SBER SOLUTIONS

Legislative Changes Review

March, 2022

Main events in March:

- There were recommended new formats of an application on recovery and offset of excessively paid taxes
- The Government of the Russian Federation has announced a moratorium on scheduled and unscheduled audits
- The President assigned to the Government to introduce new benefits for the IT industry

Bookkeeping and Tax Accounting

1. There were recommended new formats of an application on recovery and offset of excessively paid taxes

The Decree of the Federal Taxation Service of February 17, 2022 No.ED-7-8/137@ "On approval of the recommended formats for submitting an application for the return of the amount of overpaid (collected, reimbursable) tax (fee, insurance contributions, penalties, fines) and applications on offsetting the amount of overpaid (reimbursable) tax (fee, insurance contributions, penalties, fines) in the electronic form, as well as on recognizing as invalid the Decree of the Federal Taxation Service of March 18, 2019 No.MMB-7-8/137@"(published on February 28, 2022)

Comments

The FTS has developed new recommended formats of applications on the return and offset of excessively paid taxes, levies, insurance contributions, penalties and fines. This is connected with the change of application forms. The previous formats were recognized as invalid.

Payroll Processing

1. The Central Bank of the Russian Federation plans to adjust the codes of types of income in the purpose of payment

The draft instruction of the Bank of Russia

Comments

The Central Bank of the Russian Federation has put forward for public discussion the instructions, which set forth new codes for the types of income in the "Purpose of Payment" field. Corresponding amendments will be introduced to the Regulation of the Bank of Russia No.762-P of June 29, 2021 “On the Rules for Transferring Funds”.

The Central Bank of the Russian Federation plans to establish five codes for types of income, in particular:

- "1" - wages and (or) other incomes for which the amount of deduction is limited;
- "2" - incomes that cannot be levied and which have the nature of periodic payments;
- "3" - incomes to which restrictions on foreclosure are not applied and which have the nature of periodic payments;
- "4" - incomes that cannot be levied and which have the character of one-time payments;
- "5" - income to which restrictions on foreclosure are not applied and which have the character of one-time payments.

Persons paying salary and (or) other income to a citizen will have to independently determine the nature of payments (one-time or periodic).

When transferring funds that are not incomes, in respect of which restrictions are established and (or) which cannot be levied, the code of the type of income is not indicated.

It shall be recalled that now there are only 3 codes for the type of incomes.

According to the text of the draft, it is planned that the changes will come into force on May 1, 2022.

2. The highest executive authorities of the RF subjects have the right to extend the deadlines for the payment of local and regional taxes in 2022

The Federal Law of 09.03.2022 No.52-FZ

The Federal Law of 08.03.2022 No.46-FZ "On Amending Certain Legislative Acts of the RF"

Comments

In 2020 and 2022, the highest executive bodies of state power of the RF subjects have the right to issue regulatory legal acts providing for, in the periods from January 1 to December 31, 2020 (inclusive) and from January 1 to December 31, 2022 (inclusive), respectively, an extension of the deadlines for paying taxes, set forth by the special tax regimes specified in pp.1, 2 and 5 p.2 article 18 the Code, as well as the extension of the deadlines established by the legislation of the subjects of the Russian Federation on taxes and fees and regulatory legal acts of municipalities on local taxes and fees for the payment of regional and local taxes (advance payments on taxes) and sales tax in the event that the specified deadlines are not extended in accordance with paragraph 3 of this article or if, in accordance with paragraph 3 of this article, earlier deadlines for their payment are provided.

For the period from January 1 to December 31, 2022, the powers of the government in terms of taxes and contributions have been expanded. There was provided the right to:

- postpone the deadlines for the payment of taxes and contributions, including contributions for injuries;
- postpone the deadlines for reports submission;
- suspend, cancel or postpone tax control measures;
- establish the grounds and conditions in virtue of which there will be no liability for delays in reporting and documents;
- provide additional grounds for deferral and installment plans for taxes and contributions;
- introduce special rules for conducting audits on contributions for injuries;
- clarify the rules for calculating and establishing the territorial MROT.

Please note: this change may lead to changes in the terms of payment deadlines and reports submission in certain regions of the Russian Federation. At the moment, a unified calendar of deadlines for submitting reports and paying insurance contributions continues to operate.

In the absence of any force majeure circumstances in a particular region or for a particular client (organization), we recommend following the generally established calendar for the submission of reports and payment of taxes.

3. Visa and Mastercard cards of Russian banks will continue to work within the country

Information of the Bank of Russia of 06.03.2022

Comments

All cards of Visa and Mastercard international payment systems issued by Russian banks will continue to operate in Russia as usual until their expiration date. Transactions on them are processed within the country in the National Payment Card System, and sanctions do not affect

them. Customer funds on accounts linked to such cards are fully preserved and available.

Holders of these cards in Russia will be able to conduct transactions at ATMs, pay by cards and make transfers from card to card.

At that, cross-border transactions with Visa and Mastercard cards will not be available. This applies both to paying for purchases in foreign online stores and to using these cards abroad. When traveling abroad, it is recommended to take cash and a Mir card for those countries where it is accepted. Today it is Turkey, Vietnam, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, South Ossetia and Abkhazia.

Please note: Payments between an organization and a bank, in particular salary transfers, are carried out in the Payment System of the Bank of Russia, which is an integral part of the national payment system. At the legislative level, it is recognized as a systemically important payment system through which the monetary and budgetary policy of the Russian Federation is implemented. The internal national payment system of the Russian Federation operates as before. Registers are credited for wage payments within the national payment system.

4. The president has announced new anti-crisis measures

Information from the website of the RF President of 16.03.2022

Meeting on measures of socio-economic support for the regions

Comments

At the meeting on measures of socio-economic support for the regions, the president said that a decision would be made in the near future to increase:

- social benefits, including allowances and pensions;
- the minimum rate of labor payment (MROT);
- minimum subsistence level;
- salaries in the budget sector.

These measures are aimed to reduce the negative impact of rising prices on the lives of citizens. The exact parameters of the increase will be calculated by the government.

5. The Ministry of Finance plans to change the procedure for filling payment orders

The draft decree of the Ministry of Finance of Russia

Comments

The Ministry of Finance of Russia plans to add new provisions to the Decree of the Ministry of Finance of Russia of 12.11.2013 No.107n “On Approval of the Rules for Specifying Information in the Details of Payment Orders on the Transfer of Funds for Payments to the Budget System of the Russian Federation”.

