



EXPATRIATE
IMMIGRATION
HANDBOOK

2010

1 Dear Sirs,

Russian migration legislation is relatively young, and therefore it has been and will be amended extensively for the next couple of years. For that matter, we have taken a decision to prepare this handbook that will guide foreign nationals through the whole process of Russian immigration.

Expatriate Immigration Handbook is aimed to provide an overview of the Russian immigration laws and its practical implementation, to reveal the information affecting foreign nationals' stay and work on the territory of the Russian Federation. It has been written both for those new to Russia, and those already quite familiar with this country; full of possibilities and complexities.

The structure of the handbook has been created to provide comprehensive information on all aspects of migration legislation of the Russian Federation. The chapter Entry and exit documents and procedures provides basic guidelines of trip arrangement to Russia and actual arrival. Consular procedures provides an overview of the general consular requirements and associated issues. Types of stay is an overview of main immigration categories starting from tourists to permanent residents while employment authorization procedures are discussed in detail. Bilateral agreements shall be of particular interest to French and German citizens since it reveals some privileges in regard to the visa and work permit regime for these nationals. Violation of migration legislation provides fines' amounts for violations of established procedures. Problems of Russian migration legislation covers practical issues associated with implementation of the migration laws and regulations. The chapter Additional materials contains the graphic charts of foreign nationals' employment authorization on the territory of the Russian Federation.

We would like to draw your attention that immigration laws in Russia are subject to frequent change, sometimes without advance notice. We keep an eye on constant developments of the legislation hoping that they will end in facilitation of certain rules and procedures. Therefore, at the time of decision-making we will be happy to assist you should you have any questions or queries.

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Expatriate Immigration Handbook

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ENTRY AND EXIT DOCUMENTS AND PROCEDURES

Entrance and associated procedures

Notification of stay

Restrictions on travel

Exit requirements

Refusal of entry and right of appeal

Foreign nationals intending to enter the Russian Federation must possess a valid passport or other approved identity document and a visa unless visa-exempt. At a port of entry to the Russian Federation, the foreign national will be interviewed by a border official who may inquire into the purpose of the foreign national's stay and whether the foreign national has adequate financial resources for the stay and for a return or onward journey. Upon entry, the foreign national must also complete a migration card. Part A of the migration card is retained by border officials, while Part B of the card is returned to the foreign national for submission upon departure from Russia. Citizens of the Commonwealth of Independent States (CIS) who enter Russia on a visa-exempt basis receive a migration card as an authorization to stay in Russia for a period not exceeding 90 days.

Notification of stay

Within three working days after the foreign national's arrival in Russia, his or her host party must notify a local or regional office of the Federal Migration Service (FMS). Where the foreign national will stay at a hotel, the hotel is responsible for notification procedure.

The host party or its authorized agent should submit the notification to the local or regional FMS office with jurisdiction over the foreign national's place of stay or to an office of the Federal Postal Service, which will forward the notification to the FMS.

The FMS processes the application, annotating the arrival notification form with the foreign national's authorized period of stay. The detachable part of the notification form is returned to the host entity, which retains one copy of the form and forwards a second copy to the foreign national. Note that the foreign national must submit a new notification each time that he or she changes his or her address in Russia and each time that he or she reenters Russia. Foreign nationals who hold the temporary residence permit must renew their registration annually.

Within two working days after the foreign national's departure from Russia the host party must notify the FMS of the departure and submit the detachable part of the notification form.

7 **Restrictions on travel**

The government of the Russian Federation has placed restrictions on a foreign national's ability to enter certain closed administrative territories (mainly those areas connected with nuclear weapons manufacturing, storage, and testing; processing of radioactive and other materials; and military sites). A foreign national who is required to enter a closed territory for government, investment, or other purposes must obtain special permission from the municipality overseeing the closed territory. The municipality will request the approval of the Federal Security Service and the Ministry of Defense in order to grant entry and exit permission to the foreign national.

Exit requirements

A foreign national who is departing from the Russian Federation must return Part B of his or her migration card to the immigration inspector at the port of exit. Within two days after the foreign national's departure from the Russian Federation, his or her hosting party must notify the Federal Migration Service (FMS) of the departure by submitting an arrival-departure notification through the Federal Postal Service or directly to FMS.

Refusal of entry and right of appeal

A foreign national may be refused entry to the Russian Federation or have his or her visa cancelled on the following grounds:

- He or she used falsified documents or made false representations concerning himself or herself or his or her purpose of entry to the Russian Federation;
- He or she has been convicted of a crime in Russia or abroad;
- He or she has violated Russian immigration laws and regulations two or more times in the past;
- He or she has failed to pay taxes or fines incurred during a previous period of stay in Russia or has failed to reimburse expenses in connection with the foreign national's deportation from the Russian Federation. The Russian government has the authority to refuse to entry until the foreign national makes the necessary payments;
- The Russian government has deemed foreign national to be a threat to national security or public health or has otherwise determined that

CONSULAR PROCEDURES

Documentary and interview requirements
for visa issuance

Visa refusals and appeal mechanisms

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Foreign nationals who are required to obtain a visa to enter the Russian Federation must apply to a Russian diplomatic mission with jurisdiction over their place of residence abroad. Applications are typically submitted in person at the post, although some consulates may accept applications by mail or by an authorized agent. Personal interviews may be required at the discretion of the post. However, application procedures vary widely amongst visa-issuing posts and are subject to change; foreign nationals seeking a Russian visa should therefore contact the post for specific procedures and requirements.

The visa application typically consists of the following documents:

- A visa application form;
- A passport with at least two blank visa pages and valid for at least six months beyond the intended stay in the Russian Federation, but longer validity periods may be required depending upon the type of visa sought;
- Supporting documentation appropriate to the type of visa sought;
- HIV/AIDS test certificate if the applicant intends to enter Russia for a period longer than three months; the certificate must have been issued no more than three months before the visa application;
- Proof of medical insurance in compliance with Russian immigration regulations; applicants may purchase insurance from a Russian medical insurance company or a foreign company with a representative agent in Russia;
- Two photographs of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo;
- The application fee receipt.

11 **Visa refusal and appeal mechanisms**

A foreign national may be denied a visa on the following grounds:

- He or she used falsified documents or made false representations concerning himself or herself or the purpose of his or her entry to the Russian Federation;
- He or she has been convicted of a crime in Russia or abroad;
- He or she has violated Russian immigration laws and regulations on two or more occasions;
- He or she has failed to pay taxes or fines incurred during a previous period of stay in Russia or has failed to reimburse expenses in connection with his or her deportation from the Russian Federation. The Russian government has the authority to refuse to entry until the foreign national makes the necessary payments;
- He or she has failed to demonstrate sufficient medical insurance coverage for the stay in Russia;
- He or she has failed to demonstrate adequate financial resources to support himself or herself and any family members during the stay and to depart Russia at the end of the authorized stay;
- The Russian government has deemed foreign national to be a threat to national security or public health or has otherwise determined that the foreign national's presence is undesirable in the Russian Federation;
- He or she has been deported from the Russian Federation within last five years;
- He or she has failed to present documents necessary to obtain a visa as required by the laws of the Russian Federation.

There is no appeal of the denial of a visa application, and consular authorities are not required to provide reasons for the denial. However, there are no restrictions on a foreign national's ability to resubmit a visa application after a denial has been received.

TYPES OF STAY

Tourists

Private visits

Students

Business visitors

Employment

Temporary residence permit

Permanent residence permit

Russian citizenship

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Nearly all foreign nationals are required to obtain a visa for entry to the Russian Federation. In most cases, the foreign national will be required to be sponsored for advance authorization to enter in the form of an invitation issued by Russia's migration authority. Limited visa exemptions exist for nationals of designated member states of the Commonwealth of Independent States (CIS). Nationals of Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Ukraine, and Uzbekistan may enter the Russian Federation on a visa-free basis. The most commonly used categories of temporary entry are the "ordinary" visas, including:

- tourist and private visit visas for foreign nationals entering for tourism or family visits;
- business visas for foreign nationals entering Russia to conduct business activities without remuneration from a Russian source;
- student visas for foreign nationals entering to engage in a course of study at a Russian educational institution;
- work visas for foreign nationals entering Russia to be directly employed by a Russian or registered foreign legal entity or to work as assigned to Russia employees at a branch, affiliate, or representative office of the overseas employer.

