**Information about Personal Income Tax**

**Dear Colleagues!**

The information presented below is based on the provisions of Russian legislation.

Here we provide you with a summary of Russian legislation on personal income tax payments (hereafter, “PIT”), as Russian tax law in this regard is rather bulky. We have grouped the relevant regulatory provisions, depending on an individual’s citizenship, migration status, legal and residential status, as well as place of employment.

This summary has been prepared in order to provide you with an idea of Russian tax legislation and give you the opportunity to approximately estimate the amount of your personal income tax payments.

Since certain nuances still exist in some cases, we are always ready to consider any particular cases in order to produce precise calculations for you.

For more details, about your insurance payments, please refer to:

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1. **Information for HSE staff hired under employment agreements, as well as individuals employed under individual contractor agreements for works/services provision, in the Russian Federation.**

| **Taxpayer Categories[[1]](#endnote-1)**  (Glossary Section 1) | **PIT Rates**\*  (Glossary Section 2) | | **Object of Taxation – PIT is charged on income received at HSE**\*\*  (Glossary Section 3) | **Moment when tax status is determined, and frequency of status confirmation** | **List of documents required in order to establish tax residence status** |
| --- | --- | --- | --- | --- | --- |
| **Russian Tax Residents[[2]](#endnote-2)** | **Persons not considered Russian Tax Residents[[3]](#endnote-3)** |
| **Russian citizens[[4]](#endnote-4),**  including **Russian citizens, falling into the category of employees frequently leaving** Russia for business trips.[[5]](#footnote-1) | 13% | 30% | Employment-related income earned under (remote) employment agreements. | Starting from the first day of employment, as per the tax status application.  On each income payment date un**til the date** when the actual duration of the employee’s stay in Russia during the calendar year (tax period) **equals or exceeds 183 calendar days.** | Employment record, proof of employment issued by previous employers, tax residence certificate:  a) employee’s international passport (copies of all pages);  b) relevant business travel directives (orders) on staff business trips. |
| 13% | 30% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30% | Other income. |
| **International Highly Qualified Specialists[[6]](#endnote-5)** | 13% | 13% | Employment-related income earned under (remote) employment agreements. | HQS’ tax status shall be determined as specified in the work permit in the period “**from” and “to” relevant date.** | Work permit issued on an official letterhead**[[7]](#footnote-2)**. |
| 13% | 13% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30 % | Other income. |
| **Foreign citizens[[8]](#endnote-6),** entering Russia (on the basis of a visa, or visa-free), invited to HSE as researchers or academic staff members | 13% | 30% | Employment-related income earned under (remote) employment agreements. | On each income payment date **until the date** when the actual duration of the employee’s stay in Russia during the calendar year (tax period) **equals or exceeds 183 calendar days.** | a) employee’s international passport (copies of all pages);  b) migration card;  c) proof of employment from previous employers in Russia;  d) relevant business travel directives (orders) on staff business trips. |
| 13% | 30% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30% | Other income. |
| **Foreign citizens - tax residents** of Belarus, Kazakhstan, Armenia, or Kyrgyzstan **(EEU member states)[[9]](#endnote-7)** | 13% | 13% | Employment-related income earned under (remote) employment agreements. | Starting from the first day of employment, and (or) the effective date of the independent contractor agreement. | Passport of EEU member state citizen. |
| 13% | 13% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30% | Other income. |
| **Foreign citizens participating in the Russian Government Programme** for the facilitation of the voluntary relocation of compatriots living abroad back to Russia, as well as foreign citizens considered refugees or provided with temporary asylum in Russia[[10]](#endnote-8) | 13% | 13% | Employment-related income earned under (remote) employment agreements. | Starting from the first day of employment, and (or) the effective date of the independent contractor agreement. | Certificate, issued as per the template form approved by Russian Government Decree No. 817, dated December 28, 2006 |
| 13% | 13% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30% | Other income. |
| Foreign citizens, entering Russia on a visa-free basis and having obtained a **work patent[[11]](#endnote-9)** | 13% | 13% | Employment-related income earned under (remote) employment agreements. | Starting from the first day of employment, and (or) the effective date of the independent contractor agreement. | Work patent[[12]](#footnote-3), issued as per Federal Law No. 115, dated July 25, 2002. |
| 13% | 13% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30% | Other income. |