As stated in the explanatory note to the draft decree, the introduction of new provisions in the rules for filling out payment orders is necessary in order to:

- establish the procedure for specifying a unique accrual identifier for enforcement proceedings in the document on the basis of which the payment of funds is made to repay the debt;

- improve the automated procedures for processing information contained in payment orders on the transfer of monetary funds to the budget system of the Russian Federation.

According to the new rules, for the performance of payments against debt repayment on an enforcement procedure it is necessary to indicate in the field “101” of a payment order the new code “31”. The specified code will be applied by the following categories of payers:

- natural persons, legal entities, individual entrepreneurs, carrying out transfers of monetary funds against repayment of debt on the enforcement proceeding;
- credit organizations (branches of credit organizations), that have drawn up a payment order on the transfer of monetary funds against repayment of debt on the enforcement proceeding.

In this case, if the payer indicates the code "31" in the "101" field, he will need to fill in the unique accrual identifier (UIN code) in the payment order.

Additionally, the draft decree states that payers will be required to indicate in the field 22 "Code" UIN or a code of a regulatory legal act, consisting of 4 characters, when drawing up a payment order to transfer funds to treasury bank accounts that begin with "03212". At the same time, all characters of the UIN code (code of a regulatory legal act) cannot simultaneously take the value of zero.

In the absence of the UIN code (code of a regulatory legal act), payers will be able to specify in the field 22 “Code” the value of zero (“0”). However, this rule won’t apply to the payment orders:

- on the transfer of monetary funds against repayment of debt on the enforcement proceeding;
- on the transfer of monetary funds to treasury bank accounts that begin with "03212", and for those the indication of the UIN code (code of a regulatory legal act) is obligatory.

So far, the draft decree is under public discussion. The changes are expected to take effect on June 20, 2022.

Human Resources

1. Reduction of anti-covid restrictions

The Decree of the Mayor of Moscow of 03.03.2022 No.13-UM “On Amending the Decree of the Mayor of Moscow of June 2020, No.68-UM”

The Decree of the Mayor of Moscow of 14.03.2022 No.14-UM

Information from the website of the Mayor of Moscow

The Resolution of the Governor of Moscow region of 15.03.2022 No.74-PG

The Resolution of the Government of Saint - Petersburg of 02.03.2022 No.163

Comments

Due to the improvement of the epidemiological situation, a number of anti-covid restrictions have been lifted in Moscow and St. Petersburg. Thus, from March 3, 2022, the use of QR codes was canceled in Moscow.

Restrictions on public catering facilities, entertainment, cultural, educational, sports events have been also lifted.

The self-isolation regime for citizens over the age of 60, as well as for citizens with diseases, the list of which is determined by the Moscow Department of Health, is now not mandatory, but advisory.

In Saint - Petersburg, the use of QR codes has been canceled since March 4, 2022.

Mandatory self-isolation for people 60+ and people with chronic diseases has also been canceled.

At the same time, until April 30, 2022, the following restrictions continue to apply:

- holding public events;
- admission of visitors to nightclubs;
- work of public catering from 02:00 to 06:00 (except, for example, delivery of orders);
- a ban on being without masks or respirators in the premises of legal entities and individual entrepreneurs who have the right to receive visitors.

A number of coronavirus restrictions have also been lifted in the Moscow region since March 15, 2022. Now it isn't required to:

- wear personal respiratory protection equipment at retail outlets and other public places;
- observe social distance.

Organizations and individual entrepreneurs in the region no longer have to follow the sanitary and epidemiological rules and guidelines of the Chief State Sanitary Doctor of the Russian Federation regarding measures to prevent the spread of the coronavirus infection.

We would recommend checking on the official website of the region where you operate whether employers have been eased in the restrictions previously adopted due to the unfavorable epidemiological situation in connection with the spread of the new coronavirus infection.

2. The Government of the Russian Federation has announced a moratorium on scheduled and unscheduled audits

The Resolutions of the RF Government of 10.03.2022 No.336 "On Certain Features for Organizing and Performing State Control (Supervision), Municipal Control"

Comments

According to the specified Resolution of the Government of the Russian Federation, the number of audits in 2022 was reduced as much as possible.

It is allowed to carry out scheduled control (supervisory) activities planned in 2022 in relation to control objects classified as extremely high risk, namely, within the framework of industrial safety supervision, sanitary and epidemiological, veterinary and fire control. Therefore, audits are permitted, in particular, in the following areas:

- pre-school and primary general education;
- basic general and secondary (complete) general education;
- activities for the organization of children's recreation and their rehabilitation;
- activities of children's camps during the holidays;
- activities for the organization of public catering for children;
- maternity hospitals, perinatal centers;
- social services with accommodation;
- water treatment and water supply activities;
- hazardous production facilities classified as hazard class II (supervision in the field of industrial safety).

The government has also determined what to do with the audits that began before the moratorium was announced. Thus, control (supervisory) measures, inspections, which are not allowed in accordance with this resolutions and are not completed on the day when the resolution comes into force, shall be completed within 5 working days from the date of the resolution coming into force by drawing up an act of the control (supervisory) activities, an audit with the entry by the control (supervisory) body of the relevant data into the Unified Register of Control (Supervisory) Measures, the Unified Register of Audits.

Only in the event that during the control (supervisory) measure, the facts of violations were revealed, entailing an immediate threat of harm to life and serious harm to health, the occurrence of natural and man-made emergencies, damage to the country defense and state security, the controlled person is issued an order on the elimination of the identified violations.

In addition, the resolution provides an exhaustive list of grounds according to which it is allowed to carry out unscheduled control (supervisory) activities, unscheduled audits.

These audits can be carried out:

- in the presence of an immediate threat of causing harm to life and serious harm to the health of citizens, on the facts of causing harm to life and serious harm to the health of citizens;
- in case of a direct threat to the defense of the country and the security of the state, on the facts of causing harm to the defense of the country and the security of the state;
- in the event of an immediate threat of natural and (or) man-made emergencies, on the facts of natural and (or) man-made emergencies;
- when identifying indicators of the risk of violation of mandatory requirements for objects of extremely high and high risks, at hazardous production facilities of hazard class I and II, at hydraulic structures of class I and II, or risk indicators that entail a direct threat of harm to life and serious harm to the health of citizens, national defense and state security, or indicators of the risk of natural and (or) man-made emergencies;
- if it is necessary to conduct an unscheduled on-site audit due to the expiration of the deadline for fulfilling the order to take measures aimed at eliminating violations that entail a direct threat of harm to life and serious harm to the health of citizens, the defense of the country and the security of the state, the occurrence of emergency situations of natural and (or) man-made nature. An unscheduled on-site audit is carried out exclusively in cases where it is impossible to assess the fulfillment of the order on the basis of documents, other information available to the control (supervisory) body;
- within the framework of regional state licensing control over the implementation of entrepreneurial activities for the management of apartment buildings and regional state housing supervision in the event of a complaint (complaints) from citizens for the protection (restoration) of their violated rights;
- by decision of the head, deputy head of the Federal Taxation Service within the framework of federal state control (supervision) over compliance with the legislation of the Russian Federation on the use of cash registers, including the completeness of accounting for revenue in organizations and individual entrepreneurs (except for the cases established by part 7 article 75 the Federal Law "On State Control (Supervision) and Municipal Control in the Russian Federation").

