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**ESTABLISHING
BUSINESS
IN RUSSIA**



This legal memorandum is not a legal opinion proper, nor may it replace the need of legal consultation in any specific instance

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Choosing which type of legal entity to register is one of the most important stages before undertaking business activity in Russia. The type of legal presence will influence all activity, including financial and tax reporting, customs and currency control. Therefore, an investor should pay special attention to determining the appropriate corporate form which will help him achieve his goals while meeting all legal requirements.

A foreign investor may act through one of several legal forms:

- As a representative office of foreign legal entity
- As a branch office of foreign legal entity
- As a Russian legal entity

The procedures for establishing a company in Russia are quite well-developed and are regulated by the RF Civil Code and by additional RF laws.

Russian Legal Entities

In accordance with the Civil Code, the following are some of the most important types of legal entities:

- Joint stock companies (JSC)
- Limited liability companies (LLC)
- Additional liability companies
- General partnerships
- Limited partnerships

Joint stock and limited liability companies are forms that are most frequently used by foreign investors to enter the Russian market and are reviewed below.

Limited Liability Company

The limited liability company (hereinafter LLC) is recognized as a company established by one or more persons, whose authorized capital is divided into participation interests, the size of which is stipulated by founding documents. Participants of the LLC do not bear liability by its obligations but bear the risk of losses connected with the company's activity within the cost of the contributions they have made. An LLC can be founded by either a person or group of people, or a Russian or foreign company. The number of participants in an LLC cannot exceed 50. If the number exceeds 50, then the LLC is subject to reorganization into a Open JSC within a year. On the expiry of this term, if the number of participants has not been reduced, it shall be liquidated under the court decision. The Company cannot be the sole participant of another business association consisting of one entity (an individual or a legal entity).

The minimum authorized capital may not be less than RUR 10,000 (approximately \$370) and at least 50 percent of the capital must be paid in prior to the company's registration. Contributions can be made in cash or in-kind.

The founding document of an LLC is known as Charter, which is approved by participants.

An LLC has a three-tier management structure which consists of:

- The general participants' meeting is the highest governing body that makes all the fundamental decisions for managing and maintaining the company's economic activity. If the shareholder intends to sell its share / part in the share capital, the shareholder will have to get this protocol processed with a notary, along with the subsequent registration with the tax authorities.
- Board of Directors, which supervises the general company's activity. The presence of this body is not required. Formation of the Board of Directors is the shareholders' voluntary expression of will to implement additional control over the company.
- Executive body (usually the general director or managing company). The primary function of the executive body is the daily management of a company. In addition to being responsible to the company's shareholders, the sole executive body has criminal and administrative responsibility before the state.

The use of the LLC legal form of business ownership is convenient if:

- ✓ The company's business activity has an un-branched (simple) structure;

- ✓ Direct control of the Russian company is concentrated with one person - the director general. It is no less important that there is trust in the person appointed to the post of general director;
- ✓ Making maximally efficient decisions on the company's current affairs is important for shareholders.

Joint Stock Company

A joint stock company (JSC) is a company, whose authorized capital is divided into a definite number of shares; the owners of the JSC (the shareholders) do not bear liability for its obligations, but do accept the risks involved with losses connected to the JSC's activity within the value of their shares. Registration on issuing shares and subsequently filing reports to the Federal Financial Markets Service is mandatory.

There are two types of JSCs:

- Closed joint stock companies (CJSC)
- Open joint stock companies (OJSC)

The distinctions between the two abovementioned forms are as follows:

Open Joint Stock Company	Closed Joint Stock Company
Minimum authorized capital is RUR 100,000 (approximately \$3,700)	Minimum authorized capital is RUR 10000 (approximately \$370)
Unlimited number of shareholders	Limited number of shareholders, which cannot exceed 50. Otherwise, the company is subject to reorganization into Open Joint Stock Company within one year
Sale of shares occurs without prior approval of shareholders, including in the securities market, both within and outside of the territory of the Russian Federation.	Shares may not be freely sold. Share transfers are subject to preemptive rights of other shareholders.

The management structure of a JSC is similar to the management structure of an LLC. Both open and closed JSCs are obliged to have two governing bodies: the General Shareholders' Meeting and the Executive Body. The OJSC with over 50 shareholders must have a Board of Directors or Supervisory Council. In contrast to the Board of Directors in an LLC, a number of issues related to the general shareholders meeting can be transferred to authority of the board of directors of a JSC. Furthermore, a JSC must annually undergo a professional outside audit for control and approval of its annual financial reports.

Branch and Representative Offices

Branch and representative offices of foreign legal entities are not considered to be Russian legal entities, but bodies representing the interests of foreign legal entity with headquarters in another country.

The table below provides a comparison of the two forms:

Representative Office	Branch
A representative office is a subdivision of a foreign legal entity which represents the company's (headquarters) interests in Russia and cannot undertake commercial activity. The main purpose of establishing a representative office is marketing research for the Russian market and promotion of commercial relations between the head company and Russian companies.	A branch is a subdivision of a foreign legal entity which may undertake commercial activity.
The term for which a representative office can be set up is a maximum of three years, with the right of extension.	The term for which a representative office can be set up is up to five years, with the right of extension.
The state fee depends on the authority under which the representative office / branch is accredited	
State Registration Chamber Fees: - Standard procedure \$ 1000 (1 year) \$ 2000 (2 years) \$ 2500 (3 years)	State Registration Chamber Fees: - Standard procedure 120 000 RUR + 500 USD (one year) 120 000 RUR + 1000 USD (2 years) 120 000 RUR + 1500 USD (3 years) 120 000 RUR + 2000 USD (5 years)

- Expedited procedure
\$ 1500 (1 year)
\$ 2500 (2 years)
\$ 3000 (3 years)

- Expedited procedure
120 000 RUR + 1000 USD (1 year)
120 000 RUR + 1500 USD (2 years)
120 000 RUR + 2000 USD (3 years)
120 000 RUR + 2500 USD (5 years)

The management structure of a representative or a branch office is represented by the executive body in the person of the head of the branch or representative office. The head of the subdivision of a foreign legal entity acts on the basis of the Power of Attorney issued by the foreign legal entity. The foreign company itself determines the Head's scope of authority. The foreign company may at any time revoke the power of attorney and transfer it to another entity.

Registration

Once a form of a legal presence is chosen, the procedure for state registration must be started. In accordance with the Federal Law "On State Registration of Legal Entities," registration is performed by tax authorities who file documents with the Unified State Register within five days (the tax authority in Moscow - 7 days). When you register a Russian legal entity, one of the shareholders must submit documentation in person. The person authorized to sign the application and submit the documents is referred to as the Applicant. If the shareholder is a company, then the director of the company in question acts as the Applicant. If the applicant is not able to attend the public authority for registration, documents may be sent by mail. In this case, registered documents will be sent to the stated address of legal entity being created.