1. **Information for HSE staff hired under employment agreements, as well as individuals employed under individual contractor agreements for works/services provision, working outside of the Russian Federation.**

| **Taxpayer Categories**  (Glossary Section 1) | **PIT Rates**\*  (Glossary Section 2) | | **Object of Taxation – PIT is charged on income received at HSE**\*\*  (Glossary Section 3) | **Moment when the tax status is determined, and frequency of the status confirmation** | **List of documents required in order to establish the tax residence status**  **Russian Tax Residents** |
| --- | --- | --- | --- | --- | --- |
| **Russian Tax Residents** | **Persons not considered Russian Tax Residents** |
| **Russian citizens**  including **Russian citizens, falling into the category of employees frequently leaving** Russia for business trips**[[13]](#footnote-4)**; | 13% | - | Employment-related income earned under (remote) employment agreements. | From the first day of employment.  On each income payment date **until the date** when the actual duration of the employee’s stay in Russia during the calendar year (tax period) **equals or exceeds 183 calendar days.** | Employment record, proof of employment issued by previous employers, tax residence certificate:  a) employee’s international passport (copies of all pages);  b) relevant business travel directives (orders) on staff business trips. |
| 13% | - | Income earned under independent contractor agreements for works/services provision. |
| 13% | - | Other income. |
| **Individuals not considered as Russian tax residents working under remote employments agreements** outside of Russia and going on business trips from the place of their permanent residence to **locations in the territory of Russia[[14]](#footnote-5)** | - | 30 % | Income in the form of an average salary, retained by the employee during the period of his/her business trip in Russia, including any amounts in excess of standard rates, established by internal bylaws: travel expenses or official entertainment allowance, etc, incurred by the employee during his/her business trip in Russia. | Every time as at the date of income acquisition in the form of average wages retained by the employee while on a business trip **in Russia.** | a) employee’s international passport (copies of all pages);  b) relevant business travel directives (orders) on staff business trips. |
| **International highly qualified specialists** | 13% | 13% | Employment-related income earned under (remote) employment agreements. | The status of “Highly Qualified Specialist” shall be deemed determined as specified in the work permit in the period “**from” and “to” relevant date.** | **Work permit issued on an official letterhead[[15]](#footnote-6),** |
| 13% | 13% | Income earned under independent contractor agreements for works/services provision. |
| 13% | 30 % | Other income. |
| **Foreign citizens**, entering Russia (on the basis of a visa, or visa-free), invited to HSE as researchers or academic staff members | 13% | - | Employment-related income earned under (remote) employment agreements. | On each income payment date **until the date** when the actual duration of the employee’s stay in Russia during the calendar year (tax period) **equals or exceeds 183 calendar days.** | a) employee’s international passport (copies of all pages);  b) migration card;  c) proof of employment from previous employers in Russia;  d) relevant business travel directives (orders) on staff business trips. |
| 13% | - | Income earned under independent contractor agreements for works/services provision. |
| 13% | - | Other income. |