The Russian system also includes a temporary residence permit for foreign nationals who wish to reside in Russia as a preliminary step towards permanent residence.

Tourists

A foreign national seeking to enter Russia as a tourist must apply for an ordinary tourist visa, usually through an organization providing tourist services or as part of a group that enters and travels through Russia together.

The basis for issuance of an individual or group tourist visa is typically a valid agreement for tourist services, known as a tourist voucher, and a confirmation document entitled "On the Hosting of a Foreign Tourist" issued by an organization providing tourist services.

Foreign national will be issued a single-entry or double-entry visa valid for a period of stay of 30 days. The period of stay may not be extended.

The private visit visa is available to foreign nationals who will enter the Russian Federation to visit a Russian citizen spouse, child, or parent; to attend the funeral or visit the burial place of a close relative; or to obtain emergency medical treatment. In order to obtain the private visit visa, the foreign national must be sponsored for a visa invitation by a Russian citizen, permanent residence permit holder, or legal entity. The petitioning host party applies to a local or regional Federal Migration Service (FMS).

If the application is approved, the FMS will issue a visa invitation, which the host party must forward to the foreign national beneficiary. The foreign national may then apply for a private visit visa at a Russian diplomatic mission.

A private visit visa is typically valid for a period of up to three months and for a single or double entry. Extensions of the private visit visa are not normally available; however, in exceptional circumstances, the foreign national may apply for an extension of up to 10 days. The extension application is submitted to the local or regional FMS office with jurisdiction over the place of stay.

Students

The student visa is available to foreign nationals who have been accepted to a course of study at an institution of specialized professional or higher academic education in the Russian Federation. The student visa may be used to pursue an academic degree, undertake a language program, or attend a professional course at an educational institution.

The foreign national must be sponsored for a visa invitation letter by the Russian educational institution, although, if the foreign national will study at a military academic institution, the Ministry of Defense, the Federal Security Service, or another government entity must petition for the invitation letter. To request the invitation, the sponsoring institution submits documents to the local or regional Federal Migration Service (FMS) with jurisdiction over the institution's location.

Upon approval of the application, the FMS issues an invitation letter to the sponsoring institution, which forwards the invitation to the foreign national for use in connection with his or her visa application. A visa application with the supporting documents should be filed at the Russian diplomatic post with jurisdiction over the foreign national's place of residence abroad.

If the application is approved, the foreign national will receive a visa that is valid for three months and for a single entry. The foreign national must enter the Russian Federation during the visa validity period. After the student is enrolled in the course of study, the academic institution may apply on the foreign national's behalf for an extension of student visa for up to one year and multiple entries. The extension application is made to a local or regional FMS branch office. The foreign national is eligible for additional extensions in one-year increments until completion of his or her course of study.

Student employment. Foreign nationals holding the student visa are authorized to engage in employment during their stay in the Russian Federation without the need to obtain a work permit. During the academic term, the foreign student is limited to work for the educational institution which he or she is attending; however, no such restriction applies to work during vacation periods.

Business visitors

Allowable activities. The business visa is available to foreign nationals entering the Russian Federation for business or commercial activities for which they will not receive compensation from a Russian source.

Permissible activities include:

- attending meetings, conferences, trade fairs, auctions, or seminars;
- negotiating or signing agreements or contracts;
- attending meetings at the invitation of a government body;
- entering as a representative of a foreign company to install, dismantle, service, or repair the company's equipment;
- examining goods to be purchased or purchasing or delivering goods pursuant to a sales contract;
- attending personal professional development and retraining programs;

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- giving lectures at institutions of higher academic or professional education;
 - entering as a foreign media correspondent to report on a specific event or to serve as a technical assistant to a foreign media correspondent;
 - entering as a crew member or transportation service driver.

If a business trip, even if very brief, will involve activities other than those outlined above, a work permit and work visa will typically be required. Additionally, even when activities are limited to those listed above, if the foreign national generates profit for the host entity, receives compensation from the host entity, and/or takes direction from the host entity; a work permit may be required. Accordingly, it should not be assumed from the list above alone that a business visit is or is not sufficient for a given case.

The business visa is available in single, double or multiple-entry formats. Single and double-entry business visas are typically valid for visits of up to 90 days. Multiple-entry visas may be issued with validity periods of 6 or 12 months. Based on bilateral agreements that Russia has signed with EU, Republic of Korea and other countries multiple business visas may be issued up to 5 years. The multiple-entry visa allows an unlimited number of entries during the validity period for periods of stay of up to 90 days within any 180-day period. Extension of the business visa is not typically permitted, although in exceptional circumstances the foreign national may apply for a 10-day extension at local or regional branch of the FMS while present in the Russian Federation.

Typically, a sponsoring Russian entity files an application for a business visa invitation on behalf of the foreign national with the local or regional Federal Migration Service (FMS) office having jurisdiction over the entity's place of registration. Legal entities seeking to sponsor foreign nationals are required to register with the Federal Migration Service (FMS), which maintains the entity's business registration documents and other information on file. Entities may make multiple sponsorship applications during each one-year registration period. However, starting from 1st of June 2007 in accordance to the Bilateral agreement between EU (with the exception of UK and Ireland) and Russia new rules permit the sponsoring entity to simply issue an invitation on its own letterhead to the prospective business visitor (coming from the EU country) specifying the purpose and duration of

the visit. If the sponsor chooses to apply to FMS for an invitation letter, the application generally includes the following: 18

1. The invitation application form setting forth the foreign national's name, place and date of birth, passport number, place of current residence, place of anticipated residence during the stay in the Russian Federation, place of employment abroad, the purpose of the visit, the locations within the Russian Federation that the foreign national will visit, and the Russian diplomatic post where the foreign national will apply for the business visa.
2. A letter from the sponsoring entity requesting the issuance of the invitation, which must include a statement that the sponsor takes full responsibility for the foreign national's expenses, medical care, and housing during the stay in the Russian Federation as well as an undertaking that a foreign national will not violate the conditions of his or her stay in the Russian Federation.
3. A copy of the foreign national's passport and a copy of his or her residence permit (if applicable). The passport should be valid for at least six months beyond the anticipated stay in the Russian Federation.
4. If a multiple-entry visa is sought, a copy of the foreign national's previous Russian visa.
5. An application fee receipt.

Upon approval of the application, the FMS issues the invitation to the sponsor or its authorized agent. The sponsor forwards the invitation to the foreign national for use in connection with his or her business visa application.

The visa application is usually made at the Russian diplomatic post with jurisdiction over the foreign national's place of residence abroad and typically contains the following:

1. A visa application form.
2. The foreign national's passport containing at least two blank pages and with a remaining validity of at least six months beyond the anticipated stay in the Russian Federation.
3. The letter of invitation issued by the FMS if obtained by the sponsor or an invitation letter issued by the sponsor on its letterhead specifying the purpose and duration of the visit.

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4. Two photographs of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo.
 5. If required by the diplomatic post, a health certificate indicating the results of an HIV test issued no more than three months before the visa application is filed. The health certificate is typically required when the applicant intends to enter Russia for a period of more than three months pursuant to a multiple-entry business visa.
 6. Proof of medical insurance for the stay, applicants may purchase insurance from a Russian medical insurance company or a foreign company with a representative agent in Russia.
 7. The application fee.

Dependent family members. A business visitor may be accompanied by a spouse and unmarried dependent children under 18 years of age. Typically, the sponsoring entity requests family invitation letters as part of its application on behalf of the principal. Each family member who possesses his or her own passport must be issued a separate invitation letter. Upon receipt of the invitation, dependent family members apply with the principal for business visas at the Russian Federation diplomatic post with jurisdiction over their place of residence. Children who do not have their own passports should be included in a parent's visa application.

Changes of status. Business visa holders are not permitted to change to another immigration status while present in the Russian Federation. Although the foreign national may be present in Russia while applications for employment authorization and a work visa invitation are filed on his or her behalf, he or she must depart Russia, apply for a work visa at a Russian diplomatic post abroad, and reenter before engaging in employment.

Notification requirements. All foreign nationals must notify the relevant local or regional office of the FMS of their arrival within three working days after entry to Russia. If the foreign national is staying in a hotel in the Russian Federation, the hotel is responsible for complying with notification requirements.

