accrued and paid" amounts of PIT. Upon the amendments the data "on calculated and paid" amounts of PIT will be transferred, which more closely corresponds with the terminology of the RF Tax Code.

The amendments came into force since 07.03.2021.

8. The Ministry of Foreign Affairs of Russia has approved the procedure for foreign citizens, those have diplomatic privileges and immunities, accounting at the place of staying

The Decree of the Ministry of Foreign Affairs of Russia of January 25, 2021 No.990 "On approval the procedure for the implementation by the Ministry of Foreign Affairs of the Russian Federation of registration at the place of residence of foreign citizens specified in paragraph 1 part 1 article 13 the Federal Law of July 18, 2006 No.109-FZ" "On migration registration of foreign citizens and stateless persons in the Russian Federation", the forms of notification on the arrival of foreign citizens at the place of staying and their departure from the place of staying Registered in the Ministry of Justice of Russia on February 17, 2021 No.62531

Comments

The procedure shall apply to the following foreign citizens specified p.1 part.1 art.13 the Federal Law of July 18, 2006 No.109-FZ "On migration registration of foreign citizens and stateless persons in the Russian Federation":

- heads of diplomatic missions and heads of consular offices of foreign states in the Russian Federation, employees of diplomatic missions and employees of consular offices of foreign states in the Russian Federation, as well as members of their families and guests of these officials following with the specified officials, if family members or guests live in the residences of the specified officials or on the territories of such representations or institutions;
- officials of the foreign ministries of foreign states who have entered to the Russian Federation on a working visit and have diplomatic or service passports, and their family members traveling with these officials;
- persons, who entered to the Russian Federation on a working visit and use diplomatic privileges and immunities in accordance with the international agreement of the Russian Federation, officials of international organizations, officials of representative offices of these organizations in

the Russian Federation, officials of international organizations that have headquarters in the Russian Federation, as well as family members and guests of these persons, if family members or guests live in the residences of these persons or in the territories of such representative offices.

The procedure determines the actions of the Department of State Protocol of the Ministry of Foreign Affairs of Russia, the Consular Department of the Ministry of Foreign Affairs of Russia and territorial bodies - representations of the Ministry of Foreign Affairs of Russia on the territory of the Russian Federation for the registration of foreign citizens at the place of staying, their removal from the register at the place of staying and the transfer of data thereon, as well as the Department of Information Support of the Ministry of Foreign Affairs of Russia for technical cooperation with these departments and territorial bodies. The schedules contain the forms of notifications on the arrival and departure of subordinated foreign citizens.

9. The Ministry of Justice of Russia announced the procedure for sending to the Ministry of Justice of Russia a request for entry into the Russian Federation of foreign citizens – highly qualified specialists, carrying out activities in the scope of law

Information of the Ministry of Justice of Russia "On the issues of entry into the Russian Federation of foreign citizens - highly qualified specialists working in the scope of law" (published on the website <https://minjust.gov.ru>)

Comments

On the basis of the Decree of the Government of the Russian Federation of March 16, 2020 No.635-r, the Ministry of Justice of Russia considers appeals and sends to the Federal Security Service of Russia and the Ministry of Internal Affairs of Russia lists of highly qualified specialists entering the Russian Federation and involved in labor activities by organizations within the jurisdiction of the Ministry of Justice of Russia or carrying out activities in the scope of law.

When making a decision, the Ministry of Justice of Russia takes into account the following criteria:

- the organization is under the jurisdiction of the Ministry of Justice of Russia or carries out activities in the scope of law;
- a foreign citizen entering the Russian Federation and engaged by the organization to work is a highly qualified specialist (or family members: spouses, parents, children, adoptive parents, adopted children) in accordance with the Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation". If both criteria are met, the organization has the right to apply to the Ministry of Justice of Russia with a corresponding request (the recommended request form is attached).

In order to timely fulfill all intradepartmental procedures, documents and information should be sent in advance to the current dates of the planned entry of a specialist. The recommended form of the request to the Ministry of Justice is provided.

Currency control

1. There was simplified the procedure of settlements when Russian exporters insure against risks on non-fulfillment of obligations by foreign contractors

The Federal Law of 17.02.2021 No.9-FZ "On Amending the Federal Law "On Currency Regulation and Currency Control"

Comments

The law amends the Federal Law No.173-FZ of December 10, 2003 "On Currency Regulation and Currency Control" (hereinafter – the Law 173-FZ). The list of permitted foreign exchange transactions includes the following:

- transactions on payment by residents of insurance premiums (insurance contributions) under insurance contracts for risks of non-fulfillment by non-residents of obligations under foreign trade agreements (contracts) concluded between residents and non-residents for goods transferred to non-residents, works performed for them, services rendered to them, information and results of intellectual activity, including exclusive rights thereto (p.32 part 1 art.9 the Law 173-FZ);
- transactions on payment of insurance compensations (insurance payments) to residents under insurance contracts for the risks of non-fulfillment by non-residents of obligations under foreign trade agreements (contracts) concluded between residents and non-residents for goods transferred to non-residents, works performed for them, services rendered to them, information and results of intellectual activity, including exclusive rights thereto (p.33 part 1 art.9 the Law 173-FZ);

The amendments also provide for the recognition of a resident as having fulfilled the obligation to repatriate foreign exchange earnings, if he has insured the receipt from an insurance company - a resident, not included in the list of insurance organizations - residents, established by the Bank of Russia, insurance compensation (insurance payment) under an insurance contract for risks of non-fulfillment of obligations by a non-resident under an agreement (contract), to their bank accounts, upon the occurrence of an insured event provided by an insurance contract, if the value of the ratio of the insured amount and the insured value (level of insurance compensation) determined by such an insurance contract is equal to or exceeds the established value (p. 4.4 art.19 the Law 173-FZ).

Currency control agents receive the right to require and receive from residents and non-residents the following documents (copies of documents) (p.9, part 4, art.23 the Law 173-FZ):

- documents confirming the fixation by the parties of the foreign trade agreement (contract) of the fact of damage, loss of goods, their natural loss during transportation;
- documents verifying on the acceptance and consideration by the seller (supplier) of the claim filed in connection with the violation of the terms of the foreign trade agreement (contract) on the quantity and (or) quality of the delivered goods;
- documents on the settlement by the parties of the issue of payment for the goods, taking into account the decrease in its value as a result of damage, loss or its natural loss during transportation.

The changes came into force since 28.02.2021.

Comments on this issue prepared by:



**Veronika Tikhonravova and
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Accounting and tax accounting,
Civil Law, Migration rules and
Currency control

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