Audits on the aforesaid grounds can be carried out only if they are agreed with the prosecutor's office.

Unscheduled control measures and audits can be carried out without agreement with the prosecutor's office, if they are performed:

- on the instruction of the President of the Russian Federation;

- on the instruction of the Chairman of the Government of the Russian Federation or his Deputy (if such an order was created after the entry into force of this resolution);
- at the request of the prosecutor, as part of the supervision of the implementation of laws, observance of the rights and freedoms of man and citizen, based on materials and appeals received by the prosecutor's office.

As well as:

- upon the occurrence of an event specified in the program of audits, the purpose of which is to supervise the condition, maintenance, preservation, use, promotion and state protection of cultural heritage objects;
- when a controlled person submits documents and (or) information on the execution of an order for the purposes to renew a previously suspended license, accreditation or other document of a permissive nature.

Separate grounds for conducting unscheduled audits in relation to non-profit organizations are also highlighted (pp.2, 3, 5, 6 art.32 the Federal Law "On Non-Profit Organizations"). To carry out such audits, it is necessary to notify the prosecution authorities.

3. There was approved the procedure for the fulfilment by employers a quota for disabled persons employment

The Resolution of the RF Government of 14.03.2022 No.366 “On Approval the Rules for the Fulfilment by an Employer a Quota for Employment of Disabled Persons When Registering Labor Relations with a Disabled Person for Any Working Place”

Comments

The quota for hiring disabled people will need to be calculated annually by 1 February. In this case, it is necessary to proceed from the average headcount for the fourth quarter. When calculating the quota for hiring disabled people, the fractional number is rounded down to an integer value, if the size of the calculated quota is less than one, the value of the quota is taken equal to one.

The quota will be considered fulfilled if such employees are registered for any jobs:

- under an employment contract (including a fixed-term one) directly with the employer;
- under an employment contract in the scope of an agreement with another organization or individual entrepreneur on the employment of disabled persons.

It is necessary to fulfill the quota within a year, taking into account its possible recalculation. The quota for hiring disabled people is subject to recalculation in the event of a decrease in the average number of employees over the past month, with the exception of employees whose working conditions at their workplaces are classified as harmful and (or) dangerous based on the results of a special assessment.

The recalculation of the quota for hiring disabled people is carried out by the employer from the first day of the month following the month in which the average number of employees changed.

The document will enter into force on September 1, 2022 and will be valid until September 1, 2028.

4. The FSS has published clarifications on the actions of the employer in the event of early return of an employee from maternity leave

The Letter of the Government Institution – Moscow Regional Department of the RF FSS of 16.02.2022 No.10-16/01-149

Comments

The current legislation does not contain a ban on early return from maternity leave at the initiative of an employee. However, it should be taken into account that in case of early exit of a woman from maternity leave, a situation may arise when, for the same period, she will be simultaneously accrued and paid maternity allowance and salary.

Since the essence of the maternity allowance is compensation for earnings lost due to temporary disability, the simultaneous payment of the allowance and salary is not allowed. Consequently, the part of the allowance paid for the maternity leave period that coincided with the resumed work activity will be considered overpaid and subject to return to the FSS budget.

Based on the aforesaid, the FSS specialists have indicated that in case of early return of an employee, who has already received the maternity allowance in full volume, the employer shall:

- inform the employee on the need to recalculate the corresponding allowance and offer to submit an application on recalculation;
- inform the territorial body of the FSS about the early termination of maternity leave and send a register of data for the allowance recalculation.

The specified actions of the employer are due to the norms of the Federal Law of December 29, 2006 No.255-FZ “On Compulsory Social Insurance in Case of Temporary Disability and Due to Maternity”, which stipulates the following:

- employers are required to timely submit, in accordance with the established procedure, to the FSS the data necessary for the assignment and payment of insurance coverage to the insured person;
- the insured persons are obliged to notify the employer of the circumstances affecting the conditions of provision and the amount of insurance coverage, within 10 days from the date of their occurrence;
- if the submission of unreliable data resulted in the payment of excessive amounts of insurance coverage, the guilty persons are obliged to compensate the FSS for the damage caused.

Please note: as part of direct payments for the assignment and payment of allowances at the expense of the FSS, you shall first of all be guided by the norms and requirements specified in the Federal Law No.255-FZ of 29.12.2006 “On Compulsory Social Insurance in Case of Temporary Disability and Due to Maternity”, as well as other legal acts, regulating the procedure for assigning and paying allowances at the expense of the FSS.

5. The action of basic requirements to the rules and instructions on labor protection has been suspended

The Decree of the Ministry of Labor of Russia of 17.03.2022 No.140n "On Non-Appliance of the Decree of the Ministry of Labor and Social Protection of the RF of 29.10.2021 No.772n "On Approval Basic Requirements to the Procedure for the Development and Content of the Rules and Instructions on Labor Protection, Developed by the Employer" (the effective date is 29.03.2022)

Comments

According to the Decree of the Ministry of Labor No.140-N of 17.03.2022, until January 1, 2023, it will not be necessary to apply the basic requirements to the procedure for the development and content of rules, as well as instructions for labor protection. It shall be reminded that the Decree of the Ministry of Labor of Russia of October 29, 2021 No.772n, which approved these requirements, entered into force on March 1, 2022.

Therefore, the appliance of the basic requirements to the procedure for the development and content of rules and instructions for labor protection, approved by the decree of the Ministry of Labor and Social Protection of the Russian Federation of October 29, 2021 No.772n, will be postponed until the end of 2022.

