




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

Legislative Changes Review

September, 2022

Main events in August:

-  The FTS of Russia has offered the forms of applications for offset and return of a unified tax payment (hereinafter – the “ENP”)
-  A new procedure for the production of forms of work record books and their provision to employers has been approved
-  The key rate was reduced from 8% to 7,5 % per annum

Bookkeeping and Tax Accounting

1. The FTS of Russia has offered the forms of applications for offset and return of a unified tax payment (hereinafter – the “ENP”)

Consultant Plus. News, Article “It Is Planned to Approve the Forms of Applications for Offset and Return of the ENP”

Comments

The FTS put out for public discussion the draft forms and formats of documents, which will be used by tax inspections and taxpayers within offset and return.

The matter is about the positive balance of the unified tax account and excessively paid or collected amounts, not included into this balance. The documents may be required from 2023, when the procedure for paying taxes, levies and contributions by means of the ENP transfer will become obligatory for everyone.

It will be necessary to indicate in the application for the return of a positive balance, in particular, the amount, which shall be returned, and the data on the account (account type, BIC, number). In the application for offsetting a positive balance, among other things, you should select in favor of which the offset is required:

- against fulfillment of another person's obligation to pay taxes, contributions and so on;
- forthcoming payment of a specific tax, fee or contribution;
- execution of certain decisions of the tax authorities;
- repayment of debt that is not included in the total liability.

2. Moscow put up 18 business entities for sale

Website of the complex of economic policy and property and land relations

Comments

In the period from September 12, 2022 to October 12, 2022, bidding campaigns for the purchase of 18 non-residential premises in the east of the capital will end. The objects will be sold at city auctions, which will be held on the “Roseltorg” electronic platform.

3. Car owners can purchase parking spaces in Zelenograd and in the south of the capital

Official website of the Mayor of Moscow

Comments

70 parking spaces in Zelenograd were put up for city auctions. Applications will be accepted from September 19, 2022 to October 5, 2022.

In the Southern District of Moscow, 148 car spaces located in the surface and underground parking lots are put up for auction: 96 in Chertanov Central, 25 in Danilovsky District, 19 in Zyablikovo, 8 in Biryulyovo Zapadny.

The area of the proposed objects varies from 12.4 to 21.9 square meters. Acceptance of applications for participation in the auction will end in the period from 8 to 28 September. Lots will be sold through open auctions and public offerings in September and October.

Bidding will be held online at the “Roseltorg” platform. To participate in the auction, you will need to register on the “Roseltorg” trading platform and an enhanced qualified electronic signature will be required as well.

4. Industrial enterprises of Saint-Petersburg will receive subsidies to support export activities

Resolution of the Government of Saint-Petersburg “On Approval of the Procedure for the Provision of Subsidies in 2022 to Business Entities in the Field of Industry in Saint-Petersburg” No.797 of 01.09.2022

Comments

According to the Resolution No.797, industrial enterprises will be able to receive subsidies to reimburse documentarily confirmed expenses associated with participation in the international exhibitions and trade fairs in the amount of 80% the total amount, but not more than 1 million roubles per enterprise.

The participation of enterprises in the international exhibitions is one of the tools for promoting products to foreign markets, and an increase in sales leads to an increase in budget contributions.

There will be also subsidized the documentarily confirmed expenses, connected with the implementation of the requirements of the legislation of the importing country, which are necessary for the export of goods, works or services, in the amount of not more than 3 million roubles for one enterprise.

In 2022, applications for the provision of subsidies will be accepted through the personal account of applicant organisations on the website of the State Budgetary Institution “Center for the Development and Support of Entrepreneurship”.

An announcement about the start of accepting applications for subsidies will be posted on the information portal of the Committee for Industrial Policy, Innovation and Trade of St. Petersburg www.cipit.gov.spb.ru.

5. The FTS of Russia has offered the format of an act on acceptance of performed works in the electronic form

Decree of the FTS of Russia of 28.07.2022 No.ED-7-26/691@ “On Approval the Format for the Provision of an Act on Acceptance of Performed Works in the Electronic Form” (registered in the Ministry of Justice of Russia on 16.09.2022 No.70122)

Comments

The IFTS of Russia has developed a decree on the provision of an act on the acceptance of performed works in the electronic form in order to provide businesses with an opportunity as follows:

- formalization of documents flow, which will reduce the time for the exchange of documents between counterparties, as well as automate the processing of data in the accounting systems;

- performing transactions in the electronic form in writing that meet the requirements of civil law, with the subsequent realization of the right to submit such documents in the unchanged form via telecommunication channels to the tax authorities on the grounds established by the Tax Code of the Russian Federation;
- reduction of documents flow, time for records keeping and control procedures.