Applicable legislation. In accordance with internationally recognized principle of “lex loci laboris” Russian labor legislation in full is applicable to foreign nationals that are working in Russia. This is applicable to foreign nationals working for Russian entities as well as for those that are assigned to work in Russian representative or branch offices of foreign corporations. Labor agreements that such foreign employees have should not contradict with the Russian labor legislation. Moreover foreign nationals working in Russia are subject to all HR processing requirements.

General provisions. Employment of foreign nationals in the Russian Federation is subject, to strict regulation by the Federal Migration Service (FMS) and other authorities. The Russian government sets a national quota for the maximum number of available work permits and work visas for each year. Quota numbers often vary significantly from year to year, and may be changed during the course of a year. Quota numbers are also allocated among the different regions of the Russian Federation, and among specific professions, occupations, and nationalities. To obtain quota numbers, employer should submit the Application containing the information on their need in foreign nationals to the Interregional Information Business Centre till May 1 of the current year for employment of foreign nationals for the next year. In case of failure in the Application submission, the state authority is likely to refuse the Employer in processing of the Employment permit.

The main criterion for Work permit application is the nature of activity carried out by a foreign national, and not the period of stay in Russia. In case the activity in its essence is deemed to be working, the work permit should be obtained from day one.

The principal vehicle for temporary entry to the Russian Federation for employment is the ordinary work visa. This visa allows foreign nationals to perform temporary services as employees or independent contractors in Russia. There are two main subcategories of ordinary work visas: (1) the ordinary work visa for foreign nationals who will be directly hired by a Russian legal entity; and (2) the ordinary visa for representative/branch office employees who will be transferred from a home country employer to work for an affiliate, representative, or branch office in Russia.

21 In nearly all cases, the foreign national must be sponsored for the work visa by an employing entity that is registered in Russia. Note, however, that, under legislative amendments that became effective as of January 15, 2007, employment authorization requirements for nationals of most member countries of the Commonwealth of Independent States (CIS) have been eased. Nationals of the visa-exempt CIS countries (Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Ukraine, and Uzbekistan) are no longer required to be sponsored for work permits by a prospective employer. Instead, these individuals submit work permit applications on their own behalf to the relevant local or regional Federal Migration Service (FMS) office with jurisdiction over the place of employment in Russia.

Unlike work permits granted to visa nationals, the work permit granted to visa-exempt CIS nationals allows the holder to work for any employer in the jurisdiction of the FMS office that issued the permit. Note, however, that nationals of two CIS member countries, Georgia and Turkmenistan, remain subject to all visa, employment, and work permit requirements. Nationals of Belarus are not subject to the work permit or visa requirement based on bilateral agreement.

In addition, the following categories of visa nationals are exempt from the employment permit and work permit requirements:

1. Russian permanent residents (foreign nationals that obtained Permanent residency).
2. Members of the Government program supporting relocation of former citizens living abroad back to the Russian Federation.
3. Employees of diplomatic missions and international organizations as well as their domestic employees.
4. Journalists accredited in the Russian Federation.
5. Students that work during their holidays or spare time.
6. Employees of overseas entities entering the Russian Federation to perform warranty or post-warranty maintenance or installation services in connection with equipment imported into the Russian Federation.
7. Foreign nationals entering Russia as instructors, teachers, and lecturers pursuant to an invitation from a Russian academic institution (with the exception of religious institutions).

In order to sponsor a visa national for a work visa, the employer must typically proceed through a multistage process that begins with the

filing of a declaration of the employer's prospective need to hire foreign workers in the following year. 22

Next, the employer must submit an application to the FMS for a general authorization to employ foreign nationals, known as an employment permit. In adjudicating the employment permit application, the FMS will review the declaration of need and consult with the local labor authority to assess local labor market conditions and determine whether there are suitably qualified Russian workers available to fill the open position.

If the application is approved, the employer will be issued a permit that specifies the maximum number of foreign nationals that it is authorized to employ at a given time, the positions that those foreign workers may occupy, and authorized nationalities of foreign employees. Next, the employer must obtain a work permit for the foreign national employee and visa invitation letters for the principal and all accompanying family members through the relevant local or regional office of the FMS.

Finally, using the invitations forwarded by the employer, the foreign national and any accompanying family members must apply for a visa at a Russian diplomatic post. Upon the foreign national's entry into the Russian Federation on a work visa, the host employer should transfer single entry work visas to multiple work visas, notify authorities about employment of foreign nationals and register foreign nationals with migration authorities.

The declaration of need. Under current procedures, entities that are planning to hire foreign nationals are generally required to submit a declaration of projected need for foreign nationals in the following year. The declaration must set forth the number of foreign workers needed (including the number of work permit-exempt CIS nationals sought to be hired), the positions to be filled, the salaries offered, and the citizenship of potential employees. It must be signed and stamped by a company official.

The declaration is submitted by the 1st of May to the appropriate Interregional Information and Business Centre with jurisdiction over the employer's registration place. The declaration is reviewed by local labor authorities and by the 15th of July regional authorities must make a decision on the total number of work permits that a particular re-

23 gion will receive during the next year. To give an example in 2009 the total number of work permits requested in employers' applications was 1.4 million (for Moscow) with only 250.000 approved by Moscow authorities. Unfortunately the information whether a particular declaration is approved or not may be obtained only at the end of the year.

In the case a particular employer's application was not approved or employer requires more workers or employer was not registered as an entity before the due filing date, it is possible to apply for additional quota to an Inter-Departmental Commission (applicable only for Moscow) and justify the need in foreign workers. The Commission is scheduled to take place every 2 weeks during 2010.

However, it should be stated that there is a list of non-quota positions (which is approved annually by the Government of the Russian Federation) that allows applying for work permits for foreign nationals which are being employed for those positions even if the quota application for such employees was not submitted in the due time.

The employment permit process. In order to apply for work permits and invitations on behalf of foreign workers who are visa nationals, an employer must first obtain an employment permit. The employment permit sets a limitation on the number of foreign workers employed each year and specifies the occupations and geographical locations in which the foreign nationals may work. Under current regulations issued in July 2008, the employer should submit the application informing about the vacancy (job position for foreign national) to local labor authorities 30 days before submitting the employment permit application to immigration authorities to offer local workers the opportunity to apply for open positions. During the 30 days period labor authorities may send unemployed Russian candidates that they deem appropriate for an open position for an interview to the employer company. Employer has to provide a justified refusal in order not to employ a Russian national and be able to employ a foreign one.

After 30 days an employment permit application is submitted to immigration service with jurisdiction over the employer's place of registration. The employment permit application typically contains the following:

1. An application for a permit to employ foreign workers.

2. The employer's corporate charter or articles of incorporation.
3. If the employer is registered as a Russian legal entity, three notarized copies of its certificate of registration with the Consolidated State Registry of Legal Entities.
4. If the employer is a foreign legal entity, three notarized copies of its certificate of registration as such.
5. Three notarized copies of the employer's tax registration certificate.
6. The employment contract offered by the Russian employer to the foreign worker describing the offered position, job duties, salary, and term of employment.
7. If the sponsoring employer will host foreign workers transferred from an overseas affiliate, representative, or branch office, a labor agreement between the overseas employer and the foreign national may be required.
8. A letter of guarantee stating that the employer will cover the cost of a return journey for each foreign employee upon termination of employment.
9. A receipt demonstrating payment of relevant state duty.

The employment permit application is approved by the immigration authorities subject to a positive decision of the labor authorities. Upon final approval of the application, the FMS issues an employment permit with a validity period of up to one year. The permit will specify the number of foreign workers that the permit holder may employ, the occupations in which such workers may engage, and the locations in which they may work. During the validity period, the employer may apply for individual work permits on behalf of foreign workers subject to the limitations set forth in the permit. Note that the host employer may not transfer its employment permit to any other employer or transfer a foreign national employee under its permit to another employer. Note also that all foreign workers employed by the employer are counted against the quota set forth in the employment permit; this includes nationals of the CIS.