Afterwards, the following procedures must be completed:

- Receipt of the State Statistics Committee letter
- Obtaining registration certificates with non-budgetary funds (the Pension Fund, Obligatory Medical Insurance Fund and Social Security Fund)
- Opening of bank accounts
- Notification of tax authorities and Pension fund about the opening of bank accounts
- Production of a company's seal
- In case of establishing a JSC, the securities issue must be registered with the Federal Service for Financial Markets of the Russian Federation

The deadline for registration of a Russian legal entity depends on its legal organizational form. For an LLC - 2-3 weeks, for a JSC - 2-3 weeks + 1 month for the registering the issue of shares. A fee of 4800 rubles is applied when registering Russian legal entities. The fee for registering shares depends on the type of shares.

Branches and representative offices must also be accredited with state bodies authorized to grant such accreditation. Usually, these authorities include the State Registration Chamber at the Ministry of Justice of the Russian Federation, the Chamber of Commerce and Industry and various Ministries of Russia. For example, if the company is engaged in educational activity, a representative or branch office may be accredited with Ministry of Education.

To establish a company, a foreign investor has to prepare a comprehensive list of documents required by Russian law. All documents from the home country of a foreign legal entity must be notarized and apostilled and a notarized translation into Russian must be provided.

The deadline for registering a representative office / branch of a foreign entity takes 1 to 2 months, depending on the use of expedited accreditation procedures with the authorities responsible for issuing permits for opening representative offices / branches.

Russian legal entity	Branch and / or Representative Office
One of the founders must be present in person to submit documents for registration	Any person with power of attorney may submit documents for registration
The registration authorities: - The Federal Tax Service - The State Statistics Committee - Social Insurance Fund - Pension Fund	The registration authorities: - State Registration Chamber (and other body depending on the head company's type of business activity) - The Federal Tax Service

<p>The following must also be performed:</p> <ul style="list-style-type: none"> - Opening a savings account - Opening of current accounts - Notifying the tax authorities and the Pension Fund about opening bank accounts - Production of company's seal - Signing a contract on compulsory medical insurance For corporations and the Federal Financial Markets Service (FFMS). 	<ul style="list-style-type: none"> - The State Statistics Committee - Social Insurance Fund - Pension Fund <p>The following must also be performed:</p> <ul style="list-style-type: none"> - Opening of current accounts - Notifying the tax authorities and the Pension Fund about opening bank accounts - Production of company's seal - Signing a contract on compulsory medical insurance
<p>The registration period is 2-3 weeks, depending on how quickly the Client signs the documents. With regards to the abovementioned registration period, registration of a JSC will take 1 month with the FFMS.</p>	<p>The deadline for registering a representative office / branch of a foreign entity takes 1 to 2 months, depending on the use of expedited accreditation procedures with the authorities responsible for issuing permits for opening representative offices / branches.</p>

Russian Legal Entities

According to the Part IV of the Civil Code of the Russian Federation the following requirements are established for corporate names of organizations.

The corporate name of a legal entity shall not include:

1. Full or abbreviated names of the Russian Federation, foreign states, as well as words derived from such names;
2. Full and abbreviated official names of federal state authorities, state authorities of constituent entities of the Russian Federation and local government bodies;
3. Full or abbreviated names of international and inter-governmental organizations;
4. Full or abbreviated names of public associations;
5. Designations counter to the public interests, as well as human and moral principles.

Inclusion of the official name of the Russian Federation, as well as words deriving from this name, in the corporate name of a company is allowed given the permission of the Government of the Russian Federation, if over seventy per cent of the shares in the company belong to the Russian Federation. Such permission is issued without indication of a term of validity and may be revoked in the event of disappearance of the circumstances by virtue of which it was issued. The procedure for issuing and revoking permits is established by law. In the event of revocation of the permission to include the official name of the Russian Federation, as well as words deriving from this name, in the corporate name of a company, the company shall within a period of three months introduce corresponding amendments into its articles of association. Use of the word "Moscow" or words and phrases formed on the basis of it (including abbreviations), as well as names of districts of Moscow or words and phrases formed on the basis of them in the company name is possible only with permission of the Interdepartmental Commission of the Moscow Government in the form of a permit on the right to use the state symbols of Moscow.

The attention should be also paid to the following:

- The corporate name of a legal entity is determined in its constituent documents and is included in the Unified State Register of Legal Entities when the legal entity is registered.
- The corporate name of a legal entity shall contain an indication of its organizational and legal form and the actual name of the legal entity, which may not consist only of words indicating a type of activity.
- A legal entity must have a full corporate name and may have an abbreviated one in Russia. The legal entity is also entitled to a full and (or) abbreviated corporate name in languages of the peoples of the Russian Federation and (or) foreign languages.

The corporate name of a legal entity in Russian and languages of peoples of the Russian Federation may contain borrowings from foreign languages transliterated into the Russian alphabet or, correspondingly, the languages of peoples of the Russian Federation, with the exception of terms and abbreviations reflecting the organizational and legal form of the legal entity.

In the event of inconsistency between the corporate name of a legal entity and the abovementioned requirements, the authority responsible for state registration of legal entities shall have the right to enter a suit against such as legal entity to compel it to change its corporate name.

Branch and Representative Offices

The name of the branch or representative office is formed exclusively from the name and organizational form of the foreign legal entity.

Russian Legal Entities

Russian legal entities, including those with foreign capital, may carry out any activities which are not prohibited by the legislation of the Russian Federation.

There are bans or restrictions for Russian legal entities who have a foreign legal entity as a shareholder and who engage in direct investment in the Russian Federation; these restrictions apply to the conduct of activities that require additional coordination with authorities, for example:

- A prohibition on transactions that result in establishing control over business entities that are of strategic importance to national defense and state security;
- A ban on the transport of goods and passengers by vehicles belonging to foreign carriers, including those who have temporarily imported them into the Russian Federation or between points within the Russian Federation;
- A ban on the establishment of television programs by Russian legal entities with foreign ownership or shares (contributions) of foreign ownership in the charter capital of 50 percent or more.
- Prohibition or restriction on the use of mineral resources of federal significance for exploration and mining;
- Bans and restrictions on carrying out activities in the field of insurance and banking;
- Other prohibitions and restrictions imposed by the Government of the Russian Federation.

Certain activities require special permits (licenses). Licensed activities include those types of activities which may result in damage to the rights, legitimate interests, or health of citizens, to defense and national security, or the cultural heritage of the peoples of the Russian Federation, which cannot be regulated through methods other than licensing. For example, banking, insurance, education, pharmaceuticals, stock market activity, activity in the production and sales of grain alcohol and alcoholic products, gambling and other types of activities, a list of which is established by Russian legislation.