The use of the format of an electronic act on the acceptance of performed works will help to stimulate the development of the existing system of electronic documents flow, as well as will make it possible to qualitatively satisfy the various interests of business entities when exchanging documents in the electronic form.

6. There will be accounted circumstances, affecting the economic conditions of activities of the parties of controlled transactions

Letter of the FTS of Russia of 20.06.2022 No.SY-4-13/7523@ “On Ensuring Correct Application of the Provisions of Section V.1 Tax Code of the RF and Minimization of Negative Impact of the Unfriendly Activities of Foreign States and International Organisations on the Economy of the Russian Federation”

Comments

Unfriendly actions of a number of foreign states and international organisations in relation to government agencies of the Russian Federation, individual Russian citizens and legal entities have an impact on the Russian economy.

In this regard, when conducting tax control of prices and considering applications for concluding pricing agreements for tax purposes, the Federal Taxation Service will take into account the circumstances that affect the pricing of such transactions, caused by objective factors in the implementation of production and marketing activities in the current economic conditions, for example, related to preventing surplus of finished products, stop of the production cycle, reduction of working places and so on.

7. Subsidies for online promotion of goods, works and services

Resolution of the Government of Moscow of 06.09.2022 No.1922-PP “On Amending the Resolution of the Government of Moscow of November 13, 2012 No.646-PP”

Comments

There were introduced amendments to the Resolution of the Government of Moscow on the procedure for providing financial support to organisations and entrepreneurs that operate in the innovation sector, in the field of support for innovation, in the manufacturing sector, and sell products outside the Russian Federation, in particular, the requirements for recipients of subsidies have been clarified:

- absence on the day of filing an application for granting a subsidy of reorganization procedures in relation to an applicant from among legal entities (with the exception of reorganization in the form of accession to an applicant from among legal entities of another legal entity), liquidation, bankruptcy proceedings against an applicant, suspension of activities, termination of implementation by an applicant from among the individual entrepreneurs of activities in kind of an individual entrepreneur;

- an applicant from among legal entities on the day of filing an application for a subsidy is not a foreign legal entity, as well as a Russian legal entity, in the authorized (share) capital of which the share of participation of a foreign legal entity, the place of registration of which is an offshore, and (or) the share of participation of a foreign legal entity, the place of registration of which is an unfriendly state, in total exceeds 50 percent.

Subsidies are provided by the Department of Entrepreneurship and Innovative Development of Moscow based on the results of the selection in the form of a request for offers at the expense of budgetary allocations provided to the Department by the law of Moscow on the Moscow budget for the corresponding financial year and planning period for the specified purposes.

8. The Industrial Development Fund of St. Petersburg selects leasing companies for financing

Information on the website of the Industrial Development Fund of St. Petersburg

Comments

The Industrial Development Fund of St. Petersburg announces the selection of leasing companies for accreditation in the scope of programs for financing the purchase of equipment on lease as authorized ones.

The selection of leasing companies is carried out in accordance with the Regulation for the selection and examination of applications for obtaining financial support for projects of NCO FRP SPb and the Regulation for financial support for projects of NCO FRP SPb.

The selection criteria for leasing companies are presented on the Fund website.

The application deadline: continuously throughout the year.

9. The FTS of Russia reminds that from January 1, 2023, only electronic signatures issued in the certification center of the Federal Taxation Service of Russia or by authorized representatives of the FTS will be valid for the heads of organisations and entrepreneurs

Information from the official website of the IFTS

Comments

From January 1, 2023, all qualified electronic signatures (QES) issued by commercial certification centers for heads of legal entities, individual entrepreneurs and notaries will cease to be valid.

In accordance with the Federal Law of April 6, 2011 No.63-FZ “On Electronic Signature”, from January 1, 2022, the obligation to issue a qualified electronic signature is assigned to the Federal Taxation Service.

An electronic signature is an electronic document or information in the electronic form, confirming the authenticity, integrity and authorship of a document signed electronically. A qualified electronic signature is needed in order to give the document legal significance, that is, the status of the original. Tax reporting, invoices, acts, invoices and other documents are signed by such a signature.

A qualified electronic signature is issued only upon personal identification of the head of the legal entity or the individual entrepreneur. When applying, an applicant shall submit the following documents:

- the main identity document (passport);
- data on the insurance number of an individual personal account (SNILS);
- data on the identification number of the taxpayer of the legal entity and (or) the natural person (INN);
- USB-type key carrier, certified by FSTEK or FSB.