The work permit process. The work permit is an employment authorization issued to a foreign national who will be employed in Russia. Once the employment permit is issued, the employer or its authorized agency may apply for an individual work permit for the foreign national. The work permit application is submitted in person by the employer or its authorized representative to a local or regional office of the FMS. The application generally consists of the following documents:

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1. A work permit application form.
 2. A copy of the foreign national's passport with legalized Russian translation having at least six months' remaining validity.
 3. Apostilled or legalized copies of the foreign national's degrees and diplomas with notarized translation to the Russian language.
 4. A medical certificate issued by a licensed hospital demonstrating that the foreign national is free of HIV, tuberculosis, and certain other infectious disease. If the medical certificate is issued abroad, it must bear an Apostille from a relevant foreign authority and be accompanied by a Russian translation.
 5. Two photographs of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo.
 6. A receipt demonstrating payment of relevant application fees.

If the application is approved, a work permit valid for the foreign national's period of employment, up to one year, is issued. The permit is valid only for employment with the sponsoring employer and only within the jurisdiction of the permit-issuing authority. Work permit issued in Moscow is valid only to work in Moscow.

However, according to the Government Decree dated 17th of February 2007 a business trip to a region different from the region where the work permit is valid can be organized, but it cannot exceed a total of 10 calendar days within the validity of a work permit. Foreign workers occupying certain job positions that require frequent travel are allowed to a total of 60 calendar days that they can travel on business throughout Russia during the validity of their work permit. The exact names of such job positions are specified in a Government Decree.

The invitation process. Upon issuance of the work permit, the employer must apply to the FMS for invitations on behalf of the foreign national and any accompanying family members. The invitations serve as the basis for the visa applications of the principal foreign national and accompanying dependents.

The application for an invitation typically consists of the following:

1. An invitation application form.
2. A copy of the foreign national's passport and residence permit (if

applicable). The passport should be valid for at least 18 months beyond the intended date of entry.

3. A copy of the employee's valid employment permit.
4. A copy of the employee's valid work permit.
5. A letter from the sponsoring employer setting forth the terms and conditions of the foreign national's employment.
6. If the foreign national is required to enter an area of the Russian Federation that is subject to limited access to foreign nationals, permission from the Federal Security Service for the foreign national to enter that area.
7. If the foreign national will be accompanied by family members:
 - a copy of each family member's passport;
 - a notarized copy of the marriage certificate of the principal foreign national and his or her spouse, with Russian translation;
 - a notarized copy of each child's birth certificate, with Russian translation; the certificate must bear the names of both parents;
8. A receipt demonstrating payment of relevant application fees.

If the application is approved, the migration service will issue invitations to the employer; the letters are then forwarded to the foreign national and family members for use in connection with their visa applications.

The work visa application process. After the foreign national has received the FMS invitation, he or she may apply for a work visa at the Russian diplomatic post with jurisdiction over his or her place of residence abroad.

The visa application consists of the following documents:

1. A visa application form.
2. The foreign national's passport containing at least two blank visa pages and having a remaining validity of at least 18 months beyond the intended date of entry.
3. The invitation issued by the FMS.
4. A copy of foreign national's valid work permit.
5. A copy of foreign national's valid employment permit.
6. A health certificate indicating the results of an HIV test issued no more than three months before the visa application is filed.
7. Proof of medical insurance for the stay as required by Russian immigration regulations; to comply with this requirement, applicants may

- 27 purchase medical insurance from a Russian insurance company or a foreign company with a representative agent in Russia.
8. Two photographs of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo.
 9. The application fee.

If the application is approved, the foreign national will be issued a work visa that is valid for an initial period of three months and for a single entry. Once the foreign national enters the Russian Federation, the employer may apply to the FMS for an extension of the work visa for the period of the employment agreement, up to one year.

Multiple work visa process. Upon arrival into Russia and until the expiry of the single visa, a foreign national should apply to convert his or her single work visa into a multiple one valid for the exact term as his or her work permit. The application should be filed by the employer at the local or regional department of the Federal Migration Service.

The application for multiple work visa typically consists of the following:

1. A visa application form on behalf of a foreign national.
2. Original of the foreign national's passport; the passport should be valid for at least 18 months.
3. Original of the foreign national's valid employment permit.
4. Original of the foreign national's valid work permit.
5. A letter from the sponsoring employer setting forth the terms and conditions of the foreign national's employment.
6. A copy of the employment contract offered by the Russian employer to the foreign worker describing the offered position, job duties, salary, and term of employment.
7. One photograph of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo.
8. If the foreign national is accompanied by family members:
 - original of each family member's passport;
 - a notarized copy of the marriage certificate of the principal foreign national and his or her spouse, with Russian translation;

- a notarized copy of each child's birth certificate, with Russian translation, the certificate must bear the names of both parents;
9. A receipt demonstrating payment of relevant application fees.
 10. A copy of the notification form.

If the application is approved, the migration service will issue a multiple visa valid for the assignment period, of up to one year.

Notification requirements. Employers are required to notify territorial labor authorities and the FMS of the foreign national's employment in Russia. If the foreign national is visa-exempt, the notification must take place within 10 days after employment. If the foreign national is subject to the visa requirement, the notification of labor authorities must take place within 30 days after employment date. Notification of tax authorities should be made within 10 days after employment. The employer is required to notify the FMS if the permit holder fails to commence employment or if the employment is terminated before expiration of the permit; in such cases, the FMS has the authority to revoke the permit. Where the foreign national resigns from the employment, the employer must notify the FMS and tax inspectorate.

Dependent family members. The principal foreign national may be accompanied by a spouse and unmarried dependent children under 18 years of age. Typically, the sponsoring employer requests family invitation letters as part of the principal application. Each family member possessing his or her own passport must be issued an individual visa invitation letter. Upon receipt of the invitation, dependent family members apply with the principal for visas at the Russian Federation diplomatic post with jurisdiction over their place of residence. Children who do not have their own passports should be included into a parent's visa application. Dependents are not permitted to work as derivatives but may be sponsored for a work permit and work visa in their own right.

When a child is born on the territory of the Russian Federation, his parents should apply to the home country Consulate in Russia in order to obtain the citizenship for a newly-born child (either in a way of a separate passport issuing or by including the baby into a parent's passport). In case of a separate passport holder, the child should be issued with an exit visa at the moment of departure in order to be able to leave Russia, and thereafter it will be required to obtain a separate invitation letter, a 3-month single visa at the Diplomatic mis-

29 sion outside of Russia and its transfer into a multiple one upon return to the Russian Federation. In case when a child is included into his parent's passport, the correspondent updates should be made into the parent's visa to reflect that he or she is accompanied by a dependent child.

Employer's obligations. The main legislative document regulating labor relationships in Russia is the Labor Code which strictly governs almost all aspects of labor relationships (hiring and dismissal of employees, changes of working conditions, working time and holiday regulations, business trips, salary payment, occupational safety, etc.). Employment of foreign employees must be documented in the same way as the employment of Russian employees. Hence, the employer company must compile personnel record documentation for employment of foreign employees in accordance with the requirements of the Russian legislation.

The Russian legislation requires documentation of work of foreign nationals in Russia and the basic documents are: a work permit, a subsequent labor contract governed by the Labor Code of Russia (or a service agreement, governed by the Civil Code of Russia. The further comments are on the labor contract only), some other mandatory personnel record documentation.

Work permit

It should specifically be noted that the employer must hand over a work permit (a plastic card) to the foreign citizen against signature before his or her labor activity in Russia starts. In other words the labor contract can come into effect after the work permit (plastic card) is in fact obtained and the foreign employee has received it under signed receipt.

Labor contract

The Labor Code provides a list of conditions which must be included in the labor contract (for example, term of the labor contract and the reason for concluding of the fixed-time labor contract, place of work, start date, position, remuneration conditions). Beside the mandatory information some optional conditions may be included in the labor contract by mutual consent (for example, term of probation period, confidentiality regulations, other conditions which cannot worsen the position of an employee in comparison to the Labor legislation).

Where a labor contract, concluded between a foreign employee and a foreign company, contradicts Russian labor legislation, the latter is applied. It should be noted that the position name of the foreign employee stipulated in the labor contract should be in strict accordance with the position name specified in the work permit. Where the employer specifies a different position in the labor contract from the position of the work permit, he runs a risk that the enrollment of the foreign employee may be qualified by the migration authorities as being illegal.

Labor book

The employer is responsible for the proper maintenance of labor books for each employee. Labor books must also be issued for all foreign employees. The labor book is the official document indicating the employee's working history including names of all former and current employers, the person's positions with each of the employers, dates of employment and termination, and reference to the reasons for termination. The form and content of records in the labor book are strictly regulated. Violation of these formal requirements can result in invalidation of the record.

