



Planned amendments to the Federal law dated 25 July 2002 No. 115-Φ3 “On legal status of foreign citizens in the Russian Federation”

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Amendments to the legal provisions regulating certain aspects concerning highly-qualified specialists (hereinafter “HQS”) are planned.

It is expected that permanent residence permit may soon be obtained by certain categories of HQS. In particular, HQSs that performed employment activity for a period of not less than 3 years and within this period had a special temporary residence permit (for HQS) could apply to receive a permanent residence permit. Another requirement is that the employing company within this period duly calculated and paid the income tax from the salary paid to the HQS.

Such residence permit could also be obtained by HQS family members, provided that they also previously had a special temporary residence permit (for HQS).

The aim of the legislator in this regard is to attract further qualified foreign employees by increasing the investment prospects of Russia. Considering that HQS upon receipt of a permanent residence permit and thus moving to the category of permanently living foreigner will not be required to prolong HQS work permit on a continuous basis every 3 years, such provision of the draft law is aimed at decreasing the expenses of the employing company to hire HQSs (e.g., expenses on medical insurance policy, execution and extension of work permit and visa, etc.).



It is also planned to increase the statutory minimum monthly salary for HQSs from the current RUR 167,000 (gross) up to RUR 250,000 (gross).

The current minimum monthly salary of RUR 167,000 established in 2010 was not reviewed for almost 11 years even though the Ruble devaluated quite significantly throughout this period. Therefore, the EUR/USD equivalent of the RUR amount changed and, according to the current exchange rate of RUR to USD minimum monthly salary in USD is only USD 2,280. At the same time if we refer, for instance, to the Bilateral Agreement between the Russian Government and the Government of French Republic concerning temporary employment activity of the citizens of one State in the territory of the other State dated 27.11.2009 the minimum monthly salary for HQS is established at the minimum level of EUR 3,200 per month.

Generally speaking, such change should not become very burdensome for the employers of HQSs, since the average monthly salary of HQSs normally exceeds even the amount of RUR 250,000.

Visa of the HQS may be annulled if the foreign citizen does not apply for receipt of the work permit after expiry of 30 working days from the date of the work permit execution. In turn, work permit that is not received by the foreign citizen within 30 working days from the date of its execution may be subject to cancellation. The purpose of these amendments is to exclude the cases of illegal presence in the territory of Russia of those foreign citizens that executed HQS work permits, but did not apply to the migration authority for their receipt.

Specifically, for HSQ working in separate subdivisions, branches and representative offices or affiliated entities (except for individuals) located in the territory of two and more regions of Russia, the work permit will be valid in all the territories concerned.

According to the new rules for receipt of the HQS work permit, as well as for its

extension certain medical documents, may be necessary to present. In particular, the documents confirming the absence of the following illnesses (drug addiction, infections diseases, such as currently Covid-19, HIV). As these documents are to be issued by the medical institutions located in Russia, it will be necessary to plan these actions and reserve time for this.

Based on the current regulation, HQSs must present HIV certificate only for receipt of the labour visa, whereas HQSs from non-visa countries arriving in Russia must not present any medical certificates.

In case of submission of incorrect information concerning the amounts of income tax calculated and withheld by the tax agent in relation to the salary of HQS the company employing the HQS may be deprived of the possibility to employ HQS for the next 2 years. Such amendment is connected with the already existing obligation of the employer to submit to the tax authority on a quarterly basis information concerning the income tax calculated and withheld by the tax agent as per the form 6-NDFL. The corresponding adjustment to the form in terms of indicating the aggregated information about the quantity of HQS, as well as their total income and income tax is supposed to be done.

Migration legislation in Russia is on the way of its adjustment not only in terms of HQS as mentioned above. It is expected that, instead of a number of laws concerning foreign citizens, one unified law should be enacted.

Among the discussed changes are the introduction of 3 new categories of foreigners (with short term stay up to 90 days, long term stay and permanent stay). One of the novelties could be the exclusion of temporary residence permits that, as an interim stage between work permit and permanent residence permit, in fact are currently not so used in practice.

It is also discussed to possibly introduce ID cards (with biometric data) valid for 10



years for foreigners with long term stay and permanent stay. Another discussed amendment is the possible establishment of the notification procedure for work permits. This means that the foreign citizens start employment activity first and then notify the migration authority. This may allow to use foreign employees straightaway without the preceding formalities with work permit execution

that take quite a lot time and entail quite significant expenses.

All these adjustments are supposed to simplify the use of foreign employees, to keep the costs of the employers hiring foreign employees at a low level and, eventually, to increase investment prospects in Russia.



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