Branch and Representative Offices

Representative Office	Branch
The representative office shall be entitled to exclusively perform support functions: to conduct market research, promotions, participate in exhibitions, seminars, etc.	The branch may carry out commercial activities, carrying out part or all of the functions of the parent company
-	It is necessary to obtain a license for all other forms of activity.

IV. Customs Processing

A Russian legal entity has the right to independently carry out activities on customs processing of exported and imported goods without using intermediaries. To do this, the goods must go through registration with the customs authorities.

The branch is not entitled to act as an applicant for customs clearance of goods being exported and imported. The services of customs brokers must be used for customs clearance. A customs broker is a specialized organization accredited by the State Customs Committee of Russia, whose main activity is customs processing in Russia. The branch may clear goods through customs only if the goods are imported for the needs of the branch, and in some cases, not associated with commercial supply of goods to Russia.

The representative office is free to act as a customs applicant when declaring the customs treatment of temporary import, re-export, transit, and customs treatment of release for domestic consumption of goods imported for the rep office's own needs.

V. Tax Aspects

Russian Legal Entities

Taxation of the Russian legal entity depends on the specific tax system which applies to the organization. The most common systems of taxation in Russia are:

- General taxation system,
- Simplified taxation system,
- Imputed taxation system.

Regardless of the type of taxation system, organizations are obligated to hand over their payroll registers to the Social Insurance Fund and pay the appropriate taxes.

All companies work according to the **general tax system**, unless they have filed an application to use the simplified taxation system. The main taxes payable under the general tax system are:

- Value Added Tax (VAT).
- Tax on the organization's profits.
- Property tax.
- The tax on personal income (PIT).

Apart from these major taxes, an organization may also have to pay excise taxes, motor vehicle taxes, taxes on gambling, taxes on mineral extraction, and others depending on their specific business activities.

Many organizations prefer to use the **simplified tax system (STS)**. When using STS, income tax and property tax are replaced by a single unified tax payment. Organizations using STS are not obligated to pay VAT. Two tax rates are applied for this system depending on the object of taxation:

- 6% - object of taxation - income;
- 15% - object of taxation - income minus expenses, a list of which is specified in Article 346.16 of the Tax Code.

There are restrictions on using this system depending on the type of business activity, volume of business, organizational and legal aspects.

Another system of taxation used is the **unified tax on imputed income (UTII)** for individual activities. This mode can be used by organizations providing services listed in Article 346.26 of the Tax Code and by a decision of a territorial subject of the Russian Federation where this activity takes place. The tax base for the single tax is recognized as the amount of imputed income, calculated as the product of the benchmark return for the tax period, and the amount of the physical indicator which characterizes the type of activity. Actual indicators and the benchmark return can be obtained from the tables in Article 346.29 of the Tax Code. The tax rate for the system is 15% of imputed income.

For foreign organizations acting as foreign investors, it is important to know that STS and UTII do not apply to Russian legal entities if their share in the registered capital of other legal entities (including foreign) is more than 25%.

It is also important to pay attention to taxes on income of foreign legal entities that is not related to their business activities:

- dividends;
- interest on debt;
- income from use of intellectual property rights in the Russian Federation;
- income from sales of real estate located in the Russian Federation;
- other income listed in Article 309 of the Tax Code.

Type of Tax	Rate	Commentary
VAT	18%	Used in the vast majority of cases
	10%	In sales of certain goods belonging to the following categories: <ol style="list-style-type: none"> 1. Food products; 2. Goods for children; 3. Printed goods; 4. Medical products. The exact list of products is established in Section 2, Article 164 of the Tax Code.
	0%	In sales of certain types of goods and services in the areas of: <ol style="list-style-type: none"> 1. Exports; 2. Space-related activities; 3. Trading in precious metals. The exact list of goods and services is established in Section 1, Article 164 of the Tax Code.
Profit Tax	20%	-
Property Tax	No more than 2.2%	The interest rate depends on the territorial subject of the Russian Federation where the property is located
PIT	35%	Used for: <ol style="list-style-type: none"> 1. Income based on the value of prizes and awards that exceed the prescribed amounts; 2. Income from interest on bank account deposits that exceed the prescribed amounts; 3. Savings on interest when the taxpayer receives loan funds (credit) in excess of the prescribed amounts.
	30%	Income earned by individuals who are not tax residents of Russia (who have been in the Russian Federation less than 183 calendar days within 12 consecutive months).
	13%	Used for: <ol style="list-style-type: none"> 1. Income earned by individuals who are highly qualified specialists; 2. Income earned by individuals who are tax residents of Russia (located in the Russian Federation not less than 183 calendar days within 12 consecutive months).
Dividends	30%	For individuals who are not tax residents of Russia
	15%	For foreign organizations
	9%	For Russian companies and individuals who are tax residents of Russia

Branch and Representative Offices

According to Russian legislation pertaining to taxation of rep offices, affiliates, branches, bureaus, offices, agencies, and any other economically autonomous subdivisions or other places a foreign legal entity conducts business (including construction sites) are combined into one group and referred to as "permanent establishments." If there is a double taxation treaty between Russia and the country where the foreign legal entity is permanently located, then the criteria which establishes the absence or presence of a permanent establishment is determined based on the conditions of such an agreement, since the norms of international agreements concerning taxation issues in the Russian Federation shall have precedence over domestic law.

The permanent establishment shall pay all taxes in the same manner as that of a Russian legal entity, with the exception of particular points stipulated by the Russian Tax Code and the conditions of international agreements. Therefore, permanent establishments are taxed on:

- Income earned by a foreign organization as a result of doing business in Russia through its permanent establishment, reduced by the amount of expenditures produced by this permanent establishment;
- Income from a foreign organization from owning, using, and/or disposing of property belonging to the permanent establishment of said organization in Russia, deducted by the costs associated with obtaining such proceeds;
- Other income from sources in the Russian Federation as listed in Article 309 of the Tax Code relating to the permanent establishment.

A general procedure for recognizing income and expenses applies to permanent establishments. They are required to keep tax records in the manner prescribed by Russia's Tax Code: to produce analyses of tax accounting registers and calculations of their tax base. One of the mandatory requirements for the permanent establishment in keeping tax records is the presence of supporting primary documents for all business transactions: bills, invoices, receipts and certificates confirming the information transmitted from the head office of the foreign organization. The legislation does not make it mandatory for accounting records to be kept in its Russian conception.

The benefits of performing the activities through a permanent establishment include:

- Tax assessments are handed in no more than once per quarter;
- Depreciation can be calculated by the rules of the country that the foreign legal entity is registered in;
- Bank accounts can be opened in other countries without the permission of the Russian Central Bank, as in the case of a Russian legal entity ;
- Permanent establishments (with the exception of a few countries) are not obligated to pay VAT when renting residential or office spaces, etc.

VI. Intellectual Property

Intellectual property is the legal term for the collection of rights possessed by the person or persons (authors or other copyright holders) on the products of intellectual activity and the means of individualization equated with them.