Employment Order

Besides the conclusion of a local labor contract with the employee, the employment of a foreign national must be documented internally by the employer through the issuance of a formal employment order. The form of the employment order is compulsory and contains the name, position, date of employment and the salary of the new employee.

Other mandatory personnel record documentation

As mentioned above, the employer company must compile personnel record documentation for employment of foreign employees in accordance with the requirements of the Russian legislation. Beside the labor contract, employment order, labor book, the following internal documents with regard to foreign nationals' employment are to be issued in relevant cases: personal information file, vacation order, change of the salary order, termination order, business-trip order, etc. In case of change of the working conditions stipulated by the local labor contract by mutual consent an additional agreement to the local labor contract is to be signed. Liabilities for breach of Labor Law regulations are as follows: for le-

31 gal entities an administrative fine from Rubles 30.000,00 to Rubles 50.000,00 (i.e. from USD 1.000,00-USD 1.667,00) or suspension of activity of the employer company for a period of up to 90 days upon court decision. While for the company relevant directors an administrative fine will be from Rubles 500,00 to Rubles 5.000,00 (i.e. from USD 16,67-USD 167,00).

Tax issues. Individuals, irrespective of citizenship, should pay Russian individual income tax on:

- worldwide income if the individual is a Russian tax resident, i.e. who spends 183 or more days in Russia in the calendar year;
- income for work in Russia or from Russian property and investment if the individual is a tax non-resident, i.e. who spends fewer than 183 days in Russia in a calendar year.

Individual income tax of 13% is applied to most types of income of Russian tax residents with the following exceptions:

- interest income above the allowed limits (9% for foreign and 13% for Russian currency) – 35%;
- material gain on interest free or low interest loans (interest levels are similar to the above) and arising from receiving benefits in-kind at below market rate or free – 35%;
- dividend income – 9%.

Non-residents should pay tax on all types of income at 30% tax rate, except tax rate on dividend income – 15%.

Individual income tax is withheld at source and if withholding is impossible paid by the individual upon submitted declaration. Declarations should be submitted by April 30th and should refer to the previous tax year ending July 15th.

Employer's taxation is based on payment of contributions to Social Insurance, Medical Insurance and Pension Insurance funds. Contributions to the funds are accrued on income paid under employment contracts, service/work contracts and author contracts.

The aggregate amount of contributions in 2010 is composed of:

- 26% on annual cumulative gross income up to 415000 RUB (no

contributions are payable on income exceeding this amount);

- industrial accident insurance (rate is to be established by Social Insurance fund from 0.2% to 8.5% depending on level of professional risk).

No contributions, except for industrial accident insurance, are to be made in respect of foreign nationals temporarily staying in Russia and having neither temporary nor permanent residence permit.

Employment in regions of the Russian Federation. Although the procedure of employment and work permits processing is stipulated by federal legislation, we still face some differences both in the quota formation and in the actual process of permits issue in the Russian regions.

Speaking about quota formation, all regions can be divided into two types: regions that allocate quota slots only to the companies that filed the declaration of need in the due time and only for the requested positions and nationalities (Saint Petersburg, Sakhalin region, Novosibirsk region, Rostov region, Samara region, Kaluga region, etc.), and regions that allow any company to get the quota slot and apply for a work permit, regardless any quota application filing (Khanty-Mansiisk autonomous district, Yamal-Nenets autonomous district, Krasnoyarsk region, Chelyabinsk region, etc).

With respect to the process of employment and work permits issue, it should be stated that the main difference is the list of documents that are to be filed. For instance, the migration authorities of the Sakhalin region for work permit processing require all the passport pages to be translated into the Russian language, while the rest of Russia needs just the translation of a biographical page. Some time ago the majority of regional migration services changed their requirements for Diploma/educational degrees, specifically now it should bear not only Russian translation but also Apostille, however for some of the authorities it is still sufficient to provide just a translated copy (Moscow region, Sverdlovsk region, Khanty-Mansiisk autonomous district). Another main difference is in the forms of documents which in many cases are not even stipulated by the Russian migration legislation, but are compiled by regional or local migration services (Saint Petersburg, Samara region, Krasnodarsky krai, etc).

Changes or termination of employment. A visa national who holds a work permit may work only for the sponsoring employer and only in the location or locations designated in the permit. If an employer

- 33 terminates its operations or its employment permit expires or is revoked, the foreign national may enter into a new employment agreement with another employer provided that a new employer obtains employment and work permits on the foreign national's behalf. If a foreign national initially worked for a Russian entity and will take a new position with another Russian entity (the same is applicable in cases when a foreign national worked for a branch/representative office and is going to continue his work with another representative/branch office), the new employer should apply for an employment permit and a new work permit for the foreign national, while the visa (in case if still valid at the moment of new work permit issue) can be transferred from one employer to another one.

In all cases, if the employer or foreign national terminates the employment or the foreign national has been ordered deported from the Russian Federation, the employer is responsible for transportation costs and administrative expenses in connection with the foreign national's departure.

Temporary residence permit

The temporary residence permit authorizes foreign nationals to reside in the Russian Federation on a long-term basis as a step toward permanent residence. Temporary residence permits are subject to a quota set annually by the Russian government. However, certain categories of foreign nationals are exempt from the quota, including individuals who will make a capital investment in the Russian Federation (although the amount of investment is still not approved by the Government), spouses and other family members of Russian citizens, disabled individuals who are the parents or children of Russian-born individuals, individuals who were born on the territory of the Russian Federation and were former citizens of the Union of Soviet Socialist Republics, and foreign nationals who are serving in the Russian military.

A foreign national who seeks the temporary residence permit may apply at the regional or local Federal Migration Service (FMS) branch office having jurisdiction over his or her place of actual residence in Russia or at a Russian diplomatic post abroad. Unlike other immigration categories, no sponsoring party is required.

The temporary residence permit application typically contains the following:

1. An application for the temporary residence permit, in duplicate.
2. A valid passport.
3. Police clearances or good conduct certificates issued by government authorities of the country where the foreign national resides.
4. If the foreign national is not a citizen of the country in which he or she regularly resides, a residence permit.
5. Evidence that the foreign national has sufficient funds or income to meet the minimum statutory living standard requirement in Russia.
6. If the applicant is accompanied by a spouse, a marriage certificate.
7. If the applicant is accompanied by a child under 18 years of age, the child's birth certificate and passport or other identity document; in addition, if the child is between 14 and 18 years of age, a signed and notarized statement indicating the child's consent to reside in Russia must be included.
8. A medical certificate issued by an authorized physician in the Russian Federation or foreign country indicating that the applicant is not addicted to any drug and is free of certain infectious diseases, including HIV/AIDS, tuberculosis, and sexually transmitted diseases.
9. If the applicant is exempt from the temporary residence quota, supporting documentation pertaining to his or her exemption category:
 - if the applicant is applying on the basis of birth on the territory of the Russian Federation, a Russian birth certificate or a passport of the Union of Soviet Socialist Republics, only 1974 edition USSR passports are acceptable for this purpose;
 - if the applicant is disabled and is applying on the basis of the Russian birth of his or her child, the child's Russian birth certificate and USSR passport as well as a medical certificate evidencing the disability of the applicant;
 - if the applicant is disabled and is applying on the basis of his or her relationship to a Russian-born parent, the parent's birth certificate and USSR passport as well as a medical certificate evidencing the applicant's disability;
 - if the foreign national is applying on the basis of marriage to a Russian citizen spouse, the spouse's passport and marriage certificate.
10. Four photographs of the applicant.
11. An application fee payment receipt.

Upon receipt of the application (either as directly filed by the applicant or forwarded by the diplomatic post), the FMS performs a comprehensive background that includes consultation with law enforcement, federal security, tax, and health care agencies. Upon approval of the application, the FMS forwards its decision to the foreign national.

- 35 If the temporary residence permit application is denied, the FMS must state its reasons for the denial; the foreign national may lodge an appeal within three days after receipt of the denial notice. If the foreign national is present in the Russian Federation, he or she will retain the right to remain while the appeal is pending unless otherwise provided by the federal law.

If the applicant is present in Russia when the application is approved, he or she must appear at the relevant local or regional FMS office for processing of the permit. If the application is approved and the foreign national is overseas, he or she may apply for a visa to enter the Russian Federation at a diplomatic mission.