6. The list of professions of foreign qualified specialists arriving on a visa basis, which are not subject to quotas for issuing work permits, has been expanded

The Decree of the Ministry of Labor of Russia of February 14, 2022 No.58n "On Approval of the List of Professions (Specialties, Positions) of Foreign Citizens - Qualified Specialists Who are Employed According to Their Profession (Specialty), for Which Quotas for Issuing Work Permits to Foreign Citizens Arriving in the Russian Federation on the Basis of a Visa Do Not Apply"

Comments

According to the Decree, there was approved a new list of professions (specialties, positions) of foreign citizens - qualified specialists who are employed according to their profession (specialty), for which quotas for issuing work permits to foreign citizens arriving in the Russian Federation on the basis of a visa do not apply.

The updated list includes, in particular:

- health workers with higher professional (medical) education and nursing staff (psychiatrist, surgeon, obstetrician, nurse, etc.);
- employees of nuclear power organizations (chief project engineer, design engineer, etc.);
- employees in the field of culture, art and cinematography (ballet dancer, conductor, etc.);
- construction employees;
- aviation personnel and employees of railway transport (aircraft operation engineer, motorcar driver, etc.).

The similar Decree of the Ministry of Labor of Russia of 05.07.2019 No.490n was recognized as invalid.

Business Support

1. The President instructed the Government to introduce new benefits for the IT industry

The Decree of the President of the RF of 02.03.2022 No.83 "On Measures for Ensuring the Accelerated Development of the Information Technology Industry in the Russian Federation"

Comments

The President instructed the Government of the Russian Federation to take measures aimed at:

- the establishment until December 31, 2024 for accredited organizations the tax rate on corporate income tax in the amount of 0 percent;
- the simplification of procedures for employment of foreign citizens involved to works in the accredited organizations and receipt by these citizens a residence permit;
- the establishment of tax benefits and preferences for accredited organizations that receive incomes from the distribution (placement) of advertising or the provision of additional services with the use of applications and online services of these organizations or incomes, associated with the implementation, installation, testing and maintenance of domestic solutions in the field of information technology;
- the exemption of accredited organizations from tax control, currency control and other types of state control (supervision) and municipal control for up to three years;
- ensuring the consolidation and promotion of purchases of critically important domestic developments in the field of information technology carried out to meet state and municipal needs or carried out by certain types of legal entities, as well as to simplify the procedure for such purchases.

Accredited organizations are defined as accredited organizations that carry out activities in the field of information technology.

These changes will come into force after the adoption and publication of the relevant regulatory acts.

In order to introduce changes to the tax rate, the adoption of a law on amendments to the Tax Code of the Russian Federation is required. To do this, the draft decree shall be approved by the State Duma and the Federation Council.

Besides that, the President provided to citizens of the Russian Federation working in accredited organizations the right to receive a deferral from military service until they reach the age of 27 (for the period of work in these organizations). The categories of citizens of the Russian Federation who are provided with the right to receive the said deferral and the procedure for this right provision will be determined by the Government of the Russian Federation.

The Decree comes into force from the day of its official publication - March 02, 2022.

2. The President has introduced special economic measures with respect to currency transactions (the Decree No.79 of 28.02.2022)

The Decree of the President of the Russian Federation of 28.02.2022 No.79 "On the Application of Special Economic Measures in Connection with the Unfriendly Actions of the United States of America and Foreign States and International Organizations that Have Joined Them"

Comments

The following measures were introduced by the specified decree:

1) The obligatory sale of 80% foreign currency revenue

It was established by the decree that residents – participants of foreign economic activity shall perform the obligatory sale of a foreign currency at the rate of 80% of the amount of the foreign currency, credited starting from January 1, 2022 to their accounts in the authorized banks on the ground of foreign trade contracts, concluded with non-residents and those provide for the transfer to non-residents of goods, provision of services to non-residents, performance of works for non-residents, transfer of intellectual activity results to non-residents, including exclusive rights thereon, no later than 3 working days starting from February 28, 2022 (i.e. March 3, 2022).

Thereafter, starting from February 28, 2022, residents - participants of foreign economic activity are obliged to carry out the obligatory sale of foreign currency at the rate of 80% of the amount of foreign currency credited to their accounts under current foreign trade contracts no later than 3 working days from the date of crediting such a foreign currency.

The requirements on the obligatory sale of a foreign currency apply to residents, those are a party of a foreign trade contract, regardless of registering such contracts on the accounts in the authorized banks in accordance with the provisions of the instruction of the Central Bank of the Russian Federation of August 16, 2017 No.181-I “On the Provision for the Submission by Residents and Non-Residents to the Authorized Banks of Supporting Documents and Information While Carrying Out Currency Transactions, on the Unified Forms of Accounting and Reporting on Currency Transactions, Procedure and Submission Deadlines”.

2) Restrictions on currency transactions

From March 1, 2022, there is a ban on the following:

- implementation of foreign exchange transactions related to the provision of a foreign currency in favor of non-residents under loan agreements;
- crediting by residents of a foreign currency to their accounts (deposits) opened in banks located outside the territory of the Russian Federation and other organizations of the financial market;
- performance of monetary funds transfers without opening a bank account using electronic means of payment provided by foreign payment service providers. At that, the procedure for the sale of foreign currency in these cases, as well as in the case of the mandatory sale of foreign revenue, is established by the Central Bank of the Russian Federation.

These transactions can be carried out (performed) on the basis of permits, issued by the Government Commission for Control over Foreign Investments in the Russian Federation and, if necessary, containing the conditions for the implementation (execution) of such transactions (operations) – pp.”b” p.1 the Decree of the President of the RF of 01.03.2022 No.81.

3) Temporary rules for PJSC

Until December 31, 2022, public joint stock companies are allowed to acquire their placed shares (except for the acquisition of placed shares in order to reduce their total number), if the following conditions are jointly met:

a) the acquired shares are admitted to organized trading;

a) the weighted average price of the acquired shares, determined for any three months starting from February 1, 2022, decreased by 20% or more compared to the weighted average price of such shares, determined for three months starting from January 1, 2021;

b) the value of the main stock market index calculated by the trade organizer for any three months starting from February 1, 2022 decreased by 20% or more compared to the value of such an index calculated by the trade organizer for three months starting from January 1, 2021;

c) shares are acquired on the organized trading on the basis of requests, addressed to an unlimited number of trading participants;

d) the acquisition of shares is carried out by a broker on behalf of a public joint stock company;

e) the Board of Directors (Supervisory Board) of the public joint stock company has made a decision to acquire the shares placed by it in accordance with the requirements of this Decree, which determines the categories (types) of shares to be acquired, the number of shares to be acquired of each category (type), the period during which the shares are acquired and which should expire no later than December 31, 2022. Information relating to the acquisition by a public joint stock company of its own shares may not be disclosed in the form of a statement of a material fact, if it is provided for by the decision on the acquisition of shares, or disclosed within the period established by such a decision.