**GLOSSARY OF TERMS AND DEFINITIONS RELATING TO PERSONAL INCOME TAX COMPUTATION AND PAYMENTS**

1. **TAXPAYER CATEGORIES**

1. |  |  |
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   | a **TAXPAYERS -** payers of taxes and levies, including both legal entities and individuals, who are obligated to pay taxes and (or) levies, respectively, pursuant to the Tax Code of the Russian Federation.  **Personal income tax payers** are individuals who are tax residents of the Russian Federation, as well as individuals receiving income from sources located in the Russian Federation who are not Russian tax residents. | **Article 19 of the Tax Code of the Russian Federation** “Taxpayers and Levy Payers”  **Article 207 of the Tax Code of the Russian Federation** “Taxpayers”; paragraph 1 |
   | b **TAX RESIDENTS OF THE RUSSIAN FEDERATION -** individuals are considered tax residents if they are physically present in Russia for at least 183 calendar days during any 12-month rolling period. | **Article 207 of the Tax Code of the Russian Federation** “Taxpayers”; paragraph 2 |
   | c **INDIVIDUALS NOT CONSIDERED RUSSIAN TAX RESIDENTS -** individuals are not considered tax residents if they are physically present in Russia for less than 183 calendar days during any 12-month rolling period. | **Article 207 of the Tax Code of the Russian Federation** “Taxpayers”; paragraph 2 |
   | d **RUSSIAN CITIZENS:**  а) persons with citizenship of the Russian Federation as of the effective date of Federal Law No. 62-FZ, dated May 31, 2002 “On Citizenship of the Russian Federation”;  b) persons who have acquired Russian citizenship, pursuant to Federal Law No. 62-FZ, dated May 31, 2002 “On Citizenship of the Russian Federation”. | **Federal Law No 62-FZ dated May 31, 2002 “**On Citizenship of the Russian Federation”.  **Article 5** “Russian Citizens”. |
   | e **HIGHLY QUALIFIED SPECIALISTS** are foreign citizens possessing work experience, skills or accomplishments in a certain area, **if conditions for this specialist recruitment in Russia stipulate the payment of a monthly salary (remuneration):**  1) equivalent to at least RUB 83,500.00 (eighty-three thousand five hundred roubles) per calendar month, payable to highly qualified specialists recruited to positions as researchers or academic staff, in case they are engaged in research or teaching activities under state accredited educational programmes at higher education institutions, government academies of sciences, or related regional subdivisions, national research centres, or government scientific research centres. | **Federal Law No. 115-FZ dated July 25, 2002** “On the Legal Status of Foreign Citizens in the Russian Federation”  **Article 13.2.**  “Special Aspects of Professional Employment of Foreign Citizens - Highly Qualified Specialists”. |
   | f **FOREIGN CITIZENS, ENTERING RUSSIA (ON A VISA BASIS, OR VISA-FREE) –** individuals, other than Russian citizens, having citizenship (nationality) of another country, entering Russia (on the basis of a visa, or visa-free), except for categories, described in Notes 5, 7, 8, 9 | **Federal Law No. 115-FZ dated July 25, 2002** “On the Legal Status of Foreign Citizens in the Russian Federation”  **Article 2** ”Key Definitions”. |
   | g **FOREIGN CITIZENS - TAX RESIDENTS OF EEU MEMBER-STATES -** are individuals, other than Russian citizens, with citizenship (nationality) of a foreign state - member of the European Economic Union (EEU), whose citizens enjoy preferential conditions for their stay and employment in the territory of the Russian Federation. | **Treaty on the Eurasian Economic Union** (hereafter, “EEU Treaty”); paragraph 1 of Article 97  **EEU member states:**  - Belarus and Kazakhstan, since 01.01.2015;  - Armenia, since 02.01.2015;  - Kyrgyzstan, since 12.08.2015. |
   | h **FOREIGN CITIZENS** participating in the Russian Government Programme for the facilitation of the voluntary relocation of compatriots living abroad back to Russia, as well as foreign citizens considered refugees or provided with temporary asylum in Russia - individuals enjoying exceptional conditions for their stay and employment in the territory of the Russian Federation. | **Federal Law No. 115-FZ, dated July 25, 2002** “On the Legal Status of Foreign Citizens in the Russian Federation”  **Article 13”**Conditions of Foreign Citizens’ Participation in Labour Relations”; paragraph 4, sub-paragraph 2, sub-paragraph 11, sub-paragraph 12. |
   | i **NON-VISA FOREIGN CITIZENS** working in Russia on the basis of a work patent - individuals other than Russian citizens, with the citizenship (nationality) of a foreign state, entering Russia on a visa-free basis and employed on the basis of a work patent, thereby confirming his/her right to work temporarily in the territory of a constituent entity of the Russian Federation. | **Federal Law No. 115-FZ, dated July 25, 2002** “On the Legal Status of Foreign Citizens in the Russian Federation”  **Article 13.3.**  “Special Aspects of Professional Employment of Foreign Citizens with a Work Patent, Entering Russia on a Visa-Free Basis”. |