Type	Types and Products of Intellectual Property	State Registration	Validity Period	Transfer of Rights on Products of Intellectual Property
Copyrights and Associated Rights	<p>Copyrights and related rights protect the following products - Scientific, literary and artistic works, regardless of the value or purpose of the work or the manner of its expression;</p> <ul style="list-style-type: none"> - Audiovisual works; - Performance activities (soundtracks, on air or on cable radio and television broadcasting (broadcasting and cable distribution organizations), as well as works of science, literature and art, first being made public after their transition into the public domain. 	Not subject to state registration	The validity period of the exclusive right to intellectual property is active for the entire life of the author and for 70 years after his death. Validity of associated rights as a general rule is valid for the entire life of the executor and for 50 years after his death.	Licenses for the use of intellectual property are transferred through a licensing agreement. The exclusive right may be transferred to another entity in full by concluding a contract on alienation of the exclusive right. The exclusive right to the intellectual property can be placed or transferred as a contribution to a company's charter capital.
	<p>Computer programs. A computer program is presented altogether in an objective form of data and commands designed for the operations of computers and other computing devices in order to obtain a certain result, including prepared materials produced during program development, and the audiovisual displays generated by it. Computer programs are protected like literary works.</p>	At the request of copyright owner the computer program may be registered in the prescribed manner.		
Patent Right	<p>Inventions. As an invention protected by a technical solution in any area relating directly to the product or process (process of performing actions on a material object with material resources). The invention is granted legal protection if it is new and has a degree of innovation and is industrially applicable.</p> <p>The novelty of the invention lies in the fact that the invention is unknown from the present technology, and assumes that the invention brings something new to scientific - technological progress.</p> <p>The invention involves a degree of innovation for the specialist if it does not explicitly follow from the present technology. The innovation level shall be understood to be the complexity of the task it performs. The industrial application of the invention shall be understood to be its possible use in the economy at the moment of its creation, as well as in the future.</p>	Subject to state registration. Can be deemed partially or completely invalid during the validity period for the reasons stated in the Civil Code.	20 years non-renewable	Rights of use can be transferred through a licensing agreement or a contract on alienation of the exclusive right.

	<p>Utility model. A technical solution relating to the device is protected as a utility model. The conditions of patentability for utility models are their novelty and industrial applicability. A technical solution relating only to the device may be recognized as a utility model. A utility model is new if the sum of its essential features is unknown in the present technology. A utility model shall be industrially applicable if it can be used in manufacturing, agriculture, healthcare, and other sectors of the economy or the social sphere.</p>	Subject to state registration. Can be deemed partially or completely invalid during the validity period for the reasons stated in the Civil Code.	10 years with the right to renew thereafter for a period of not more than 3 years	
	<p>Industrial prototype. The artistic design concept for an industrial or artistic product that determines its outward appearance is protected as an industrial prototype. An industrial prototype is very different from an invention or utility model; it looks like an object of copyright law, because it combines a structural concept with an artistic one. An industrial design is protected if it is new and original. An example is the glass bottle, which has an original appearance. An industrial prototype is new if the sum of its essential features, as reflected in the images and products listed in the list of essential features of the industrial prototype is not known from information generally available before the priority date of the industrial prototype. An industrial prototype is original if its essential features are due to the nature of the creative features of the product.</p>		15 years with the right to renew thereafter for a period of not more than 10 years	
Right on Trade Secrets	Trade secrets (know-how) - this is information of any kind (original technology, knowledge, skills, etc.) that are protected by regulations on commercial secrets and can be bought or sold or used to achieve a competitive advantage over other business entities.	Not subject to state registration	Valid as long as the information that constitutes its content remains confidential.	Rights of use may be transferred by a contract on transferring Know-how.
Right on Means of Individualization	<p>Trademark, service mark</p> <p>Trademarks can be pictorial, verbal, composite, audio, three-dimensional - representing a package of goods or the goods themselves. The legal protection conferred to a trademark or service mark of the state registration. Registration of a trademark and service mark is territorial in nature, i.e. legal entities have the right to trademark protection only in the countries in which they have received a certificate of registration for this trademark. So if a Russian legal entity is being opened by a foreign company which holds a trademark in a foreign country, this foreign company may register this trademark in Russia (if the trademark does not have an international registration, which includes the territory of the Russian Federation) and transfer it to the Russian legal entity on the basis of a licensing agreement or to register it in the name of the Russian entity. Besides the possibility of registering trademarks in various countries, they</p>	Subject to state registration	10 years, with the right to unlimited renewal	Rights of use can be transmitted through a licensing agreement or a contract on alienation of the exclusive right. The exclusive right to a trademark may be placed, as well as transferred as a contribution to a company's charter capital.

	can also be registered in the customs areas and other territories that are not recognized as countries.			
	<p>Trade name</p> <p>A person who is unlawfully using someone else's registered trade name must compensate the damages incurred at the request of the holder of the right.</p> <p>A legal entity may not use a firm name identical to that of another entity or confusingly similar to it, if these entities perform similar work and the name of the second legal entity was incorporated into the Unified State Register of Legal Entities before the name of the first legal entity.</p>	Subject to state registration when entering a legal entity in the Unified State Register at the opening of the company	As long as the company is in existence	Rights to use a company name cannot be transferred
	<p>Commercial designation</p> <p>Commercial designation individualizes the enterprise (business) belonging to the legal entity by applying this designation to signs or to manufactured goods it uses in ads and commercials. There can be no amendment to the articles of incorporation.</p>	Not subject to state registration, but it is recommended to register as a trademark	Unlimited	Trademark holder may grant another entity the right to use its commercial designation in the manner and under the conditions that are prescribed by the company's lease agreement or by a franchise agreement
	<p>Appellation of origin</p> <p>Appellation of origin, which is granted legal protection, is a symbol that represents or contains a contemporary or historical, formal or informal, full or abbreviated name of a country, urban or rural settlement, locality or other geographical area, as well as a designation, which is a derivative of such name and has become known as a result of its use in relation to a product whose particular properties are exclusively or mainly determined by the characteristics of geographical and natural conditions and/or human factors.</p> <p>And other signs</p>	Subject to state registration	10 years, with the right to unlimited renewal	Order of the exclusive right to the appellation of origin, including through its disposal or granting another entity the right to use this name, is not allowed.

Labor relations in Russia are regulated by law, which, at the federal level, is the Labor Code of the Russian Federation (hereinafter referred to as the Labor Code), as well as by other federal laws. The Labor Code currently in effect was adopted on December 30, 2001 by Federal Law N 197-FZ, which came into force February 1, 2002.