At the same time, a PJSC that purchases shares issued by it in accordance with the specified procedure is obliged to send a notification to the Central Bank of the Russian Federation on the acquisition of shares, attaching documents confirming compliance with the specified conditions.

The Decree comes into force from the moment of its official publication on February 28, 2022.

3. The President introduced additional temporary economic measures to ensure financial stability (Decree No.81 of March 1, 2022)

The Decree of the RF President of 01.03.2022 No.81 "On Additional Temporary Economic Measures to Ensure Financial Stability of the Russian Federation"

Comments

From March 2, 2022, the president established a special procedure for the implementation (execution) by residents of the following transactions (operations) with foreign persons, associated with foreign states that commit unfriendly actions against Russian legal entities and natural persons (including if such foreign persons have citizenship of these states, their place of registration, the place of their primary economic activity or the place of receipt of their primary profit from activity are these states), and with persons who are under control of these foreign persons, regardless of the place of their registration or the place of their primary economic activities (hereinafter - persons of foreign states committing unfriendly actions):

- Deals (transactions) on the provision to persons of foreign states, committing unfriendly actions, credits and loans (in roubles), except for cases, when provision of credits and loans is prohibited according to the regulatory legal acts of the Russian Federation;
- Deals (transactions), entailing the arising of ownership right for securities and immovable property, performed (executed) with persons of foreign states, committing unfriendly actions.

At the same time, these transactions may be carried out (executed) on the basis of permits issued by the Government Commission for Control over Foreign Investments in the Russian Federation and, if necessary, containing the conditions for the implementation (execution) of such transactions (operations). A number of other features have also been installed.

The special procedure does not apply to transactions (operations), the party of which is the Central Bank of the Russian Federation and state authorities.

It is also prohibited from March 2, 2022 to export from the Russian Federation cash foreign currency and (or) monetary instruments in a foreign currency at the amount exceeding the equivalent of 10 000 USD and calculated at the official exchange rate of the Central Bank of the Russian Federation, established on the date of export.

4. From March 10 to September 10, 2022, the Bank of Russia introduced a temporary procedure regarding cash transactions for legal entities and individual entrepreneurs

Information message of the Bank of Russia of March 10, 2022 "The Bank of Russia introduced from 10.03.2022 to 10.09.2022 a temporary procedure for the transactions with cash for legal entities and individual entrepreneurs"

Comments

From March 10 to September 10, 2022:

- residents: legal entities and individual entrepreneurs can receive cash in USD, JPY, GBP up to 5 thousand dollars and only for the payment of expenses on foreign business trips. In special cases, at the request of the bank to the regulator, the amount may be increased. Other currencies can be received in cash on the grounds specified by law, without restrictions on the market rate on the day of issue;
- non-residents: legal entities and individual entrepreneurs will not be able to receive cash in the specified currency. Non-residents will be able to receive other currencies from their accounts without restrictions at the market rate on the day of issue.

5. The head of the Federal Taxation Service of Russia, Daniil Yegorov, has suspended until June 1, 2022 the adoption by the tax authorities of decisions to block debtors' accounts

Statement of the FTS head on the official website of the tax service

Comments

Taxpayers who have suffered damage due to financial and economic sanctions will be able to apply to the tax authority at the place of their registration in order to postpone the deadlines for the application of recovery measures to the maximum in accordance with tax legislation.

Let us remind you that the tax authorities may decide to suspend operations on taxpayers' accounts in the following cases:

- failure to comply with the requirement to pay taxes, penalties, fines;
- failure to submit a tax return;
- failure to fulfill the obligation to ensure the receipt from the tax authority at the location of the organization of documents in electronic form by telecommunication channels through the e-document flow operator;
- non-submission by the tax agent of the calculation of PIT amounts, calculated and withheld by the tax agent and others.

6. There was prepared a package of tax meausures for the business and citizens support

Draft law 84984-8

Comments

The Government of the Russian Federation has prepared and submitted to the State Duma a draft amendment to tax legislation in terms of expanding business support in the current economic situation. It is assumed that most of the changes will come into force from the date of the official publication of the relevant law, with the exception of a number of provisions for which other deadlines are set.

For natural persons, the following tax benefits are offered:

- PIT from interests on deposits will not be charged in 2022 for interests received in 2021; in 2023 - for 2022;
- PIT from interests received in 2023 and thereafter will be calculated using a more favorable formula - the amount calculated from the maximum key rate from January 1 to December 1 of the corresponding year will be accepted as a deduction from the tax base;
- no PIT will be accrued on the material benefits received in 2022 and 2023 from savings on interests on loans issued by the employer;
- PIT will not be levied from securities of Russian organizations, stakes in them, shares managed by a Russian management company, government securities received by a natural person in ownership from a foreign organization in 2022, if the taxpayer was the controlling person of the transferring company;
- increasing coefficients 1.1 and 2 to the transport tax are cancelled.

As for the transport tax, it is planned to apply by natural persons and legal entities from 2022 an increasing coefficient only for transport vehicles with the cost of more than 10 million rubles.

The following tax benefits were offered for organizations:

- Taxpayers have the right to switch on within 2022 to making monthly advance payments based on the actual profit (if according to the general rule the company also pays advance on a monthly basis). The change shall be specified in the accounting policy;
- For the purposes of profit tax the incomes won't include the amounts of obligations on the loan (credit) agreement, ceased in 2022, which was concluded before March 1, 2022 with a foreign organization which makes a decision on debt forgiveness;
- It is offered to set forth for 2022-2023 a refusal of applying with respect to organizations the norm on the increasing rate of penalties since the 31st day of delay in the fulfillment of obligations to pay tax at the rate of 1/150 refinancing rate;
- For the organizations in the field of information technologies the corporate income tax rate is set forth as 0% for 2022-2024;
- In terms of VAT, it is offered to set forth for 5 years a rate of 0% regarding services on the provision of temporary accommodation in hotels. The VAT rate of 0% is also set forth with respect to services on the provision to rent, management, on the other object of tourist industry, put into operation after January 1, 2022. The rate will apply within 20 subsequent tax periods since these objects commissioning;
- It is planned in 2022-2024 that the exchange rate difference accrued on claims (liabilities) expressed in a foreign currency was taken into account when calculating the tax base as the said debt is paid off in order to exclude the impact on tax liabilities for income tax of calculated values depending on changes in the rouble exchange rate to foreign currencies;

- In terms of corporate income tax, it is planned that with respect to immovable property objects, the tax base on which is determined as their cadastral value, in 2023 for the tax base calculation there will apply the cadastral value as of 01.01.2022.

