

January 14, 2014

Dear Sirs,

We are pleased to inform you of material changes to the migration legislation of the Russian Federation in connection with Russia joining the World Trade Organization.

The changes in question came into force on January 10, 2014 and have been mainly introduced to the Federal Law on the Procedure of Departure from the Russian Federation and Entry into the Russian Federation as well as to the Federal Law on the Legal Status of Foreign Nationals in the Russian Federation. These changes deal with a special category of foreign nationals that are assigned by foreign commercial organizations registered in the WTO member states to **subsidiaries** as well as to **branches** or **representative offices** of such foreign commercial organizations in Russia.

In accordance with the introduced amendments, invitations and work permits for this category of foreign nationals are issued irrespective of quotas established by the Government of the Russian Federation, which is similar to the simplified regime existing for the highly qualified specialists. However, it should be noted that the Government of the Russian Federation is entitled, at its discretion, to establish certain restrictions in respect of employment of such staff depending on the market environment pursuant to the principle of priority of hiring of Russian nationals.

The amended law sets forth a number of requirements to apply for such simplified regime.

Firstly, the assigning foreign commercial organization should be incorporated in one of the WTO member states.

Secondly the Russian subsidiary of foreign commercial organization must render services under its constituent documents.

Thirdly, there are requirements that deal with the duration of employment of any given foreign national at the assigning foreign commercial organization: it must be at least 1 year.

Fourthly, there exist the requirements regarding positions that foreign nationals may hold in a Russian entity. A foreign national assigned to the representative office of a foreign commercial organization shall hold the position related to management and coordination of the activities of such representative office (including the position of the head of the representative office). If a foreign national is assigned to any branch or subsidiary of the foreign commercial organization, he/she can work only as the so called key personnel.

Pursuant to the new regulations, the term 'key personnel' implies the position of the head of a subsidiary or branch of the foreign commercial organization. Other positions may also be considered as key personnel, provided that the amount of the employee's salary is not less than 2 million rubles per year and such employee is involved in rendering the services, is well qualified and/or has any extraordinary knowledge.

The term 'key personnel' is introduced to the Russian legislation for the first time and its practical application is quite uncertain as of now. It is expected that specific criteria therefore will be developed in the near future. To this effect, it is expected that the respective governmental decree outlining the requirements for such extraordinary knowledge as well as for the level of qualification will be adopted shortly after the changes in question come into force.

Fifthly, the introduced amendments restrict the total number of employees to be hired under this procedure: for representative offices it amounts up to 5 employees, in the banking sphere – up to 2 employees.

Such categories of employees are also entitled to work in the territory of two or more constituent subjects of the Russian Federation if this option is provided for by the respective decision of the assigning foreign commercial organization.

Similarly to highly qualified specialists, foreign nationals of this category must be provided with primary and secondary medical care under a medical insurance contract (policy) or a respective contract entered into between the employer and the medical institution.

Work permits for such category of employees are issued for a term indicated in the respective decision of the assigning foreign commercial organization, not to exceed 3 years, with the right of multiple extensions.

An application for issuance/extension of the work permit shall be considered within not more than 30 business days.

Notwithstanding a vast range of restrictive requirements, we believe that these changes will have the most positive impact on the representative offices of foreign commercial organizations as they are now entitled to employ foreign employees under the simplified procedure.

Please click here to view a full text of the newsletter in [English](#) and [Russian](#).

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For more information please visit our [web-site](#) or contact directly [Irina Anyukhina](#), Partner, Head of the Labour and Employment practice.

Kind regards,

ALRUD Law firm

Note: All information was obtained from publicly available sources. The author of this information letter assumes no liability for the consequences of decision-making based on such information.