The received signatures have a validity period of 15 months and can be used for the submission of tax and accounting reports, ensuring document flow with state authorities and counterparties, as well as on various electronic platforms and services.

Heads of legal entities, individual entrepreneurs and notaries can obtain a signature free of charge and extraterritorially at any tax authority providing a service for issuing a QES. The list of points of signatures issue is available on the IFTS website.

When receiving a QES, it's necessary to remember that you cannot transfer your electronic signature to third parties. In case of loss of the carrier of the electronic signature or its compromise, it is necessary to promptly contact the certification center (to any tax authority providing the service for issuing a QES, or to the Trustee of the certification center of the FTS of Russia) and revoke the ES certificate. Attackers, using someone else's QES, can sign documents on behalf of its owner, or, for example, re-register its organisation, they can get a loan for it, make the organisation a bankrupt. In the same case, there is a threat to become the nominal head of a one-day company and be held responsible for its illegal activities.

PJSC "Sberbank of Russia" is the official Trustee of the CC of the FTS of Russia (Order of the FTS of Russia of 04.08.2021 No.ED-7-24/717@).

Clients of PJSC "Sberbank" can familiarize themselves with the materials on issuing an electronic signature on the bank website [at the link](#).

Legal entities and individual entrepreneurs who are not Sberbank clients can receive a qualified electronic signature [at the following addresses](#).

10. When to recover VAT from an advance if the goods were shipped in one quarter and accepted in the next one?

Letter of the Ministry of Finance of Russia of August 31, 2022 No.03-07-11/84811

Comments

Restoration of VAT amounts from advance payments shall be made by the buyer in the tax period in which the amounts of tax on purchased goods (works, services), property rights are subject to deduction, or in the tax period in which the conditions were changed or the contract was terminated and the advance amounts were returned.

In a situation where the seller shipped goods in one tax period, and the buyer accepted them for accounting in another tax period, the obligation to restore VAT claimed for deduction on the advance payment arises for the buyer in the period in which the seller shipped the goods. It means that the moment of VAT recovery is determined by the date of shipment of the goods by the seller, regardless of the moment when the buyer receives it and the terms of the agreement on the transfer of ownership for the goods.

The Ministry of Finance of Russia notes that this conclusion is based on the decision of the Constitutional Court of the Russian Federation of November 8, 2018 No.2796-O, included in the review of legal positions, which was sent to the tax authorities for use at work by the letter of the Federal Taxation Service of Russia of December 29, 2018.

11. For IT companies registered in Innopolis, it is offered to extend preferential tax rates until the end of 2025

Draft Law of the Republic of Tatarstan No.341-6 of September 16, 2022 "On Amendments to the Law of the Republic of Tatarstan "On Setting Tax Rates for Taxpayers Using the Simplified Taxation System"

Comments

The draft law of the Republic of Tatarstan on the extension of preferential tax rates for IT companies and entrepreneurs of Innopolis (a special economic zone of a technology-innovative type in Tatarstan) operating under a simplified taxation system is under preliminary consideration in the State Council of the Republic of Tatarstan until December 31, 2025.

Reduced rates on the simplified tax system for the object of taxation "incomes minus expenses" - 5%, and for the object "incomes" - 1% apply to companies with activities according to OKVED 62 and 63. These are activities in the field of information technology, as well as the development of computer software, consulting and related services. At that, the threshold values for incomes from these types of activities have been reduced from 90% to 70%.

Payroll processing

1. The form of an application on reimbursement of expenses on funeral was updated for insurants

Order of the FSS of the Russian Federation of June 23, 2022 No.246 "On approval of the procedure for reimbursement of expenses to the insurant for the payment of social allowances for funeral, as well as reimbursement of the cost of services provided according to the guaranteed list of funeral services, a specialized funeral service" (registered in the Ministry of Justice of Russia on September 01, 2022 No.69895)

Comments

The FSS has adjusted the procedure for the reimbursement of funeral expenses to the insurant. In comparison with the rules of 2021, there aren't many changes.

1. The application form on expenses reimbursement was adjusted.
2. There was changed the section, where data on the deceased and recipients of the allowance is indicated. The following fields were deleted:
 - Name of the fund department;
 - Address of the insurant.

3. The following fields have been added to the section of the bank details of an organisation:

- Name of the organisation – recipient (for a payment order);
- OKTMO.

4. Besides that, there was reduced the period, during which the fund may review documents: from 10 to 15 calendar days.

There are no special provisions on entry into force of the document, so it will begin to operate according to the general rule - from September 13, 2022.

