

10 November 2020

Companies can now register as SMEs any month

The Law on Small and Medium Enterprises Development has recently been amended. Starting from 7 November 2020 companies that qualify as SMEs but missed submission deadlines or were unable to provide their foreign owners' reports in due time because of different filing deadlines in the country of their incorporation do not have to wait until next year to apply for the inclusion in the SME Register and benefit from government support measures.



The SME Register will be updated every month

Before: the Register was updated once a year on 10 August, so companies that had failed/had been unable to meet submission deadlines had to wait until next year to be included in the Register.

Now: companies can register as SMEs and benefit from support measures any month:

- audit firms can submit data on limited liability companies (and administrators of shareholder registers can submit data on joint-stock companies) with over 49% of foreign capital to the Russian Federal Tax Service from the first to the fifth day of any month.
- the Federal Tax Service will include eligible Russian companies in the SME Register on the tenth day of the same month. As before, the authorities can remove companies from the Register once a year, but the removal date was shifted from 10 August to 10 July.



The Federal Law on Amendment of Article 12 of the Law on Chambers of Commerce and Industry and the Federal Law on Small and Medium Enterprises Development (Law No. 349-FZ dated 27 October 2020)



New requirements to foreign owners' reporting that proves their qualification as SMEs

Before: submitted reports had to cover the previous calendar year.

Now: the period covered by submitted reports depends on the time when a company applies for the inclusion in the SME Register. A company can be included in the Register from 10 July to 10 December based on reporting for the previous calendar year or from 10 January to 10 June based on reporting for the calendar year preceding the previous calendar year. This means that a company can be included in the Register on 10 December 2020 or from 10 January to 10 June 2021 based on its foreign owners' reporting for 2019 and from 10 July to 10 December 2021 based on reporting for 2020.

The law still provides no guidance on whether it is possible to use foreign owners' reports for a reporting period that differs from a calendar year in order to apply for the inclusion in the SME Register



Why this information may be important for you

If your Russian subsidiary failed to register as an SME on 10 August because filing deadlines in your country of incorporation are different, it does not have to wait until next year to apply for the inclusion in the SME Register. The next submission period is from 1 to 5 December 2020.

If this issue is relevant for you, we will be pleased to offer our assistance. You can find more detailed information about the registration as an SME [here](#).



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