The visa application typically contains the following documents:

1. A visa application form.
2. A passport with at least two blank pages and valid for at least six months.
3. The temporary residence permit approval notice.
4. Two photographs of the applicant measuring 30 x 40 mm and taken without glasses or any head decoration unless the applicant wears such head decoration for religious reasons and it appears on the applicant's passport photo.
5. Proof of medical insurance for the stay. Applicants may purchase insurance from a Russian medical insurance company or a foreign company with a representative agency in Russia.
6. If required by the diplomatic post, a health certificate indicating the results of an HIV test issued no more than three months before the visa application is filed.
7. The application fee.

Based on the FMS approval of the temporary residence permit, the consulate or diplomatic mission will issue a single-entry visa valid for four months, during which the foreign national must enter the Russian Federation. Within three days after entry, a foreign national must apply to the FMS for endorsement of his or her passport with the temporary resident designation. The permit is valid for a period of three years. In case a foreign national seeks employment in Russia, employer should obtain work permit to be able to legally employ such foreign national.

The temporary resident permit holder is authorized to live only in the location designated on the permit. If the foreign national relocates, he or she must obtain a new temporary residence permit from a local or regional FMS office in the new jurisdiction. (Note, however, that this restriction does not apply to employees of consulates, diplomatic missions, and international organizations or to journalists accredited in the Russian Federation.) To travel internationally, the permit holder must every time obtain an exit visa from the FMS (with exception to certain countries with which Russia has bilateral agreements, please see information in the relevant section).

A foreign national who is present in Russia pursuant to the temporary residence permit is required to renew his or her registration record with the FMS on an annual basis. At reregistration, the foreign national must confirm that he or she continues to reside in the Russian Federation and must provide information concerning his or her residence address, employment, and record on travel outside of Russia. He or she must also provide documentation of the amount and source of his or her income, such as tax report or other financial documentation. The temporary residence permit may be revoked if, in the course of a year, the foreign national failed to receive any income or failed to show adequate means to support himself or herself or dependent family members at the established minimum living standards and without government assistance.

Permanent residence permit

A foreign national who is over 18 years of age and has lived in the Russian Federation pursuant to a temporary residence permit for at least one year may apply for the permanent residence permit. A parent or legal guardian may apply for a permanent residence permit on behalf of a foreign national under 18 years of age. A permanent residence permit holder may live and work without restriction in any region of the Russian Federation. Permanent residence permit also allows visa free travel to and out of Russia.

An applicant for the permanent residence permit must submit in person a written request to the local or regional Federal Migration Service (FMS) over his or her place of registration no later than six months before the expiration of his or her temporary residence permit. The application typically contains the following documents:

- 37
1. An application for the permanent residence permit, in duplicate.
 2. A valid passport with at least six months' remaining validity.
 3. The foreign national's valid temporary residence permit.
 4. Evidence that the foreign national has sufficient funds or income to meet the minimum statutory living standard requirements in Russia for himself or herself and any dependent family members.
 5. The applicant's marriage certificate (if applicable).
 6. If the application includes or is made on behalf of a child under 18 years of age, the child's birth certificate and passport (or any other valid form of identification).
 7. If the application includes or is made on behalf of a child who is over 14 years of age but under 18, evidence that the child has consented to move to Russia to reside there; the applicant's child must sign a statement of consent before a notary public.
 8. An HIV test certificate for the principal and dependents.
 9. A medical certificate issued by an authorized physician in the Russian Federation or foreign country indicating that the applicant is not addicted to any drug and is free of certain infectious diseases, including HIV/AIDS, tuberculosis, and sexually transmitted diseases.
 10. Evidence of the applicant's place of residence in the Russian Federation.
 11. If the foreign national is applying for permanent residence as a spouse, disabled parent, or disabled child of a Russian citizen, the following documents must be submitted, as applicable:
 - if the applicant is disabled and has a Russian citizen daughter or son who is not disabled and who is permanently residing in the Russian Federation, the child's passport and a birth certificate issued by the Russian Federation or the former USSR must be submitted. The applicant must also present a certificate issued by a health-care facility in the Russian Federation confirming the applicant's disability;
 - if the applicant has a parent who is disabled and a citizen of the Russian Federation, his or her parent's birth certificate and passport must be submitted. The applicant must also present a certificate issued by a health-care facility in the Russian Federation confirming the parent's disability;
 - if the applicant is a spouse of a Russian citizen permanently residing in Russia, a marriage certificate and passport of the spouse issued by the Russian Federation must be submitted.
 12. Four photographs of the applicant measuring 30x40 mm.
- If the application is approved, the foreign national is granted a permanent residence permit that is valid for five years. The permit is renew-

able in five-year increments; renewal applications must be submitted no later than six months before the expiration of the current permit.

Registration of permanent residents. Foreign nationals who permanently reside in Russia must register within seven working days after their first arrival in Russia from abroad or after their arrival at a new place of residence within Russia.

Revocation of the permanent residence permit. The FMS may revoke the permanent residence permit in the following circumstances:

1. Where the foreign national has been outside of the Russian Federation for more than six months.
2. Where, three years after entry to the Russian Federation, the foreign national does not have a permanent place of residence.
3. Where the foreign national cannot demonstrate adequate means to support himself or herself or dependent family members (unless the foreign national is disabled).
4. The foreign national has become a permanent resident of a foreign state.
5. Where the foreign national entered into a marriage with a citizen of the Russian Federation as the basis for issuance of the permanent residence permit and such marriage is found invalid.
6. Where the foreign national is deemed a threat to Russian national security because he or she has committed a serious criminal offense.
7. Where the foreign national has been subject to an administrative action that resulted in the foreign national's departure or deportation from the Russian Federation within five years prior to the application for a permanent residence permit.

Russian citizenship

A foreign national who is 18 years of age or older is eligible to apply for Russian citizenship. Children under 18 years of age may be included in a parent's naturalization application. There are two separate processes by which a foreign national may acquire Russian citizenship: (1) general naturalization on the basis of residence or significant contributions to Russia; and (2) simplified naturalization on the basis of a family relationship. Each category has specific eligibility criteria and procedures. A foreign national may apply for naturalization in person at a local Federal Migration Service (FMS) office or consular post abroad.

General naturalization. The general naturalization process requires that a foreign national applicant have resided continuously as a per-

- 39 manent resident in Russia for the five-year period immediately preceding the date of the naturalization application; during the five-year period, the foreign national's absences must not have exceeded three months per year.

The residency requirement is reduced to one year in the following circumstances:

- the foreign national has made significant achievements in science, technology, or the arts;
- the foreign national has professional qualifications or is in a professional occupation that is of interest to Russia;
- the foreign national has been granted refugee or asylee status in Russia.

In addition to the residency requirements, all applicants for general naturalization must demonstrate that they will obey the Constitution and laws of Russia, that they have a legal source of income, that they have sufficient Russian language skills, and that they have applied to renounce their foreign citizenship (unless such renunciation is not within the foreign national's control or where dual citizenship is allowed under an international treaty). Foreign nationals who arrived in Russia prior to July 1, 2002, and who have not obtained Russian permanent residence may count the term of their residence in Russia from the date of their registration with the local authorities.

Note that all general naturalization requirements may be waived at the discretion of the federal government.

Simplified naturalization. Certain categories of foreign nationals are exempt from the general naturalization requirements. These include:

- a foreign national who has at least one Russian citizen parent and who lives in Russia;
- a foreign national who possessed USSR citizenship and has lived or now lives in one of the former Soviet republics but has not acquired citizenship of the former Soviet republic;
- a foreign national who is a citizen of a former Soviet republic and who has attained a professional or higher degree at a Russian academic institution on or after July 1, 2002;
- a foreign national who was born in Russia or has held Russian citizenship in the past;

- a foreign national who is married to a Russian citizen;
- a foreign national who is disabled and has a child 18 years of age or older who is a citizen of Russia.

Dual nationality. Under the immigration law of the Russian Federation, Russian citizens are not restricted from obtaining dual or multiple citizenship or nationality. However, if a foreign national applies for Russian citizenship, he or she is normally required to renounce his or her current citizenship unless otherwise provided by international treaty or Russian law or if the renunciation of the foreign national's previous citizenship is beyond his or her control. If a foreign national adopts a Russian citizen child, the child preserves Russian citizenship. A foreign adoptive parent may petition to renounce the child's Russian citizenship provided such renunciation will not render the child stateless.