7. A decree was signed on additional economic measures in the field of currency regulation

The Decree of the President of the Russian Federation of March 18, 2022 No.126 "On Additional Temporary Economic Measures to Ensure the Financial Stability of the Russian Federation in the Field of Currency Regulation"

Comments

The decree establishes, in particular:

- powers of the Bank of Russia to determine the limit on the amount of transactions with non-residents;
- a ban on conducting certain transactions without the permission of the Bank of Russia, effective until December 31, 2022, including payment by a resident of a share, contribution, stake in the property of a legal entity – non-resident, making a contribution under a simple partnership agreement in the form of capital investments;
- until September 1, 2022, foreign currency obligations under agreements between credit organizations that are under sanctions and their clients, Russian legal entities, are recognized as duly performed when settling in roubles in the equivalent amount at the official exchange rate of the Bank of Russia on the day the obligations are fulfilled.

8. The website of the Central Bank posted new answers to questions regarding restrictions on foreign exchange transactions

Questions and answers of the Bank of Russia to the topic “Operation of the financial system under sanction restrictions”

Comments

- Until September 9, 2022, individual entrepreneurs and companies are entitled to receive cash in USD, GBP, JPY and EUR only for business trip expenses at the bank cash desk and in an amount not exceeding the equivalent of 5 thousand US dollars for the entire period of temporary restrictions. Receipt of cash for the purposes specified by law in other foreign currencies is not limited.
- Until September 9, 2022, individual entrepreneurs and companies have the right to receive cash from their foreign currency account to pay for business trip expenses in cash in USD, GBP, JPY and EUR in the amount of up to 5 thousand US dollars. Cash in other currencies can be received without restrictions.
- Cash limit in USD, GBP, JPY and EUR in the amount of up to 5 thousand US dollars for legal entities on business trip expenses - this is the limit for the entire duration of the temporary procedure for cash transactions - until September 9, 2022. If companies or individual entrepreneurs have currency accounts opened in different banks, it is possible to receive an amount equivalent to 5 thousand US dollars in each bank. The restriction applies only to four currencies: USD, GBP, JPY and EUR. There are no restrictions for receiving cash currency of other countries.

- Until September 9, 2022, a non-resident company is not eligible to receive cash in USD, GBP, JPY and EUR. Receipt of cash amounts in other currencies isn't limited.

The Bank of Russia has provided the following clarifications regarding credit holidays for business:

- Small and medium-sized businesses and individual entrepreneurs can apply for credit holidays regardless of the dynamics of their incomes. For business, the only condition is the presence of its main activity in the list of affected industries. The Government of the Russian Federation included in this list, in particular, agriculture, tourism, public catering, medicine, information technology, retail trade, as well as the production of food, clothing, furniture and household chemicals. The existence of an overdue debt does not affect the possibility of applying for credit holidays.
- Credit holidays can be obtained for all types of credits and loans issued before March 1, 2022. If the borrower has several credits, according to the law on credit holidays it's possible to request a deferral per each of them, but only once.
- You can apply for a credit holiday within six months, until September 30, 2022. However, the Government can extend this period, if necessary.
- Credit holidays are provided for up to six months. If the borrower's situation has improved, he can terminate the holidays at any time and return to the payment schedule, by informing the creditor thereon.
- For SMEs that have received credit holidays, interests are accrued at the contractual rate and, after the benefit period, are included in the principal debt amount, thereby increasing the base for calculating interests. The term of the contract is extended as much as necessary to maintain the payment amount.
- Credit holidays for SMEs do not apply to loan agreements concluded through the placement of bonds. In addition, borrowers - natural persons and individual entrepreneurs are exempted from the obligation to confirm a decrease in their income by more than 30 percent. Submission of supporting documents is now a right. The creditor may request supporting information from the FTS, PFR, FSS, FFOMS (Federal Law No.55-FZ of March 14, 2022).

9. The Central Bank has ordered to banks to control atypical customer transactions and withdrawal of assets by companies from unfriendly countries

The Letter of the Bank of Russia of 16.03.2022

Comments

The Bank of Russia ordered to strengthen control over compliance with the previously introduced restrictions aimed at preventing the withdrawal of foreign currency. Earlier, the Bank of Russia limited foreign currency transfers of Russian residents – natural persons in favor of their family members to the amount of 5,000 USD per month. Foreign currency transfers abroad are prohibited for non-residents from countries recognized as unfriendly, and for non-residents from other countries, currency transfers are also limited to 5,000 USD per month.

Banks are required to pay special attention to the atypical behavior of their customers. For example, a sharp change in the nature of spending, purchases in volumes that are not typical for private consumption, or repeated purchases of the same goods. This may indicate the purchase of goods for subsequent resale, or that legal entities entrusted to natural persons to make purchases in their own interests in order to avoid control.

In case of possible attempts to evade the prohibitions, banks will apply measures up to blocking the

payment. Besides that, banks will transmit information about all suspicious transactions to the Rosfinmonitoring.

10. The Government of the Russian Federation has permitted its residents – legal entities and natural persons to credit currency to their accounts in foreign banks

Information message of the Ministry of Finance of the RF of 14.03.2022

Comments

On March 10, 2022, a subcommittee of the Government Commission for the Control of Foreign Investments considered the issue of crediting funds by residents in a foreign currency to their accounts (deposits) in banks and other financial market organizations located outside the territory of the Russian Federation.

To implement additional temporary economic measures to ensure the financial stability of the Russian Federation, the following decisions were made:

- Residents will be able to transfer funds in a foreign currency to their accounts opened in foreign banks and other financial market organizations to finance the current operating activities of branches and representative offices. The volume of transfer should not exceed the amount of funding for the previous year.
- It is allowed to transfer to the accounts of citizens in foreign banks the currency received from non-residents in the form of wages, rental fee, coupons and dividends on securities and other interest payments.
- Citizens will be able to transfer funds in a foreign currency from their foreign accounts opened in foreign banks before March 1, 2022, to their other foreign accounts, information about which is disclosed to the Russian tax authorities.

11. The Federal Taxation Service of Russia has suspended audits of compliance with currency laws

Information of the FTS of March 10, 2022

Comments

In order to reduce the administrative burden on organizations and citizens, the tax authorities are suspending audits of compliance with currency legislation in terms of violations specified by the Federal Law “On Currency Regulation and Control”.

At the same time, the Federal Taxation Service of Russia, within its competence, controls compliance with the currency restrictions set forth by the newly adopted decrees of the President of the Russian Federation. At that, the tax authorities may take into account the actual circumstances associated with activities under the current sanctions regime as mitigating or excluding liability for such violations.