2. The key rate was reduced from 8% to 7,5 % per annum

Information of the Bank of Russia of 16.09.2022

Comments

On September 16, 2022, the Board of Directors of the Bank of Russia decided to reduce the key rate from September 19, 2022 setting it at 7.5% per annum.

The next meeting of the Bank of Russia Board of Directors, which will consider the key rate level, is scheduled for October 28, 2022.

HR records management

1. A new procedure for the production of forms of work record books and their provision to employers has been approved

Order of the Ministry of Finance of Russia of 11.04.2022 No.55n “On Approval of the Procedure for the Production of Work Record Books and Their Provision to Employers” (registered in the Ministry of Justice of Russia on 08.09.2022 No.70007); the document will come into force on 01.01.2023

Comments

According to the Order, from January 1, 2023, the provision of employers with work record books can be carried out by legal entities and individual entrepreneurs (hereinafter - the “distributors”). So far, such an opportunity is also provided, however, these legal entities and individual entrepreneurs shall meet the requirements established by the GOZNAK Association.

The updated procedure clarifies that work record book forms are protected printing products of level “B”.

The production of work record book forms is carried out by the manufacturer in accordance with the order of the Ministry of Finance of the Russian Federation of September 29, 2020 No.217n “On Approval of the Technical Requirements and Conditions for the Manufacture of Counterfeit-Proof Printing Products”.

The production of work record books is carried out on the basis of applications from distributors.

In order to purchase the forms of work record books, employers should contact the manufacturer or distributors.

Information about distributors is posted on the official website of the manufacturer.

Please note that previously issued work record books of the preceding template are not required to be exchanged. You can also use the former forms without a time limit.

2. Partial mobilization was announced in Russia

Decree of the RF President of 21.09.2022 No.647 “On Announcement of Partial Mobilization in the Russian Federation”, information from the website of the RF Government of 30.08.2022

Resolution of the RF Government of 22.09.2022 No.1677 “On Amending the Certain Features of Legal Regulation of Labor Relations and Other Directly Connected Relations in 2022 and 2023”

Decree of the RF President of 24.09.2022 No.664 “On Provision of Deferment from Conscription for Military Service on Mobilization”

Information from the website of the RF Government of 23.09.2022

Comments

By the decree of the President of the Russian Federation, from September 21, 2022, partial mobilization has been announced in the country. This means that from September 21, 2022, citizens of the Russian Federation began to be called up for military service for mobilization in the Armed Forces of the Russian Federation.

Those who were called up for military service by mobilization have the status of military personnel under a contract.

The following categories of persons have the right to deferment from mobilization in accordance with article 18 the Federal Law of February 26, 1997 No.31-FZ (as amended on July 14, 2022) “On Mobilization Training and Mobilization in the Russian Federation”:

- reserved in the manner determined by the Government of the Russian Federation;
- recognized as temporarily unfit for military service for health reasons - for up to six months;
- involved in constant care after a father, mother, wife, husband, brother, sister, grandfather, grandmother or adoptive parent, who, for health reasons, in accordance with the conclusion of the federal institution of medical and social expertise, needs permanent care (assistance, supervision) or who are disabled persons of group I, in the absence of other persons obliged by law to support these citizens;
- who are the guardian or the keeper of a minor brother and (or) a minor sister in the absence of other persons legally required to support these citizens;
- having four or more children under the age of 16 as dependents or having one or more children under the age of 16 years as dependents and raising without a mother (female citizens with one or more children under the age of 16, as well as in the case of pregnancy, the duration of which is at least 22 weeks);
- having a wife who is at least 22 weeks pregnant and having three dependent children under the age of 16;
- mothers who, in addition to them, have four or more children under the age of eight and raise them without a husband;

Such a right was also obtained by specialists working in the Russian IT sector, as well as a number of financial market organisations (information from the website of the Government of the Russian Federation of September 23, 2022, <http://government.ru/news/46590/>).

The matter is about citizens working:

- in the accredited organisations operating in the field of information technology and involved in the development, implementation, maintenance and operation of IT solutions, as well as in ensuring the functioning of the information infrastructure;
- in the organisations that are Russian telecom operators and those are involved in ensuring the stability, security and integrity of the functioning of individual communication facilities, including data processing centers, as well as communication facilities and communication lines of the public communication network of the Russian Federation;
- in backbone organisations in the field of information and communications, as well as their interdependent persons who are the founder and (or) editorial office, publisher of a registered mass media and (or) broadcaster of a TV channel, radio channel and are involved in the production and (or) distribution of media products;
- in the organisations that ensure the stability of the national payment system and financial market infrastructure, bank liquidity management, cash circulation.