In terms of labor rights, an employment relationship is defined as a relationship based on an agreement between the employee and the employer on the employee personally performing work for payment (employment in a particular specialty, qualification, or position), according to internal labor regulations, under the employer's working conditions, as stipulated by labor laws, collective agreements, contracts, and labor contracts. The parties to the employment relationship are the employee and the employer. The employee is an individual who has entered into an employment relationship with the employer. The employer may be an individual or a legal entity that has entered into an employment relationship with the employee. Representative offices and branches cannot act as an employer.

The main document regulating the relationship between the employee and the employer is an employment contract. According to an employment contract, the employee undertakes the obligation to perform work within the framework of their duties in a certain specialty, according to their qualifications, and/or position and in conformity with the domestic labor regulations, while the employer is obligated to provide appropriate working conditions in accordance with labor laws, rules, internal work regulations, and collective or employment contracts. The employment contract shall be in writing in two copies (for the employer and employee) and must provide the following:

- **Place of Work**
If an employee is hired to work in a branch or a representative office of an organization that is located in different area, the employment contract specifies the location of the branch or representative office;
- **Employment Functions**
The functions of the position are indicated in accordance with the staffing structure, profession, or specialty, with an indication of the qualifications or particular type of task assigned to the employee;
- **Employment Commencement Date**
If a fixed-term employment contract is signed, its term and conditions (principles) are also specified, serving as the basis for signing such a fixed-term contract in accordance with applicable law;
- **Wage conditions;**
- **Working hours and vacation time** (if these differ for a particular employee from the general rules in effect with the employer). According to the general rules in accordance with current legislation:
 - Normal working hours must not exceed 40 hours per week;
 - The working day immediately preceding a holiday day is to be shortened by one hour.
 - Subject to certain conditions, an employer may hire an employee (with the written consent of the employee) to work outside the working hours established for the employee for compensation stipulated by the abovementioned Code;
 - The employer must keep records of working time for employees, including overtime;
- **Probationary Period**
The employer is not obligated to establish a probationary period. If there is not a condition in the employment contract about a probationary period, it is understood that the employee is hired without such a trial period. The probationary period shall not apply to certain categories of workers, such as: pregnant women and mothers with children under the age of 18 months; employees invited to work by way of a transfer from another employer by agreement between the employers; employees who have concluded fixed-term employment contracts for up to two months, etc. The probationary period may not exceed three months, and for leaders of organizations and their deputies, chief accountants and their deputies, heads of branches and representative offices - six months;
- **Compensation for hard labor and work with harmful and/or dangerous working conditions;**
- **Conditions that determine, where necessary, the nature of the work**
For example, mobile, travel-intensive, on-the-road type of work;
- **Condition on compulsory social insurance for the employee in accordance with existing law;**
- **Other conditions in the cases outlined by labor legislation and other normative legal acts containing norms of labor law.**

Special attention should be paid to the employment contract of the General Director of the Russian legal entity. When the contract between the employer and the employees is signed by the General Director, the contract between the employer and the Director General is signed by the Chairman of the company's general shareholders meeting, at which the General Director is elected, or by a company shareholder empowered by a resolution of the general meeting of shareholders, or, if the solution to these issues relates to the authority of the Board of Directors, then it is to be signed by the Chairman of the Board of Directors or a person authorized by a resolution of the Board of Directors.

For the Director of the representative office or branch to be able to sign an employment contract on behalf of a foreign company, this function must be specified in the power of attorney.

Other documents regulating a legal entity, branch, or representative office's personnel policies are local regulations such as:

- Regulation on working with personal data;
- Regulation on wages;
- Internal labor regulations;
- Vacation schedule;
- Staff register;
- Orders on approving the above-mentioned documents.

Regardless of the size and organizational form of the company, the employer is obliged to perform HR record keeping and document personnel procedures. Personnel documentation captures information about staff availability and rotation, namely:

- New hires;
- Transfers to other positions;
- Granting leave;
- Dismissals.

Liability for violating Russian labor laws

Violation of labor law entails the penalties specified in the table below:

Violation	Sanctions
I. Responsibilities stipulated by Russia's Code of Administrative Violations	
1	<p>Violation of labor laws and/or laws on occupational safety, including:</p> <ul style="list-style-type: none"> ✓ Failure to comply with written employment contracts; ✓ Signing fixed-term employment contracts in cases where contracts should be concluded for an indefinite period; ✓ Failure to pay wages no less often than every two weeks; ✓ Delayed payment of wages; ✓ Denial of annual vacation time, or giving employees less time than the amount established by law; <p>Violations committed when hiring or dismissing workers, etc.</p>
2	<ul style="list-style-type: none"> ✓ Fine for officials from 1,000 to 5,000 rubles; ✓ Penalty on persons engaged in entrepreneurial activities without forming a legal entity - from 1,000 to 5,000 rubles or administrative suspension of business activities for up to 90 days; ✓ Fines for legal entities - from 30,000 to 50,000 rubles or administrative suspension of business activities for up to 90 days.
3	<p>Disqualification of official for 1 - 3 years.</p>
4	<p>Evasion of the employer in participating in negotiations on concluding, changing or supplementing a collective agreement or contract, or violation of the negotiation period established by law, as well as failure to guarantee the commission's work upon signing a collective agreement or contract in the time period determined by the parties (violation of Part 2 of Article 36, Part 9 of Article 37, and Part 2 of Article 40 of the Labor Code)</p>
5	<ul style="list-style-type: none"> ✓ Warning or fine on the employer from 1,000 to 3,000 rubles.
6	<p>Employer's failure to present information necessary for carrying out collective negotiations and monitoring of compliance with the collective agreement within the time period established by law (violation of Part 7, Article 37 of the Labor Code)</p>
7	<ul style="list-style-type: none"> ✓ Warning or fine on the employer from 1,000 to 3,000 rubles.
8	<p>Employer's unjustified refusal to sign collective bargaining agreements or contracts (violation of Part 2, Article 40 of the Labor Code)</p>
9	<ul style="list-style-type: none"> ✓ Warning or fine on the employer from 3,000 to 5,000 rubles.
10	<p>Employer's violation or failure to comply with employer obligations under the collective agreement or contract</p>
11	<ul style="list-style-type: none"> ✓ Warning or fine on the employer from 3,000 to 5,000 rubles.
12	<p>Employer's refusal to accept workers' claims and to participate in the conciliation proceedings, including failure to provide premises for a meeting (conference) of employees for the paying of claims or the obstruction of such meeting (conference). This is a violation of Articles 399 and 400 of the Labor Code</p>
13	<ul style="list-style-type: none"> ✓ Fine on the employer at a rate of 1,000 to 3,000 rubles.