   [↑](#endnote-ref-1)
2. [↑](#endnote-ref-2)
3. [↑](#endnote-ref-3)
4. [↑](#endnote-ref-4)
5. Russian citizens frequently leaving the Russian Federation for business trips belong to the staff category who may spend in total more than 183 days on international business trips beyond the territory of the Russian Federation during the calendar year. [↑](#footnote-ref-1)
6. [↑](#endnote-ref-5)
7. Annex No. 4 to Federal Migration Service Directive No. 97, dated February 19, 2014 [↑](#footnote-ref-2)
8. [↑](#endnote-ref-6)
9. [↑](#endnote-ref-7)
10. [↑](#endnote-ref-8)
11. **2. PERSONAL INCOME TAX (PIT)\***

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    | \* **\* PIT -** personal income tax is a mandatory direct federal (income) tax applicable in the territory of the Russian Federation,  as per Chapter 23 of the Tax Code of the Russian Federation effective from January 1, 2001. Before, income tax had been charged pursuant to the Russian Law No. 1998-1, dated December 7, 1991 “On Income Taxes Payable by Individuals” (this law has been since repealed).  PIT is charged on personal income of individuals who are obligated to pay this tax.  **PIT-exempt individuals** may use special tax regimes. | **Chapter 23 of the Tax Code of the Russian Federation** “Personal Income Tax”.  **Article 23 of the Tax Code of the Russian Federation** “Obligations of Taxpayers (Levy Payers)”  **Chapter 26.1 of the Tax Code of the Russian Federation** ”Tax System for Agricultural Commodity Producers (Unified Agricultural Tax)”  **Chapter 26.2** ”Simplified Tax System”  **Chapter 26.3** ”Taxation in the Form of a Unified Imputed Tax on Certain Types of Operations” |
    | **Tax liability is the taxpayer’s liability** as defined per the Tax Code of the Russian Federation.  The obligation to pay taxes, as well as the most part of legal obligations, is mandatory and secured by the state authorities.  If the tax liability has not been duly satisfied, recourse can be taken on the taxpayer’s assets. | **Tax Code of the Russian Federation.**  **Article 38** “Object of Taxation”  **Decree of the Plenum of the Supreme Arbitration Court of the Russian Federation** No. 25, paragraph 8 dated June 22, 2006. |
    | **A tax offence** refers to an offence committed by the taxpayer, tax agent, or other persons who are held liable as per the Tax Code of the Russian Federation. | **Tax Code of the Russian Federation.**  **Part 1. Section VI.**  “Tax Offences and Liability for the Commission Thereof”. |
    | **A tax period is a calendar year.**  The total amount of PIT is calculated on the basis of each tax period (calendar year, as applicable to all of the taxpayer’s income, received by the taxpayer during the relevant calendar year). | **Chapter 23 of the Tax Code of the Russian Federation Article 216** “Tax Period”. |
    | **Tax computation procedures** specify the person responsible for calculating the tax amount:  taxes can be calculated:    1. by the taxpayer, or 2. by the tax agent; or 3. by the tax authority. | **Chapter 8 of the Tax Code of the Russian Federation**  **Article 52** “Procedure for the Calculation of Tax”; paragraph 1, paragraph 2.  **Chapter 23 of the Tax Code of the Russian Federation Article 227** “Special Aspects Relating to the Calculation of Tax Amounts by Certain Categories of Individual Taxpayers”.  **Chapter 23 of the Tax Code of the Russian Federation Article 226** “Special Aspects Relating to the Calculation of Tax Amounts by Tax Agents.  Procedure and Timeline of Tax Payments by Tax Agents”.  **Chapter 23 of the Tax Code of the Russian Federation Article 227** “Special Aspects Relating to the Calculation of Tax Amounts by Certain Categories of Individual Taxpayers”; paragraph 8. |
    | **The tax computation procedure consists of four steps:**  * tax base assessment; * determination of the applicable tax rate; * determination of tax exemptions; * calculation of the tax amount. **A tax computation is part of the taxation mechanism** as one of its relevant stages and mandatory conditions for tax payments.  **The amount of tax** is calculated after the tax base assessment, as well as the applicable tax rate and exemptions, is completed. |  |