In turn, the Ministry of Digital Development published in its Telegram channel information for employees who were given the right to defer due to work in companies from certain industries.

Thus, if an IT specialist has received a summons, it is recommended to submit to the military registration office:

- an original or a certified copy of the employment agreement;
- a diploma of higher education;
- an extract from the register of state accreditation of the company-employer in the field of IT;
- a certificate from the place of work that he is involved in the development, implementation, maintenance and operation of IT solutions or ensuring the functioning of the information infrastructure.

The last two documents are certified by the Director General or a person authorized thereby.

There are similar recommendations for employees of backbone media and telecom operators.

If the deferment is denied, it's necessary to receive a package of documents with an enhanced qualified electronic signature of the CEO and send them to help@digital.gov.ru.

Furthermore, according to the Decree of the President of the Russian Federation (Decree of the President of the Russian Federation of September 24, 2022 No.664), a deferment from conscription for military service for mobilization is provided to students studying full-time and part-time in state-accredited programs of secondary vocational and higher education in state educational organisations, in scientific organisations and receiving education of the appropriate level for the first time.

The procedure for the employer in conditions of partial mobilization

If the organisation received a summons from the military registration office, it is necessary to hand it over to the employee against signature at least three days before the date of the scheduled appearance and ensure the appearance at the military registration office (paragraph 1 - 3 clause 1 article 4 the Law on Military Duty, paragraph 1 clause 7 the Regulation on call for military service, clause 19 the Regulations on Alternative Service).

In the detachable part of the summons, it is necessary to sign that the employee was notified of the call, and the date of notification is indicated. After that, it is necessary to send the cutting part back to the military office.

Check why the employee is called to the military office (the reason is indicated in the appropriate line on the front side of the summons). An employee may not be called immediately to be sent (departure) to the service, but, for example, to undergo a medical examination, to a meeting of the draft board, and so on.

We would recommend recording the fact of handing over the summons against signature. This can be done in the form of a log. This action will be a confirmation of the fulfilment by the employer of its obligations to notify citizens.

In case of non-attendance at the training camp and the employee's statement that he did not receive a summons, the employer may be held administratively liable in the form of a fine in the amount of 500 to 1000 roubles on the basis of article 21.2 the Code of Administrative Offenses of the Russian Federation.

In order to deliver the summons to remote employees, the procedure for interaction with remote employees is applied, which is fixed in the local regulatory acts of the organisation or in the employment agreement with this employee.

We would recommend to contact the employee through all possible communication channels available to the employer and record the notification of the employee about the call (summons) of the military commissariat and ensuring timely appearance at the military commissariat by means of an act in the presence of at least 3 witnesses.

It's necessary to remind that the fact that an employee performs work on a remote basis shall be documented by an employment agreement or an additional agreement.

If the remote employee is working abroad, the notification procedure is the same as described above.

At the same time, we recommend notifying the military registration office by means of an information letter about the impossibility of handing the summons to the employee in person against signature in connection with his work remotely and being abroad.

Please be reminded that if the employee received a summons to the military enlistment office, the employer is obliged to release him from work in order to ensure attendance within the time specified in the summons.

At that, the appearance on the summons is equated to the performance of state or public duties, therefore, the employee retains his place of work (position), and he shall be paid the average salary for the time he is in the military registration office.

If the summons was issued in connection with passing of a medical examination, the draft board, the clarification of military registration information, and so on, this period is marked in the timesheet with the letter code "G" or the digital "23".

If the summons is issued for military service for mobilization, it is necessary to suspend the employment agreement from the date of mobilization of the employee (Resolution of the Government of the Russian Federation of September 22, 2022 No.1677).

At that, according to the Resolution, the termination of these labor agreements and service contracts on the grounds provided by p.1 part 1 art.83 the Labor Code of the Russian Federation and p.1 part 1 art.39 the Federal Law "On the State Civil Service in the Russian Federation" is not allowed.

If you have already fired an employee under article 83 the Labor Code of the Russian Federation, we would recommend to unilaterally cancel the dismissal and reinstate the employee at work.

Please note that the issue of reinstatement at the initiative of the employer of an employee dismissed due to mobilization is currently not regulated by law, but based on the literal interpretation of the Resolution of the Government of the Russian Federation of September 22, 2022 No.1677 and in view of the fact that the Decree applies to relations, arising from 21.09.2022, it is less risky for the employer to reinstate the dismissed employee unilaterally.

