

Russian measures aimed COVID-19 emergency

April 2020



Summary

- Legislation
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- Tax and Social Insurance Contributions Provisions
- Financial provisions



Legislation

- Decree of the President of the Russian Federation of 25.03.2020 No. 206 “On the announcement of non-working days in the Russian Federation”.
- Decree of the President of the Russian Federation of 02.04.2020 No. 239 “On measures to ensure sanitary and epidemiological welfare of the population in the Russian Federation in connection with the spread of a new coronavirus infection (COVID-19)”.
- Decree of the President of the Russian Federation of 28.04.2020 No. 294 “About extension of measures to ensure sanitary and epidemiological welfare of the population in the Russian Federation in connection with the spread of a new coronavirus infection (COVID-19)”.
- Decrees of the Government of the Russian Federation.
- Federal Laws changing the Tax Code of Russia.
- Regional Decrees (Moscow, St. Petersburg and others).

Lock-down and Re-Opening

Non-working days

- Lock-down started on **30th March 2020**, as stated by the Decree of the President of the Russian Federation of 25.03.2020 No. 206 “On the announcement of non-working days in the Russian Federation”.
- Certain organizations (e.g. pharmacies, organizations providing the population with food and essential goods, etc.) are considered on an exceptional basis and are **allowed to continue working** during the lock-down.
- Employees of other organizations **may continue working remotely**, i.e. not visiting the offices.
- According to the Decree of the President of the Russian Federation of 28.04.2020 No. 294, lock-down should end on 8th May 2020.

Non-working days

- Employees should receive **full remuneration** for the period of lock-down. Payment dates are as usual.
- Tax filing and tax payment **deadlines** falling on 'non-working' days are **extended** for organizations not considered as exceptions (letter issued by the Federal Tax Service No СД-4-3/55477 @ dated 01.04.2020).
- **Personal visits** to the local tax offices and to the courts are temporarily **not possible**.
- Some regions (e.g. Moscow) introduced **restrictions for movement** of citizens in absence of **special pass**.

Corporate law provisions

Corporate law provisions

- Shareholders' meetings in limited liability companies and in joint-stock companies in 2020 can be held **in 9 months** after the end of fiscal year instead of ordinary 4 and 6 months respectively.
- Shareholders' meetings in **joint stock companies** can be held electronically or through conference calls (also in absence of a Board of Directors' specific decision).
- Shareholders' meetings in **limited liability companies** still **cannot** be held in absentee meeting form.
- The Government of the Russian Federation imposed **moratorium on bankruptcy proceedings** in relation to certain types of organizations.

Tax and social security contributions provisions

Tax and social security contributions provisions

- As of 1st April 2020, small and medium enterprises (in accordance with the registry) are allowed to apply decreased rates of social insurance contributions to part of remuneration exceeding minimum wage. Decreased rates are as follows:
 - obligatory pension insurance contributions – 10%;
 - obligatory social insurance contributions – 0%;
 - obligatory medical insurance contributions – 5%.

Tax and social security contributions provisions

- Tax **filing deadlines** (except VAT tax returns) are **extended for 3 months** for the tax returns due to file in March-May 2020.
- **Accounting statements** for 2019 should be filed by 6th May 2020 (instead of 31st March 2020).
- Tax payment deadlines are **not extended**, except to certain small and medium enterprises.
- Filing deadlines for **VAT tax returns** and for **calculations for social insurance contributions for the 1st quarter of 2020** are extended to 15th May 2020.

Tax and social security contributions provisions

Up to 31st May 2020, the following is suspended:

- ✓ making decisions on conducting field (repeated field) tax audits;
- ✓ making decisions on the conduct of checks on the completeness of the calculation and payment of taxes in connection with transactions between interrelated parties;
- ✓ conducting designated field (repeated field) tax audits and designated checks on the completeness of the calculation and payment of taxes in connection with transactions between interrelated parties;
- ✓ checks for compliance with currency legislation (with certain exceptions).

In relation to the above checks and tax audits, periods of limitation are also extended.

Tax and social security contributions provisions

Tax payment deadlines for **most affected small and medium enterprises** were extended as follows:

- Corporate income tax, single agricultural tax, tax paid in connection with the application of the simplified tax system for 2019 – extension is granted for 6 months;
- Personal income tax payable by individual entrepreneurs – for 3 months;
- Taxes (excluding VAT, professional income tax, taxes paid as a tax agent) and advance tax payments for taxes for March and 1st quarter of 2020 – for 6 months; for April - June, for II quarter and first six months of 2020 – for 4 months;

Tax and social security contributions provisions

Tax payment deadlines for **most affected small and medium enterprises** were extended as follows:

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- Tax payable on the basis of the patent system, the due date for which is due in the 2nd quarter of 2020 – 4 months;
- Advance payments for transport tax, corporate property tax and land tax (where applicable) for the 1st quarter of 2020 are payable no later than 30th October 2020, for the 2nd quarter of 2020 – no later than 30th December 2020;
- Social insurance contributions (including accident insurance contributions) payable on top of remuneration paid in March-May 2020 – 6 months;

Tax and social security contributions provisions

Tax payment deadlines for **most affected small and medium enterprises** were extended as follows:

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- Social insurance contributions (including accident insurance contributions) payable on top of remuneration paid in June-July 2020 and certain contributions payable by individual entrepreneurs – 6 months.

Tax payment deadline extension does not entail an extension for tax filing deadline.

Tax and social security contributions provisions

- The deadlines for the **provision of documents (information)** by a taxpayer (tax agent) to tax authorities are **extended**.
- **No sanctions** for non-provision of information/documents to the tax authorities during the period from 1st March till 31st May 2020 should be applied.
- Tax payment **deferrals (installments)** could be provided under certain circumstances.

Financial provisions

Financial provisions

- The mostly affected small and medium enterprises could be provided with ‘credit holidays’ on the basis of special application.
- The Government provides subsidies for banks for deferred loan payments (see above).

Thank you