12. The Bank of Russia has established restrictions on the amount of certain transactions of residents and non-residents

Decision of the Board of Directors of the Bank of Russia on the Establishment of the Amount of Certain Transactions of Residents and Non-Residents

Comments

The main restrictions established by the Board of Directors of the Bank of Russia:

The size of the amount of advance payments from residents to non-residents is limited - 30 percent of the amount of obligations specified by each contract of the following type: contracts for the provision of services, performance of works, transfer of information by a non-resident, results of intellectual activity, including exclusive rights thereon.

The restriction does not apply to contracts for the provision by a non-resident of services related to the purchase on the territory of the Russian Federation of bunker fuel, food, goods (with the exception of spare parts and equipment) necessary to ensure the operation and maintenance of vehicles en route; as well as contracts for the provision of financial services, including insurance and reinsurance contracts.

Legal entities - non-residents, which are foreign persons of states that commit unfriendly actions, are prohibited from purchasing any foreign currency on the domestic foreign exchange market of Russia.

13. The deadline for paying the monthly advance payment on income tax has been extended by 1 month

The Resolution of the RF Government of 25.03.2022 No.470 "On Amending the Deadline for Paying the Monthly Advance Payment on Corporate Income Tax in 2022"

The Letter of the FTS of Russia of 25.03.2022 No.SD-4-3/3626@ "On Transfer the Deadline for Paying the Monthly Advance Payment on Corporate Income Tax"

Comments

The deadline for paying the monthly advance payment on corporate income tax, set forth by par.3 p.2 art.286 the Tax Code of the Russian Federation, has been extended for 1 month, payable no later than March 28, 2022.

14. A law providing for a package of tax measures to support business was adopted and published

The Federal Law of 26.03.2022 No.67-FZ "On Amendments to Parts One and Two of the Tax Code of the Russian Federation and Article 2 of the Federal Law "On Amendments to Part Two of the Tax Code of the Russian Federation"

Comments

The changes affect a very wide range of issues, in particular, the calculation of penalties for legal entities, the rules on controlled transactions, VAT rates for the tourism industry and income tax for the IT sector, PIT from interests on deposits, and others.

Penalties for organizations

In the period from March 9, 2022 to December 31, 2023, the penalty rate for organizations will be 1/300 of the discount rate of the Bank of Russia, higher rates will not apply.

Controlled transactions

There was increased the income threshold for recognizing transactions as controlled (from 60 million to 120 million rubles).

Transactions are not considered as controlled where at least one of the parties applies an investment deduction on profit tax, if incomes and expenses thereon are recognized in 2022-2024. In this case, the date of conclusion of the contract does not matter.

These rules are effective from the date of publication of the law.

VAT

It is planned to establish a zero VAT rate until June 30, 2027 with respect to the services for the provision of places for temporary accommodation in hotels and other accommodation facilities. At the same time, the taxpayer can use the zero rate until the expiration of 20 consecutive quarters following the tax period for putting the tourist industry object into operation. To confirm the right to a zero rate, organizations and individual entrepreneurs shall submit to the inspection a report on incomes from the provision of these services, as well as confirmation of the commissioning of the facility.

The zero VAT rate is also established for services on the provision of lease, management or other right of tourist infrastructure facilities, commissioned on January 1, 2022, and which are in the government register. The zero rate is valid for 20 consecutive quarters, following the commissioning. Taxpayers shall submit documentary evidence of the commissioning of the facility and a lease or use agreement or a copy thereof.

Both innovations will come into effect only from July 1, 2022.

Moreover, for 2022 and 2023, an additional opportunity is provided to apply the declarative procedure for VAT refunding. To exercise this right, the taxpayer shall not be in the process of reorganization or liquidation at the time of appliance and shall not be in bankruptcy proceedings. In this case, according to the general rule, tax can be reimbursed in a declarative manner without a bank guarantee in an amount that does not exceed the total taxes and contributions for the previous calendar year. Taxes in connection with the movement of goods across the border are not taken into account in the calculation. If there is more VAT to be reimbursed, a bank guarantee or security is required for the excess.

This rule is effective from the date of the federal law publication.

PIT

- Interests on deposits

There was changed the procedure for calculating the maximum amount, above which interests on deposits shall be subject to PIT. The maximum value of the key rate from the effective rates as of the 1st day of each month of the year shall be taken for the calculation. At that, according to the previous version, only the indicator as of 1 January was taken into account.

The new rule applies to legal relations, arisen since January 1, 2022, whereas the interests, received by citizens in 2021-2022 were exempted from PIT.

Therefore, in fact, the liability to pay PIT from interests on deposits will appear from incomes for 2023.

- Transfer of property and property rights

Incomes in the form of property (excluding cash) and property rights received to ownership in 2022 from a foreign organization for which a natural person was a controlling person as of December 31 of the last year is exempted from PIT.

For applying the benefit, the following 2 conditions shall be met:

- the foreign organization shall have property and rights as of March 1, 2022;
- the natural person shall submit along with a tax return an application in a free format from these incomes exemption.

The method of purchasing property and rights to ownership doesn't matter.

Profit tax

- It sphere

The zero rate on profit tax was established for IT organizations for the period of 2022-2024. The conditions for its application are similar to the previous version of the Tax Code of the Russian Federation for a reduced rate of 3 percent: the availability of state accreditation, the share of incomes and the average number of employees.

The rule applies to legal relations that arose from January 1, 2022.

- Controlled debt

Pursuant to the general rule, the effect of special interest rate intervals on controlled debt, which were for 2020 and 2021, was extended until the end of 2023.

In addition, for 2022 and 2023, there are special rules for calculating the maximum amount of interests that can be taken into account in the expenses on controlled debt that arose before March 1 of the current year:

- the amount of debt in a foreign currency is determined at the exchange rate of the Central Bank of the Russian Federation as of the last reporting date of the reporting or tax period. At that, it should not exceed the value as of February 1, 2022;
- as of the last day of the period, the equity capital is calculated without taking into account the exchange rate differences that may arise due to rate difference in comparison with the indicator as of February 1, 2022.

- Currency exchange differences

A special procedure has been established for accounting positive and negative exchange rate differences on liabilities and claims in a foreign currency: they shall be recognized in the scope of incomes and expenses on the date of termination or fulfillment of the claim or the obligation. This applies to the positive exchange rate differences that arose in 2022-2024, and the negative ones that arose in 2023-2024.