8	Failure of the employer to comply with obligations under the agreement reached through the conciliation procedures (violation of Article 408 of the Labor Code)	✓ Fine on the employer at a rate of 2,000 to 4,000 rubles.
9	Dismissal of employees in connection with a collective labor dispute or strike (a violation of Part 2 of Article 405, Part 3 of Article 414, and Article 415 of the Labor Code)	✓ Fine on the employer at a rate of 4,000 to 5,000 rubles.
10	Coercion against participating in a strike by force or threats of violence or by taking advantage of the dependent position of the coerced (violation of Part 3, Article 409 of the Labor Code)	✓ Fine on citizens from 500 to 1,000 rubles; ✓ Fine on officials from 1000 to 2000 rubles.
11	Employer refusal to hire a disabled person within the established quota (violation of Articles 21 and 24 of the Federal Law № 181-FZ "On Social Protection of Invalids in the Russian Federation" dated November 24, 1995)	✓ Fine on officials from 2,000 to 3,000 rubles.
12	Concealment by the insured of an event insurable under the compulsory social insurance against industrial accidents and occupational illness (violation of Article 17 of Federal Law № 125-FZ "On Compulsory Social Insurance Against Industrial Accidents and Occupational Illness," dated July 24, 1998)	✓ Fine on citizens from 300 to 5,000 rubles; ✓ Fine on officials from 500 to 1,000 rubles; ✓ Fines on legal entities from 5,000 to 10,000 rubles.
13	Employer interfering with a juror's appearance in court to participate in legal proceedings (violation of Part 1 of Article 170 of the Labor Code)	✓ Fine on the employer from 500 to 1,000 rubles.
14	Hiring a state or municipal employee (or a former state or municipal employee), who holds (or held) a position that is included in the list established by Russian law, in violation of the Federal Law "On Combating Corruption"	✓ Fine for officials from 20,000 to 50,000 rubles; ✓ Fine on persons engaged in entrepreneurial activities without forming a legal entity - from 20,000 to 50,000 rubles; ✓ Fine for legal entities - from 100,000 to 500,000 rubles.

II. Responsibilities stipulated by Russia's Criminal Code

1	Violation of occupational safety rules or other such rules by a person who was responsible for complying with these rules if it resulted in infliction of serious harm to human health due to negligence	✓ Fine of up to 200,000 rubles or the amount of the salary or other income for a period of up to 18 months, or ✓ Compulsory community service for a period of 180 - 240 hours, or ✓ Correctional labor for up to 2 years, or ✓ Imprisonment for up to 1 year.
2	Violation of occupational safety rules or other such rules by a person who was responsible for complying with these rules if it resulted in death due to negligence	Imprisonment for up to 3 years, with possible disqualification from holding certain posts or practicing certain activities for up to three years.
3	Unjustified refusal to hire a woman or unfair dismissal of a woman due to pregnancy, as well as the unjustified refusal to hire or unfair dismissal of a woman with children under the age of three years on these grounds	✓ Fine of up to 200,000 rubles or the amount of the salary or other income for a period of up to 18 months, or ✓ Compulsory community service for 120 - 180 hours.
4	Partial failure to pay out more than three months of wages, pensions, stipends, allowances and other payments established by law, committed for selfish or other personal interests by the head of the organization, the employer – an individual, the head of the branch, representative office, or other autonomous subdivision of the organization.	✓ Fine of up to 120,000 rubles or the amount of the salary or other income for up to one year, or ✓ Losing the right to hold certain positions or practice certain activities for up to one year, or ✓ Imprisonment for up to one year.
5	Complete failure to pay out more than two months of wages, pensions, stipends, allowances and other payments established by law or payment of wages over two months at a rate below the legally established minimum wage, committed for selfish or other personal interests by the head of the organization, the employer - an individual, the head of the branch, representative office, or other autonomous subdivision of the organization.	✓ Fine of 100,000 – 500,000 rubles or the amount of the salary or other income for a period of up to 3 years; ✓ Imprisonment for up to 3 years, with possible disqualification from holding certain posts or practicing certain activities for up to 3 years.
6	Non-payment of wages, if it resulted in severe consequences, -	✓ Fine of 200,000 - 500,000 rubles or the amount of the salary or other income for a period of 1 - 3 years ✓ Imprisonment for 2 - 5 years, with possible disqualification from holding certain posts or practicing certain activities for up to 5 years.

Article 19.29. of the Russian Code of Administrative Violations - illegal hiring of a civil servant (or former civil servant) - violation of Article 64.1. of the Labor Code

Hiring a state or municipal employee (or a former state or municipal employee), who holds (or held) a position that is included in the list established by Russian law, in violation of the Federal Law "On Combating Corruption" punishable by an administrative fine on officials from 20,000 – 50,000 rubles; for individuals engaged in entrepreneurial activities without forming a legal entity - from 20,000 – 50,000 rubles; for legal entities – from 100,000 – 500,000 rubles.

Aside from regulating labor relations, Russian legislation provides the possibility of concluding civil law contracts with individuals (services contracts, supply contracts, agency agreement, etc.)

The employer's advantage is that the citizen in this case may not be provided those rights and guarantees which existing legislation provides for persons employed under labor contracts, for example:

- Guarantees on payment of wages (at least 2 times a month);
- Guarantees on leaves of absence (securing position while away, vacation pay);
- Guarantees when making a business trip (securing position while away, payment of expenses);
- Guarantees for those who combine work and training (securing position, providing leave);
- Guarantees when terminating a labor contract (severance pay, a preferential right to remain at the enterprise);
- Guarantees for temporary disability (securing position while away, payment of sick leave).

Reimbursement for use of personal property

At the same time, judicial practice suggests that when entering into such an agreement, there is a very high risk that the civil law contract will be recognized as an employment contract. Therefore, it is important to take into account all the characteristics of the contracts while closely following existing Russian legislation pertaining to this issue. If the labor inspectorate identifies a violation, it has the right to require the employer to restore the violated rights of the employee (for example, to pay out vacation pay, business travel expenses, sick pay, etc.) Also, arrears and late fees on industrial accident and occupational illness insurance premiums will be collected from the organization. Finally, if a civil law contract is recognized as an employment contract, the head of the organization faces a fine of 500 to 5,000 rubles.

Employment in Russia

The Russian immigration system has changed significantly over recent years. Some of the changes include the amendment of several laws and the introduction of some new regulations to improve procedures and make them more straightforward. However, the current situation concerning the immigration & employment of foreign nationals in Russia is still far from perfect and needs further thorough revision by state authorities and the undivided attention of companies seeking to employ foreign nationals.

At the present time, the procedure for the legalization of foreign employees is rather complex and involves obtaining various permits from the Federal Immigration Service, Federal Immigration Department, Employment Center, as well as the Tax Inspectorate and a number of other authorities. The following is the procedure for obtaining employment authorisation for foreign nationals temporarily resident in Russia and having a visa.