In case of re-employment, do not forget to notify the employee about this by sending him the appropriate document by the post of Russia.

Suspension of an employment agreement in connection with conscription for military service for mobilization is formalized by an order, and there is no unified form of such an order.

Please note that now the issue of paying wages to a mobilized employee has not been resolved.

However, according to the draft, article 351.7 will appear in the Labor Code “Peculiarities of ensuring the labor rights of employees called up for military service by mobilization or who entered military service under a contract or entered into a contract on voluntary assistance in the performance of tasks assigned to the Armed Forces of the Russian Federation” (on guarantees for the mobilized).

According to this article, the employer, no later than the day of suspension of the employment agreement, will be obliged to pay to the mobilized employee wages and other payments due to him in full for the period of work preceding the suspension of the employment agreement. It is offered that mobilized employees retain social and labor guarantees, the right to which they received before the suspension of the employment agreement. The matter is, in particular, about additional insurance, non-state pension provision and improving social and living conditions. Additional guarantees will be also given to members of the families of such military personnel, including the preferential right to retain their jobs in the event of a reduction in staff of the organisation.

If the employee did not go to work after three months after the end of his military service on mobilization or under the contract, or after the expiration of the contract concluded by him on voluntary assistance in the performance of tasks assigned to the Armed Forces of the Russian Federation, termination of the employment agreement with the employee shall be performed at the initiative of the employer.

In view of this, when suspending the employment agreement, we recommend considering the issue of early payment of wages for the worked period, as this improves the position of the employee.

In order to record the period of suspension of the employment agreement, you can use the letter code "G" or the number "23", but we recommend approving a separate code, for example, "MB". It should be noted that the period of suspension of the employment agreement is not payable at the expense of the employer. At the same time, the seniority and the right to annual paid leave are not interrupted.

In case of suspension of the employment agreement, the SZV-TD report to the PFR is not required to be sent.

As for sending employees on business trips and to work on a rotational basis, we would recommend the following:

- those who have a mobilization order should not leave the territorial point where they are registered/assigned to the military registration office (including to perform work on a rotational basis). That is, not only to travel abroad, but also to travel to other settlements of the Russian Federation.
- those who do not have mobilization order - due to legal uncertainty, the employer is recommended to clarify in the military registration office where the organisation is registered whether these citizens can leave the boundaries of the settlement and the borders of the Russian Federation (including to perform work on a rotational basis). Less risky is the exclusion by the employer of sending military men on a business trip or to perform work on a rotational basis to another locality of the Russian Federation or abroad.

We also recommend developing memos for employees on the procedure for receiving a summons, as well as on their guarantees for the period of mobilization.

We will keep you up to date with the news and inform about the adopted changes.

Please be also informed that a hotline at 122 has been launched to inform citizens about the issues of partial mobilization.

You can get information not only on the hotline 122, but also through the official resource of the Government of the Russian Federation "Obyasnyam.rf".

Business support measures

1. There were approved terms of industrial mortgage program

Resolution of the RF Government of September 6, 2022 No.1570

Comments

The Government of the Russian Federation has determined the parameters of the industrial mortgage program - the provision of preferential loans to Russian organisations or individual entrepreneurs for the purchase of real estate (buildings, structures, constructions or parts thereof) for industrial activities.

Borrowers - subjects of activity in the field of industry, the type of economic activity of which belongs to section "C" of OKVED, will be able to take advantage of the preferential industrial mortgage, with the exception of organisations and entrepreneurs that carry out economic activities in the field of extraction and trade in crude oil, natural gas, production and trade in liquid fuel, production and trade in tobacco products and alcoholic products.

Credits under this program will be issued for up to 7 years at a preferential rate of 5% per annum. For technology companies, the rate will be 3% per annum. The size of the interest rate after the expiration of the concessional lending period will be determined by the parties independently.

According to the terms of the program, the credit amount should not exceed 500 million roubles.

There are a number of other requirements that the terms of credit agreements shall comply with.

Lost incomes of banks on credits issued under the program will be reimbursed through the provision of subsidies from the federal budget. The selection of recipients of the subsidy will be made by the Ministry of Industry and Trade of Russia on the basis of applications sent by credit organisations applying for it, based on the compliance of the credit organisation with the established selection criteria and the order in which applications are received.

2. Preferential crediting of projects on the development and implementation of Russian IT solutions

Information from the website of the Ministry of Digital Development of Russia

Resolution of the Government of the RF of 05.12.2019 No.1598

Federal Project "Digital Technologies" of the state program of the Russian Federation "Digital Economy of the Russian Federation"

Comments

The Russian Ministry of Digital Development provides support measures to Russian organisations by providing preferential (subsidized) credits through authorized banks for the implementation of digital transformation projects implemented on the basis of Russian solutions in the field of information technology.