The rule for positive exchange rate differences was extended to legal relations from January 1, 2022. For negative ones, it will come into force on January 1, 2023.

- Advance payments

Organizations that pay monthly advance payments in 2022 can switch to advance payments based on the actual profit before the end of the year. This can be done starting from the reporting period of 3 months, 4 months and so on. Advances listed earlier will be accounted.

It is necessary to notify the tax authority about a change in the calculation of advances no later than the 20th day of the last month in the reporting period from which the organization switches to a different procedure for paying advances. These changes shall be also reflected in the accounting policy.

- Transport tax

There was cancelled the increasing coefficient 1,1 (for vehicles with the cost of 3-5 million roubles, no more than 3 years from the year of issue) and 2 (for vehicles with the cost of 5-10 million roubles, no more than 5 years from the year of issue).

The new procedure shall apply since the tax calculation for 2022.

- Property tax of organizations

If an organization pays property tax at the cadastral value, in 2023 for the calculation it is necessary to use the indicators that apply from January 1, 2022.

The rule applies if the cadastral value as of January 1, 2023 exceeds the indicator for 2022. An exception is the situation when the value of an object has increased due to a change in its characteristics.

- Land tax

The tax for 2023 will be calculated at the cadastral value as of January 1, 2022, if it becomes higher as of January 1, 2023. An exception is the situation when the cost of the site has increased due to changes in its characteristics.

15. A three-year moratorium on audits regarding IT companies has been introduced

The Resolution of the Government of the Russian Federation of March 24, 2022 No. 448 "On the Specifics of the Implementation of State Control (Supervision), Municipal Control in Relation to Accredited Organizations Operating in the Field of Information Technology, and on Amendments to Some Acts of the Government of the Russian Federation"

Comments

In 2022-2024, with respect to accredited IT companies it is prohibited to conduct state control (supervision), municipal control. This doesn't relay to preventive measures in the form of consulting, informing and self-examination. The already started audits shall be terminated.

The certain features of state control (supervision), municipal control in 2022 have been also adjusted. In particular, planned activities and audits within the scope of state control (supervision) over the work of regional and local authorities are prohibited. The grounds for conducting unscheduled events and audits have been clarified. The need to submit statistical information for 2022 on the implementation of types of state control (supervision), municipal control has been cancelled.

The moratorium on audits of IT companies comes into effect on March 24, 2022.

16. The government commission allowed residents to carry out certain real estate transactions with persons from unfriendly countries

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 March 17, 2022 No.12 "(approved by the Ministry of Finance of Russia on March 21, 2022 No.05-06-10/VN-12886)

Comments

The government commission allowed residents to carry out certain real estate transactions with persons from states that commit unfriendly actions against Russian legal entities and natural persons. These transactions include:

- transactions (operations) entailing the arising of ownership of immovable property acquired by a

natural person who is a foreign person associated with foreign states, which commit unfriendly actions against Russian legal entities and natural persons;

- transactions (operations) entailing the arising of ownership of immovable property, alienated by a natural person who is a foreign person associated with foreign states, which commit unfriendly actions against Russian legal entities and natural persons, provided that funds are credited to an account of the type “C" in the manner determined by the Decree of the President of the Russian Federation of 05.03.2022 No.95;
- agreements for participation in shared construction, fulfillment of obligations under agreements for participation in shared construction.

17. The Ministry of Finance has offered to reduce fines on the exporters for non-return of export revenue and illegal foreign exchange transactions

The draft law No.91894-8 “On Amending Article 9 the Federal Law “On Currency Regulation and Currency Control”

Comments

The Ministry of Finance of Russia has prepared and submitted to the government a draft law significantly mitigating administrative liability for violations of currency legislation. The draft law offered to replace the rate of the administrative fine for violating the currency legislation for the officials, which is set at a fixed amount, with a fine calculated as a percentage of the amount of the violation.

The draft law also provides for a reduction in the amount of fines for administrative offenses for all participants in foreign economic activity for illegal foreign exchange transactions:

- for illegal foreign exchange transactions up to 20–40 percent compared to the current fines of 75–100 percent of the amount of an illegal foreign exchange transaction;
- for non-repatriation of export revenue under ruble and foreign currency trade agreements up to 3–5 percent (compared to the current fines of 3–10 percent for ruble contracts and 5–30 percent for foreign currency contracts);
- for improper performance or termination of obligations under a foreign trade agreement up to 3–5 percent of the amount of funds due from a non-resident to a resident, compared with the current 5–30 percent.

On the average, the amendments of the Ministry of Finance provide for a reduction in the amount of fines for currency violations by about three times.

In addition, the draft law offered to exclude the institution of "professional participants in foreign economic activity" for the purposes of administrative responsibility.

The executive authorities that impose fines (in particular, the Federal Taxation Service) are empowered to choose the exact value of the fine within the legally defined range, depending on the circumstances of the case.

At the same time, the Ministry of Finance offered to retain liability measures for non-repayment of advances on imports or loans to non-residents: fines for non-repayment of advances on imports in rubles or a foreign currency for residents will remain at the level of 3–10 percent in the case of ruble contracts and 5–30 percent in the case of foreign exchange contracts.

Similarly, the Ministry of Finance offered to keep the penalties for non-repayment of funds under loan agreements, in which a Russian resident provides funds in any currency to a non-resident, unchanged at the level of 5-30 percent.

By the Decree No.79 of February 28, 2022, from March 1, 2022, there's introduced a ban on providing foreign currency in favor of non-residents under loan agreements for residents, however, this ban applies only to loans in a foreign currency. Thus, if a Russian organization issued a loan in a foreign currency before March 1, 2022 or provides a loan in rubles, the fine for the organization for non-repayment of the loan by a non-resident will still be 5–30 percent of the loan amount.

18. Audits of compliance with currency legislation have been suspended, with the exception of audits on illegal currency transactions under special economic measures

The Letter of the Federal Taxation Service of Russia of 05.03.2022 No.SY-4-17 / 2734@ "On the Suspension of the Assignment and Performance of Compliance Audits with Currency Legislation, with the Exception of Audits Related to the Implementation of the Provisions of the Decrees of the President of the Russian Federation of 02.28.2022 No.79, 01.03.2022 No.81 Regarding Illegal Foreign Exchange Transactions"

Comments

The Federal Taxation Service suspends audits of compliance with currency legislation, with the exception of audits of illegal currency transactions in the context of special economic measures.

At that, the tax authorities were instructed to submit to the Department for International Cooperation and Currency Control draft acts of audits, which contain conclusions about violations of Decrees of the President of the Russian Federation No.79 and No.81.

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