    | **A tax liability shall be deemed executed** after it is executed by the taxpayer. | **Tax Code of the Russian Federation.**  **Article 45** “Fulfilment of Obligation to Pay a Tax or Levy”. |
    | **The “tax agent”** is the person who pays funds to the taxpayer. Pursuant to the Tax Code of the Russian Federation, the tax agent shall be responsible for making calculations, withholding relevant taxes from the taxpayer’s income, and carrying out payments to the budget of the Russian Federation.  **The “tax agent”** is a participant in tax relations between the taxpayer and the state.  **The “tax agent”** submits calculations, stipulated as per Part II of the Tax Code of the Russian Federation, to the tax authorities.  These calculations shall be provided in accordance with the procedure, established by Part II of the Tax Code of the Russian Federation, as applicable to relevant taxes.  **The calculation of personal income tax** amounts that are computed and withheld by the tax agent shall be provided in a document containing data summarized by the tax agent with respect to all individuals who received income from the tax agent (or the tax agent’s subdivision), any amounts accrued and paid, tax exemptions provided, tax amounts calculated and withheld, as well as any other information that serves as the basis for tax calculations. | **Article 11 of the Tax Code of the Russian Federation** “Institutions, Concepts and Terms Used in the Tax Code”; paragraph 2.  **Tax Code of the Russian Federation.**  **Article 24** “Tax Agents”  **Chapter 23 of the Tax Code of the Russian Federation** “Personal Income Tax”.  **Chapter 13 of the Tax Code of the Russian Federation** “Tax Declaration”; paragraph 1, paragraph 3, paragraph 6. |
    | **The tax agent must remit the personal income tax deducted from an individual taxpayer’s personal income** no later than the following day after paying income to the taxpayer.  The **income payment date** is that date when the income is received:  * as remuneration under an employment agreement - on the last day of the month for which the income is due; * as remuneration under independent contractor agreements - no later than on the following day after the income was paid to the taxpayer; * as sick leave allowance (including child-care allowance) - no later than on the last day of the month when such payments were made; * as paid leave allowance - no later than on the last day of the month when such payments were made. **If the tax due and payable cannot be deducted** from the taxpayer’s income during the tax period (calendar year), the tax agent must inform the tax payer and local tax authorities in writing by March 1 of the year following the tax period when this situation occurred that the tax cannot be deducted, as well as in regards to the amount of income and taxes due.  **In the aforementioned cases, an individual who has received income with no tax deducted** must submit a tax declaration to the local tax authorities and pay the due taxes no later than by July 15 of the following year after the completed tax period. | **Tax Code of the Russian Federation.**  **Article 226** “Special Aspects of Tax Calculation by Tax Agents.  Procedure and Timeline for Tax Payments by Tax Agents”; paragraph 6.  **Tax Code of the Russian Federation.**  **Article 223** “Actual Income Acquisition Date”; paragraph 2.  **Tax Code of the Russian Federation.**  **Article 24** “Tax Agents”; sub-paragraph 2, paragraph 3.  **Tax Code of the Russian Federation.**  **Article 226** “Special Aspects Relating to the Calculation of Tax by Tax Agents.  The Procedure and Time Limits for the Payment of Tax by Tax Agents”; paragraph 5.  **Tax Code of the Russian Federation.**  **Article 228** “Special Aspects Relating to the Calculation of Tax with Regard to Certain Types of Income. Tax Calculation Procedure”; paragraph 3, paragraph 4. |
