

### **Amendments to the legislation concerning foreign citizens**

Dear Sirs,

The amendments to the Federal Law “On legal status of foreign citizens in the Russian Federation” are to come into force on July 1, 2010. These amendments are aimed at facilitation of migration rules for certain categories of employees and at improvement of investment climate in Russia.

Amendments to the Federal Law introduce a new category of labour immigrants – **highly qualified specialists**. Those are foreign citizens who have experience, skills and achievements in certain sphere and their salary (remuneration) for work in Russia will be not less than RUR 2 million for the period not exceeding 1 year.

The main changes concerning regulation of labour activity performed by foreign highly qualified specialists on the territory of Russia are as follows:

- Quotas for issuing invitation letters to enter the territory of Russia for performing labour activity and quotas for obtaining work permits shall not apply to highly qualified specialists;
- Maximum term of validity of work permit for such specialists shall be 3 years with a right of its prolongation for unlimited number of times (each time for the period of not more than 3 years);
- The application on engaging highly qualified specialist shall be considered by state authorities within 14 business days from its submission;
- Possibility to obtain one work permit valid in several regions of Russia if the employment agreement stipulates that a highly qualified specialist intends to work in those regions;
- Obligatory insurance of a highly qualified specialist and his/her family members accompanying him/her under voluntary health insurance agreement from the day of entering the territory of Russia. Provision of health insurance is one of the main provisions of the employment agreement with a highly qualified specialist;
- Possibility to obtain residence permit for the term of employment agreement of highly qualified specialist for himself and his family members;
- Highly qualified specialists will be treated as tax residents of the Russian Federation from day one (13 % tax rate of personal income tax).

The employers will be obliged to inform respective state authorities quarterly on fulfillment of their obligations in respect of payment of such salary to highly qualified specialists, on cases of termination of employment agreements with them, and also on cases of providing them vacation without maintaining salary for the period of more than one calendar month in a year.

New procedure of engaging highly qualified specialists coming into force on July 1, 2010 shall apply to foreign nationals entering Russia for the purpose of labour activity in Russian commercial organizations, accredited branches of foreign organizations, in Russian scientific organizations, educational institutions, health care facilities (except institutions of professional religious education – clerical educational institutions) and in other

organizations performing scientific, technological and innovative activities, experimental developments, etc. *The above said amendments to the legislation do not stipulate application of this new procedure to representative offices of foreign legal entities.*

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We hope the information above is helpful for you.

For further information on ALRUD Labour and Employment practice visit our **Web-site**

or contact the Head of our Labour and Employment practice, Partner **Irina Anyukhina** **ianyukhina@alrud.ru**

Kind regards,

ALRUD Law Firm

*Note: We would like to draw your attention to the informational purposes of this newsletter and to the fact that it cannot be a ground for making a decision in each particular case. When preparing this newsletter all the information was taken from the open sources only.*