Subsidy recipients: legal entities that, in accordance with the legislation of the Russian Federation, have the right to carry out banking operations and provide credits that have successfully passed the selection and entered into subsidy agreements (hereinafter - the "authorized banks").

Recipients of credits at a preferential rate: accredited IT organisations and other borrowers that meet the requirements of the Resolution.

Program Terms:

- Preferential credit rate: from 1% to 5% (up to 3% for accredited IT organisations).
- Credit amount for project implementation: minimum - 5 million roubles, maximum - 5 billion roubles.
- Amount of credit for the implementation of the program (set of projects): minimum - 500 million roubles, maximum - 10 billion roubles.

The list of the authorized banks that have passed the selection is supplemented as the specified selections are passed. Information about the authorized banks is available [at the link](#).

Civil law

1. The President has introduced a special procedure for conducting transactions with shares in the authorized capital of LLCs with the participation of persons from unfriendly states

Decree of the RF President of 08.09.2022 No.618 "On the Special Procedure for the Implementation (Execution) of Certain Types of Transactions (Operations) between Certain Persons"

Comments

The Decree introduces the need to obtain a permission from the Government Commission for the Control of Foreign Investments in the Russian Federation (hereinafter - the "Government Commission") in order to carry out certain types of transactions (operations) with shares in the authorized capital of limited liability companies.

The permission of the Government Commission is required for the implementation (execution) of transactions (operations) with shares in the authorized capital of an LLC, if the following conditions are simultaneously met (p.1 the Decree):

Condition 1. Transactions (operations) are made:

- between residents of the Russian Federation and persons of unfriendly states;
- or persons of unfriendly states among themselves;
- either between persons of unfriendly states and foreign persons who are not persons of unfriendly states.

Condition 2. Whereas, transactions (operations) entail directly and/or indirectly the establishment, change or termination of the following:

- rights to own, use and/or dispose shares in the authorized capital of an LLC (except for credit and non-credit financial institutions);
- or other rights that allow determining the conditions for managing such LLCs and/or the conditions for their entrepreneurial activities.

At that, persons of unfriendly states are understood to be foreign persons associated with foreign states that commit unfriendly actions against the Russian Federation, Russian legal entities and natural persons (the list of such states is established by the Decree of the Government of the Russian Federation of 05.03.2022 No.430-r with amendments and additions), including:

- natural persons, legal entities and other persons who have the citizenship of such states, the place of their registration, primary business or primary profit-making are these states;

- persons under control of the persons listed above (regardless of their place of registration or place of primary business).

Permits issued by the Government Commission may contain conditions for the implementation (execution) of such transactions (operations) (p.2 the Decree).

The new procedure established by this Decree does not apply to transactions (operations) carried out (executed) in accordance with the Decree of the President of the Russian Federation of June 30, 2022 No.416, and transactions (operations) specified by the Decree of the President of the Russian Federation of August 5, 2022 No.520 (p.3 the Decree).

The procedure for issuing permits by the Government Commission shall be approved within 10 days by the Government of the Russian Federation (p.8 the Decree).

Moreover, the Decree allowed credit organisations subject to sanctions to fulfil obligations denominated in a foreign currency in roubles at the amount equivalent to the value of the obligations and calculated at the official exchange rate of the Central Bank of the Russian Federation, established on the date of fulfilment of obligations. This rule applies to the obligations of banks to resident legal entities under bank account (deposit) agreements.

The Decree was signed, published and entered into force on September 8, 2022 (p.10 the Decree).

2. From September 1, 2022, amendments to the Civil Code of the Russian Federation on the rights to real estate came into force

Federal Law of 21.12.2021 No.430-FZ “On Amending Part I the Civil Code of the RF”

Comments

Legislators supplemented the Civil Code of the Russian Federation with chapters on immovable items (chapter 6.1) and on rights to buildings, structures, construction in progress, premises and parking spaces (chapter 17.1).