Child born in Russia. Russian Law on citizenship stipulates the possibility on acquiring citizenship by birth. Therefore, if a baby is born on the territory of the Russian Federation in the family of foreign nationals, he or she has the right to acquire the Russian citizenship, provided the country of parents' citizenship does not grant its citizenship to the baby.

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BILATERAL AGREEMENTS

4

Agreement with France. Russia and France signed a bilateral, inter-governmental agreement on the 27th of November 2009 to simplify and therefore ease the requirements for entrance, stay and work in Russia for French nationals and vice versa. The agreement covers employees working for foreign representatives (affiliates) – citizens of one country working in representative offices of foreign legal entities located in the other country; employees working for companies of the same group; companies' directors – citizens of one country who manage the company's activity staying in the other country; highly qualified specialists – citizens who fulfill two of the following three criteria: they are degree-holders corresponding to the occupied position, they have no less than five years' experience in this position or/ and their salaries are no less than 3200 Euro a month, although this last point has yet to be confirmed.

The agreement will be ratified no less than in 6 months time, and introduces a liberal migration regime almost unheard of in Russia. Thus, French representative companies in Russia will have no need to apply for work permits for their staff under the quota system. It will no longer be necessary for employers to have to prove that they cannot find suitable unemployed Russians who could carry out this work. Work permits which will be given to these categories of foreign employees will be valid for the whole of Russia, not just for Moscow or St. Petersburg (the region where the work permit is originally issued). Multi-entry work visas will be issued right by the Diplomatic mission and valid for a year at a time (opposed to a normal procedure of a single 3-month visa issue which later on should be converted into multiple upon arrival into Russia) and extendable to three years. Valid French medical documents will be recognized in Russia. And, last but not the least, the necessity of registering in different Russian cities when travelling is to be lifted if the length of stay in each city is no more than 10 days.

Agreement with Germany. In 2004 the "Agreement between the governments of the Russian Federation and the Federal Republic of Germany on the easing of travelling restrictions between the two countries for Russian and German citizens", came into force. The agreement introduced the following privileges for entrepreneurs and members of business circles of the two countries:

- 43
- Chambers of commerce can apply for multi-entry visas up to 5 years for business travelers without the need for an invitation. The period of stay in this case is limited to 180 days within a year.
 - Chambers of commerce can apply for multi-entry visas up to 2 years for their members without the need for an invitation. This part of the agreement covers employees of representative/branch office of German legal entities, or German daughter companies in the Russian Federation, and members of their families. Period of stay in this case is limited to 2 years.
 - Russian or German citizens, having obtained a temporary or permanent residence permit, can enter or leave the respective countries without a visa.

VIOLATION OF
RUSSIAN
MIGRATION
LEGISLATION

5

Violation by a foreign national of rules of entrance to the territory of the Russian Federation or illegal stay on the territory of the Russian Federation (article 18.8):

For violation of migration registration rules, movement and order of residence place choose, transit through the territory of the Russian Federation, in case of lack of documents confirming the right to stay in the Russian Federation or in case of their loss and non notifying of the correspondent authorities on this fact as well as for refuse to leave Russia within established term:

- for a foreign national – administrative penalty in the amount of ~\$65-\$165 with administrative deportation or without it;

For discrepancy between the purpose of entrance and purpose of stay:

- for a foreign national – administrative penalty in the amount of ~\$65-\$165 with administrative deportation or without it.

Violation by a Company's official of rules of foreign national's stay on the territory of the Russian Federation (article 18.9):

For violation of rules connected with stay and transit through the territory of the Russian Federation of a foreign national, as well as with established order of documents processing for stay, movement and exit from the Russian Federation:

- for a Company's official – administrative penalty in the amount of ~\$1.330-\$1.660;
- for a Company – administrative penalty in the amount of ~\$13.300-\$16.600;

For violation of Immigration registration rules:

- for a foreign national – administrative penalty in the amount of ~\$65-\$165;

- 47
- for a Company's official – administrative penalty in the amount of ~\$1.330-\$1.660;
 - for a Company – administrative penalty in the amount of ~\$13.300-\$16.600.

Violation of employment rules of foreign nationals on the territory of the Russian Federation (article 18.15):

For work without employment permit authorization:

- for a foreign employee – administrative penalty in the amount of ~\$65-\$165;
- for a Company's official – administrative penalty in the amount of ~\$830-\$1.660;
- for a Company – administrative penalty in the amount of ~\$8.330 - \$26.660 or administrative suspense of Company's activities for the period of up to 90 days;

For work without work permit authorization:

- for a foreign employee – administrative penalty in the amount of ~\$65-\$165;
- for a Company's official – administrative penalty in the amount of ~\$830-\$1.660;
- for a Company – administrative penalty in the amount of ~\$8.330 - \$26.660 or administrative suspense of Company's activities for the period of up to 90 days;

For not notifying the Tax service, Labor service, Migration service:

- for a foreign employee – administrative penalty in the amount of ~\$65-\$165;
- for a Company's official – administrative penalty in the amount of ~\$1.165-\$1.660;
- for a Company – administrative penalty in the amount of ~\$13.300-\$26.660 or administrative suspense of Company's activities for the period of up to 90 days.



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PROBLEMS OF
RUSSIAN
MIGRATION
LEGISLATION

6

The migration policy of the Russian Federation, like the migration policies of most countries, regulates the number of people able to travel to, and work in Russia so as to guarantee national security, protect indigenous labor resources and encourage economic growth. However there are several aspects of the migration law which seem illogical.

Thus, employers of low-qualified workers are not required to attain permission to employ workers, but work permits can be refused to well-qualified specialists if their jobs can be done by Russians. Nevertheless as the result of this approach, we have mass unemployment in Russia, and millions of low-qualified migrant workers doing the jobs of Russians. Therefore one of the main issues of the Russian migration legislation is a unified approach to processing of work permits for different categories of foreign nationals. The law does not distinguish various types of work permits or permits to stay and visas depending on the status of a foreign national and his or her activity type. Thus, both top-managers/investors who are transferred to Russian offices to set up the local business, to manage the business and to assure that everything works properly, and representatives of creative industry should pass the same stages as low qualified specialists (mainly from CIS countries and developing countries of Asia) including labor market test in order to get the work permit and work visa approved.

Sportsmen, actors, and actresses coming to film shoots, singers, musicians and circus performers who come to Russia for a particular show, performance or series of performances all need to pass the same stages in order to secure the permit and visa.

The situation for investors is not clear, either. By law, foreign investors have the right of temporary residence in Russia. However it is not clear who exactly a foreign investor is, because neither the sum of the investments being made nor the nature of the investment is specified. It is difficult for a foreigner who has created a company in Russia to obtain a work permit under the quota system unless he or she is married to a Russian and the application is made on the grounds of family considerations. The length of time involved in making the application for the temporary residence permit is unreasonable, and the process complex. Thus, an investor who actually creates jobs for Russians is unable to stay in Russia to control his investment because he cannot

51 get a work permit (if the quota application has not been filed) from his own company.

At present, work permits are issued under a quota system. Employers inform the migration authorities about the number of permits they need for the next year. If a company cannot predict accurately how many foreigners will be needed, any additional applications will probably be rejected. A whole series of companies who made declarations about needing foreign workers in 2010 have recently been requested to reduce the number of foreign workers which they plan to hire in 2010, or have been informed that they are no longer able to hire foreigners.

In general, obtaining all necessary documents to apply for work permits is difficult, and time-consuming, especially when additional documents are required. At first, the introduction of a requirement to provide a Diploma (an educational degree) has caused problems, as many foreign employees who have considerable experience (15-20 years) do not have a higher education. After, this requirement was made more complex because migration officials started demanding that diplomas be submitted with an Apostille which is very difficult to arrange, especially when a foreign national is actually staying in Russia.

Apart issues associated with work permit process, we would like to draw attention to visas as well. Representative/branch offices of foreign companies are not allowed to request business visas for their foreign colleagues on their behalf, they are forced to use third party travel agencies.

Foreign nationals should be registered each time he or she arrives and leaves the territory of the Russian Federation, creating a huge overload of work both for companies and for the migration services.