1. Submission of a foreign labor forecast
2. Submission of an application and its processing in an Employment Center
3. Processing of an employment permit
4. Processing of an individual work permit
5. Company accreditation for visa support
6. Processing of a work visa
7. Notification of tax inspectorate of the employment of foreign nationals

1) Submission of a foreign labor forecast

According to Government Regulations each company seeking to employ foreign nationals has an obligation to participate in the forecasting campaign by submitting information about demand for foreign specialists. All in all, this demand is taken into account when forming the quota rate for certain regions of Russia and the all-Russia rate. In other words, the Russian Government sets a national quota for the maximum number of available work permits and work visas for each year. Quota numbers do usually vary from year to year and are allocated among professions, nationality as well as regions of Russia. For these reasons an employer should submit a forecast in order to obtain a quota of work permits.

Companies which have not complied with the forecasting requirements in the stated terms do not obtain a quota and will be unable to obtain work permits. At the same time, the submission of a forecast does not mean that a company will get a quota. The forecasts are considered by a special Interdepartmental Commission and decisions taken no later than 10th July of the year when the forecast was submitted.

Special attention should be paid to the timing: If a company wanted to attract and hire foreign specialists in 2011, the forecast for 2011 had to be submitted before May 1, 2010. Many new companies establishing business in Russia are facing difficulties in applying for work permits because they are not able to submit forecasts in time.

2) Submission of an application and its processing in an Employment Center

Not less than a month before submitting an application to the Federal Immigration Service a company should inform the Employment Center of newly established positions for which they plan to employ foreign specialists. Should an Employment Center succeed in finding an adequately qualified Russian citizen available to do the job, the application will be rejected. It is evident that companies' disclosure about new vacancies is being used as a means of solving problems in the national labour market.

3) Processing of an employment permission

One month later the employer may start filing documents with the Federal Immigration Service to obtain employment permission. This document allows a company to employ foreign nationals and includes information about the quantity of hired specialists, their nationality, jobs as well as the regions where they can work.

4) Processing of an individual work permit

Work permits are issued individually for each foreign national and are valid for no more than 1 year. To obtain a work permit, a foreign national is obliged to undergo a medical examination and to be free from HIV, drug addiction, tuberculosis, leprosy (Hansen illness), syphilis, Chlamydial lymphogranuloma and chancroid. Certificates should also be provided to confirm professional qualifications. A work permit is issued in the form of a two-sided plastic card. Side A contains personal data such as name, date of birth, nationality, ID, position, photo and validity period of a work permit. Side B specifies the employer and his tax identification number, work permit number, date of issue, etc. In practice, the acceptance of work permit applications can be denied following the fulfillment of the quota. All applications are then terminated irrespective of positions applied for.

5) Company accreditation for visa support

A company should also register with the Federal Immigration Department. Obtaining a so-called "record card" enables an employer to apply for invitations for business and work visas, process multiple work visas, and undertake immigration recording of foreign visitors.

6) Processing of a work visa

A foreign national employed in Russia is obliged to stay on the basis of a work visa. If a visa does not accurately reflect the intentions and reason for the visit, a fine with possible deportation may be imposed.

Processing of a work visa consists of two steps:

- obtaining an invitation and the processing of a 3 month work visa
- the conversion of a 3 month work visa into a multiple entry work visa after entering Russia

Work visas may be extended if a work permit was processed within time scales for a new period.

The immigration recording (or registration) should also be undertaken upon arrival. For details please refer to the corresponding section.

7) Notification of tax authority on employment of foreign nationals

Once a work permit and work visa are received and an employment contract (civil contract) with a foreign specialist is concluded, the employer shall notify tax authority within 10 days.

Traveling across Russia while employment

Special attention should be paid to provisions regulating the travel of foreign nationals employed in Russia. There are instances when a foreign national staying in Russia can perform work outside the region of the Russian Federation for which they were issued a work permit:

A. Business trip

If a foreign national temporarily staying in Russia is sent on a business trip, the total duration of work outside the stated region should not exceed 10 calendar days within the validity of the work permit.

B. Regular employment includes traveling or field work and this is stipulated in the labour contract

If a foreign national is temporarily staying in Russia on this basis, the total duration of work outside the stated region must not exceed 60 calendar days within the validity of the work permit.

Accompanying family members

Accompanying family members receive corresponding visas that are based on the work visa of the employed family member. The procedure is similar to a work visa application: a 3 month visa for a family member is processed initially and then revalidated as a multiple entry visa for an additional family member. The procedures for undertaking immigration recording as well as other provisions for staying in Russia are also applicable. Accompanying family members have to obtain separate work permits if they work.

A work permit is not needed for the following foreign nationals:

1. Permanent residents in Russia (holders of permanent residence permit);
2. Participants in state programs for the assistance of voluntary relocation of nationals living abroad and their family members wishing to relocate to Russia;
3. Employees of diplomatic corps, consular institutions of foreign states in the Russian Federation and private domestic staff of the above stated individuals;
4. Employees of foreign legal entities (producers or suppliers) hired to assemble and maintain equipment imported into Russia;
5. Journalists accredited in the Russian Federation;

6. Students studying in Russian educational establishments and working on vacations;
7. Students studying in Russian educational establishments and working there as assistant staff in their spare time;
8. Lecturers (tutors) invited by an educational organization (except individuals coming to teach in religious institutions);
9. Employees of accredited (as required by Law) **representative offices** of foreign legal entities that are within the quota of allocated staff **according to bilateral international agreements between Russia and respective jurisdictions.**

Employment of highly qualified specialists

A highly qualified specialist (hereafter - HQS) is defined as a foreign national having experience, skills or achievements in a certain sphere if the terms of employment meet the following criteria:

- 1) The salary of the HQS is no less than 1 000 000 Russian Rubles per annum and the HQS is going to hold a position as a scientist/tutor invited to the Russian Federation for research and scientific work or teaching in accredited institutions of higher education, the State Academy of Sciences or its regional departments, etc.
- 2) Foreign nationals employed in Skolkovo are not required to have a minimum salary (under the Federal Law 'On the centre of innovation "Skolkovo"').
- 3) All other categories of HQS are required to earn no less than 2 000 000 Russian Rubles per year.

IMPORTANT! Foreign nationals entering Russia for predicant or religious activity cannot be employed as a HQS. Please pay attention to the following specifics of employment for HQS:

A. Highly qualified specialists can be employed by:

- Russian commercial entities;
- Russian scientific organizations, educational institutions (except religious institutions);
- medical institutions and other organizations conducting scientific, technical or innovative activities, research projects, the testing and preparation of staff according to state priority areas of science and technology development in the Russian Federation, if covered (as required by Law) by state accreditation;
- accredited (as required by Law) branch offices of foreign legal entities in the Russian Federation.
- WHICH HAVE NOT VIOLATED LAWS FOR THE EMPLOYMENT OF FOREIGN NATIONALS IN THE 2 YEARS PRIOR TO APPLYING FOR WORK PERMITS FOR HIGHLY QUALIFIED SPECIALISTS

B. To employ a HQS the following requirements should be met:

- payment of a salary in the amount established by law (please see above);
- the HQS as well as his/her family members coming with him/her to Russia are required to have a medical insurance contract covering Russia or to have the right to receive first medical aid on the basis of a contract concluded with the employer of the HQS. Both contracts mentioned should be valid for the duration of the employment (civil) contracts concluded with the HQS. A copy of the medical insurance contract or contract for first medical aid with the employer should be submitted to the immigration authorities along with other documents.