Please draw attention to the following provisions:

- buildings and structures may be created in the result of construction (p.1 art.141.3 RF Civil Code). They can be also formed in the result of division of an immovable item (buildings, structures, a single immovable complex) or as a result of combining several immovable items (buildings, structures, all premises and parking spaces located in one building, structure) (p.2 art.141.3 RF CC);
- premises intended for servicing other premises in a building or structure are common property in such a building or structure and, as a general rule, do not participate in circulation as independent immovable items (p.2 art.141.4 RF CC). An exception is established for the transfer of common property suitable for independent use for use by third parties by decision of the owners of the premises (p.7 art.287.5 RF CC);
- in a building or structure, at least 2 premises and (or) parking spaces can be formed (p.4 art.141.4 RF CC);
- encumbrances established in relation to the original immovable item shall remain in respect of all formed immovable items, unless the Civil Code of the Russian Federation or the agreement of the owner of the original immovable item with the person in whose favor the encumbrance is established does not determine otherwise (p.2 art.141.5 RF CC);
- the owner of a building or structure located on a land plot owned by another person, who does not have the right to use this land plot by law or under an agreement with the owner of the land plot, has the right to use this land plot to the extent necessary to provide him with access to such a building or structure (p.2 art.287.3 RF CC);

- the owner of the premises or parking space is not entitled to use them in ways that violate the rights and legitimate interests of the owners of other such facilities in the same building or structure (p.1 art.287.4 RF CC).

3. The government commission allowed banks and NFIs to execute transactions for the alienation of foreign securities to foreign persons from unfriendly states, subject to certain conditions

Extract from the minutes of the meeting of the subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation of September 7, 2022 No.851 (published by the Ministry of Finance of Russia on September 13, 2022 No.05-06-10/VN-46770)

Comments

The Government Commission allowed Russian credit institutions and non-credit financial institutions (hereinafter - the “NFIs”) to carry out (execute) transactions (operations), entailing the ownership right on foreign securities alienated to persons from unfriendly foreign states, the rights to which at such credit institutions, NFOs, as well as their resident clients, arose:

- either before February 22, 2022;
- or after February 22, 2022, but beyond the will of such credit institutions, NFIs or their resident clients, for example, in the course of enforcement of court decisions, their conversion by a person liable for foreign securities and so on.

An obligatory condition is the crediting of funds for the said transactions (operations) in full to a bank account opened in a Russian credit institution (correspondent account).

The permit is valid without a time limit.

4. Residents were allowed to carry out transactions for the alienation of real estate to foreign legal entities associated with unfriendly states

Extract from the minutes of the meeting of the subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation of September 7, 2022 No.851 (published by the Ministry of Finance of Russia on September 13, 2022 No.05-06-10/VN-46769)

Comments

The government commission allowed residents to carry out (execute) transactions (operations) entailing the emergence of ownership on real estate acquired by foreign legal entities associated with foreign unfriendly states, and (or) legal entities that are under the control of foreign entities associated with foreign unfriendly states, regardless of the place of their registration or the place of their primary business activity.

The permit is valid without a time limit.

Tax accounting

1. The Ministry of Finance confirmed the application of the Convention for the avoidance of double taxation with Yugoslavia in relation to the Republic of Serbia and the Republic of Montenegro

Information message of the Ministry of Finance of Russia "Information Message Regarding the Application of the Convention between the Government of the Russian Federation and the Government of the Federal Republic of Yugoslavia on the Avoidance of Double Taxation with Respect to Taxes on Incomes and Property of 12.10.1995"

Comments

The Federal Republic of Yugoslavia on February 4, 2003 changed its name to “Serbia and Montenegro” (the state community of Serbia and Montenegro). In accordance with the Constitutional Charter of the State Community of Serbia and Montenegro, all rights and obligations of the Federal Republic of Yugoslavia have been transferred to the State Community of Serbia and Montenegro.

On June 5, 2006, the Republic of Serbia and on August 8, 2006 the Republic of Montenegro officially notified the Russian Federation that these states are the legal successors of the state community of Serbia and Montenegro “at the international level”.

According to sub-clause 1(a) article 34 the Vienna Convention on the Succession of States in respect of Treaties of 23.08.1978, when a part or parts of the territories of a state become independent and form one or more states, any agreement that was in force at the time of the succession of the states with respect to the entire territory of the state - predecessor continues to be in force in respect of each state – successor, established by such a way.

In view of the foregoing, the Russian-Yugoslav Convention applies to the Republic of Serbia and the Republic of Montenegro.

At that, the Ministry of Finance informs that in accordance with the Federal Law of May 1, 2019 No.79-FZ “On Ratification of the Multilateral Convention on the Implementation of Measures Related to Tax Treaties in order to Counteract the Erosion of the Tax Base and the Withdrawal of Profits from Taxation” (hereinafter – the “Multilateral Convention”) Russia extended the Multilateral Convention to the Russian-Yugoslav Convention in respect of the Republic of Serbia and the Republic of Montenegro.

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