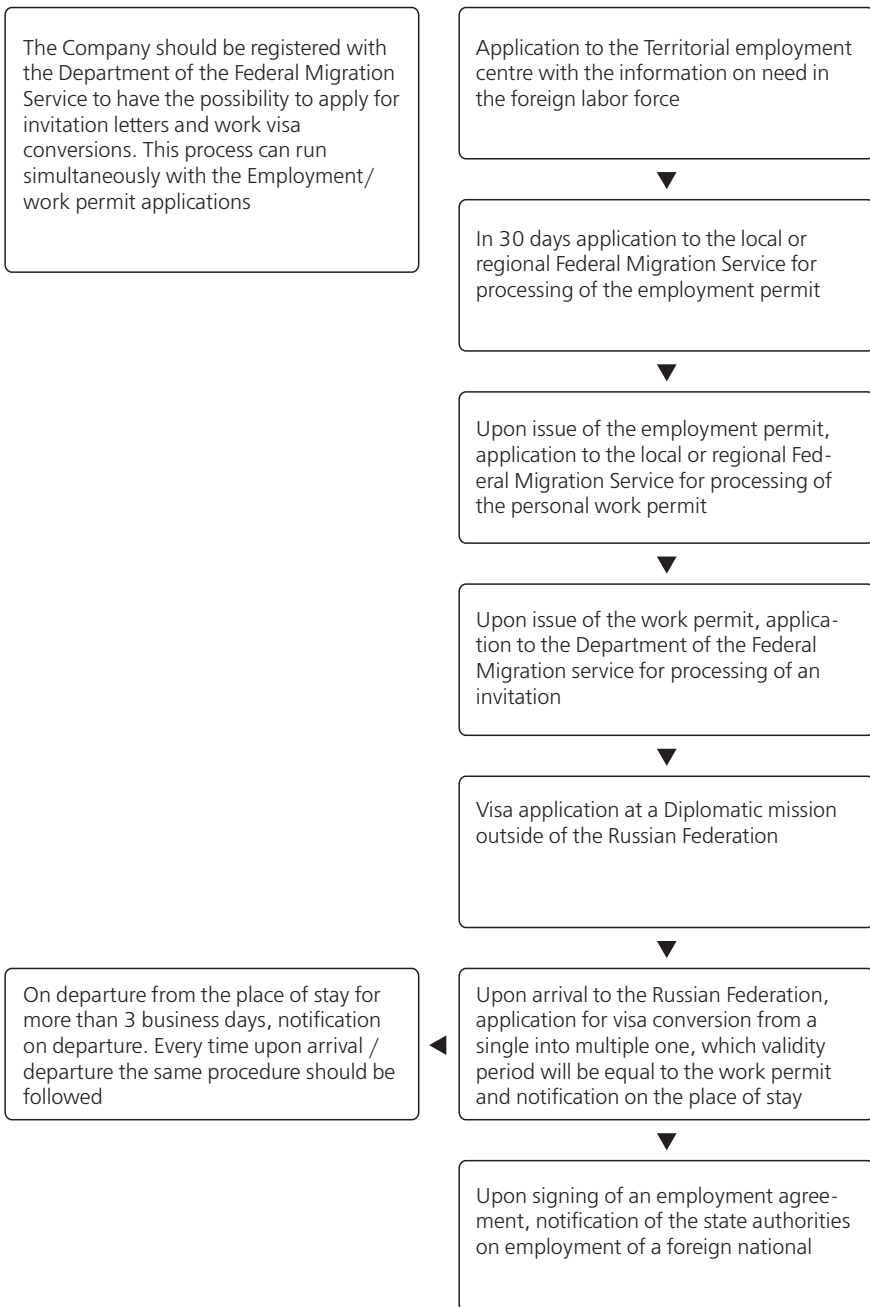
Last but not least, according to current legislation, the term of business trips carried out by foreign nationals within the Russian Federation cannot exceed 10 calendar days a year. An increase to 60 days is possible but only if the employment contract stipulates such work condition and this provision is applicable only to a number of positions.

A large, light gray, stylized number '7' is positioned in the background, extending from the top right towards the bottom left. The number is composed of a horizontal top bar and a diagonal stem that tapers towards the bottom right.

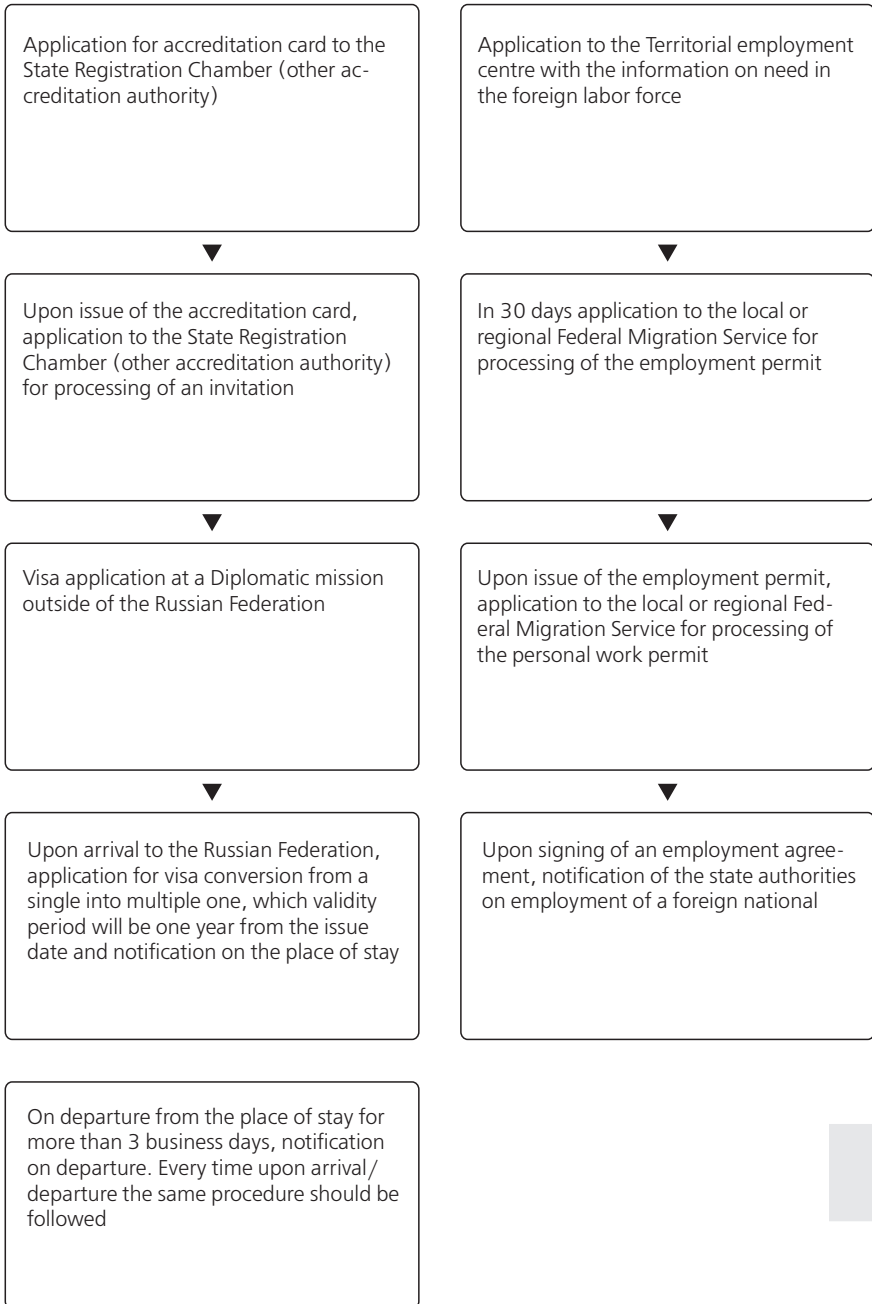
ADDITIONAL MATERIALS

7

Legalisation of foreign employees working for Russian legal entities



55 Legalisation of foreign employees working for representative / branch office



Although the information contained in this handbook is accurate at the time it is presented, it is important to bear in mind that Russian migration legislation is subject to constant and frequent change, and therefore it should not be considered as legal advice and should be used for informational purposes only.

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