C. Specifics:

- A work permit must be issued for the duration of the employment (civil) contract concluded with the employer inviting such a specialist, but for no more than 3 years. A work permit can be renewed for 3-year periods within the duration of the employment (civil) contract.
- If a highly qualified specialist is planning to work in several regions of Russia, one work permit covering these regions can be issued.
- A work permit is issued beyond the quotas regularly established by the Russian Government.

The following is the procedure for employing highly qualified specialists:

1. Processing of a work permit
2. Processing of a work visa/invitation for a work visa
3. Notification of tax authority on employment of a foreign national
4. Registration of a foreign national in tax authority
5. Notification of immigration authority on tax registration of a foreign national in tax authority
6. Notification of immigration authority on salary of HQS

1) Processing of a work permit

2) Processing of a work visa/invitation for a work visa

If a foreign national stays in Russia on the basis of a work visa (on the basis of a work permit issued by a Russian legal entity), his/her visa can be renewed as a work visa for a HQS as soon as the work permit for the HQS is received. Such a visa can be processed within Russia.

If a foreign national is an employee of a branch office of a foreign legal entity or stays outside Russia and has not been employed within Russia, an invitation should be processed. This invitation will be the basis for obtaining a work visa valid for the period of the work permit issued for the HQS for up to 3 years.

3) Notification of tax authority of employment of a foreign national

Once a work permit and work visa are received, the employer shall notify the tax authority within 10 days.

4) Registration of a foreign national with the tax authority (or obtaining of an individual tax identification number –INN);

5) Notification of immigration authority of tax registration of a foreign national with the tax authority should be completed within 30 days upon the receipt of a work permit by the HQS

6) Notification of immigration authority of salary of HQS

An employer is required to file quarterly notifications to the immigration authorities of the salary of HQS, the termination of employment (civil) contracts and in a number of other specific cases.

Immigration registration procedures should also be completed.

Travel by a HQS across Russia while employed

As you are already aware, a highly qualified specialist may have a work permit covering several regions of Russia. However, if a work permit does not cover the region where a foreign national intends to travel, the following rules should be kept in mind. There are instances when a foreign national staying in Russia can perform work outside the region of the Russian Federation for which they were issued a work permit:

A. Business trip

If a HQS is sent on a business trip, the total duration of work outside the stated region should not exceed 30 calendar days annually within the validity of the work permit.

B. Regular employment includes traveling or fieldwork and this is stipulated in the labour contract

The total duration of a HQS' work outside the region of Russia for which the foreign national was issued a work permit is not restricted.

Accompanying family members of HQS

- The following relatives are recognized as family members of a HQS (for the purpose of obtaining a family member visa): wife/husband, children (including adopted children), husbands and wives of children, parents (including adoptive parents), and spouses of parents, grandmothers, grandfathers and grandchildren.
- Family members of a HQS can obtain regular work visas issued for the duration of the HQS' visa with the right to renew it.
- Family members of a HQS may work in Russia, and may be granted a work permit in addition to those allotted within the annual government quota. Employers of HQS family members do not require employment permission for the stated category of foreign nationals.
- The length of stay given to a HQS and their family members (who do not need a visa to enter Russia) depends on the terms stipulated in HQS' work permit.
- Highly qualified specialists and their family members can apply for permanent residence in Russia.

Liability for violating Russian immigration laws

Violation	For foreign nationals or stateless persons	For private persons	For officials	For legal entities
Violating rules for crossing Russian borders	Up to 2000 RUR With deportation or without	Up to 2000 RUR	3000 - 5000 RUR	-
Violating rules in crossing points through the state border of Russia	Up to 1000 RUR With deportation or without	Up to 1000 RUR or notice	-	-
Violation of entrance and stay regime in Russia by a foreign national	2000 - 5000 RUR With deportation or without	-	-	-
Violating stay regime of foreign national (stateless persons) by official from inviting party or foreign national in Russia	2000 - 4000 RUR (residents of Russia)	2000 - 4000 RUR	40000 - 50000 RUR	400000 - 500000 RUR
Illegal employment of foreign nationals (stateless persons). Labor activity without work permit	2000 - 5000 RUR With deportation or without	2000 - 5000 RUR	25000 - 50000 RUR	250000 - 8000000 RUR or suspension of operations up to 90 days
Violation of notifying corresponding state bodies on employment of foreign nationals	-	2000 - 5000 RUR	35000 - 50000 RUR	400000 - 8000000 RUR or suspension of operations up to 90 days
Violating restrictions for certain labor activities with regards to foreign nationals (stateless persons) by employer	-	2000 - 4000 RUR	45000 - 50000 RUR	800000 - 1000000 RUR or suspension of operations up to 90 days
Violating restrictions for certain labor activities by foreign nationals (stateless persons)	2000 - 5000 RUR With deportation or without	-	-	-
Violating restrictions for certain labor activities by foreign legal entities, branches, representative offices	-	-	-	800000 - 1000000 RUR or suspension of operations up to 90 days

To get detailed information on Russian immigration procedures please contact TIM Services, The Professional Immigration Agency through migration@timservices.ru and request "Immigration guide to Russia".

About TIM Advisers



If your firm is considering operating anywhere in challenging Russia, you likely know about vast opportunities for companies that are nimble, knowledgeable and connected. There's another economic advantage to carefully consider: having the right legal adviser working on your behalf to smooth the way and to watch out for you as you move forward. It is this kind of advantage that has helped more than 10% of FORTUNE GLOBAL 500. They turned to TIM group of companies as they needed assistance.

Here at TIM, we know that the Russian market requires innovative thinking and evolving practices for businesses to succeed. We are dedicated to helping you to achieve the utmost success for your company and its endeavors.

Approach

As a client-driven company, our activity is based on the following principles:

- ✓ Tailored advice and back-up due to a well-proven business-technology.
- ✓ Intention to solve a total complex of questions for our clients.
- ✓ Confidentiality.

Services

The scope of services covers:

- Incorporation of Russian legal entities, representative, branch offices of foreign legal entities
- Legal support of daily business operations
- Tax advisory & risk assessment
- Employment & labor law
- Intellectual property
- Immigration support of foreign employees & business partners
- Legal support of real estate transactions

Whether it is forming a new company, developing contracts or obtaining necessary documents, TIM group of companies is qualified and ready to assist.

TIM group of companies is the member of the **American Chamber of Commerce** and **British Business Club**.

Please do not hesitate to contact us at your convenience to discuss how we may be of service to your company.

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