    | **The tax agent must submit personal income tax reports to the local tax inspectorate on a quarterly basis.**  These reports shall be based on a calculation of taxes tabulated and withheld by the tax agent.  This calculation is provided in a document containing the data summarized by the tax agent with respect to all individuals who received income from the tax agent (or the tax agent’s subdivision), with a breakdown by:  - any amounts accrued and paid;  - tax exemptions provided;  - tax amounts calculated and withheld;  - other information that serves as the basis for tax calculations. | **Tax Code of the Russian Federation.**  **Article 80** “Tax Declaration”; paragraph 1.  **Tax Code of the Russian Federation.**  **Article 230** “Ensuring Compliance With the Provisions of This Chapter”; paragraph 2. |
    | **The tax agent bears responsibility in the following cases:**  - if no calculation is provided in due time, the tax agent shall be charged a fine of 1,000 roubles;  - failure to provide calculations by the required deadline shall result in the suspension of operations in the tax agent’s settlement account;  - if documents submitted by the tax agent to the tax authorities contain inaccurate information, the tax agent shall be charged a fine of 500 roubles per each document;  - if the tax agent does not remit the amount of personal income tax in full or in part, or if the tax agent fails to remit the withheld tax in due time, the tax agent shall be charged a fine equal to 20% of the amount of tax due, as well as a penalty per each day of delay;  - non-performance of the tax agent’s official duties shall result in the recovery of a fine equal to 300-500 roubles;  - if no records are maintained on the PIT object of taxation with a breakdown by each individual taxpayer, the tax agent shall be held liable for gross violation of the rules for accounting for income and (or) expenses and (or) objects of taxation.  A fine of 10,000 - 30,000 roubles and an administrative penalty of 5,000 - 10,000 charged on authorized officials; up to 20,000 roubles in case of repeated offence, or disqualification for a period of 1 - 2 years. | **Tax Code of the Russian Federation.**  **Article 126** “Failure to Present Information Required for Tax Control Purposes to a Tax Authority”; paragraph 1, paragraph 2  **Tax Code of the Russian Federation.**  **Article 76** “Suspension of Operations on Bank Accounts of Organizations and Private  Entrepreneurs”; paragraph 3.2.  **Tax Code of the Russian Federation.**  **Article 126.1** “Failure to Present Information Required for Tax Control Purposes to the Tax  Authorities”  **Tax Code of the Russian Federation.**  **Article 123** “Failure by a Tax Agent to Fulfil His Obligation to Withhold and (or)  Transfer Taxes” **Tax Code of the Russian Federation. Article 75** “Penalty”; paragraph 7.  **Code of the Russian Federation on Administrative Offences.**  **Article 15.6** “Failure to Present Information Required for Tax Control Purposes to a Tax Authority”; Part I.  **Tax Code of the Russian Federation.**  **Article 120** “Gross Violation of the Rules for Accounting for Income and Expenses and  Objects of Taxation”. |

    **3. OBJECT OF TAXATION - PIT is charged on income/revenues received at HSE\*\***

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    | **Income/revenues received by Russian residents in the Russian Federation shall be considered as an object of taxation.** | **Tax Code of the Russian Federation;**  **Article 209** “Object of Taxation” |
    | **Under employment-related (remote) employment agreements:**  * **remuneration for job performance**, including payments as per the established tariff (salary), bonus payments for good job performance, additional and extra payments, pursuant to the remuneration system as stipulated in the employment agreement (e.g., piece-rate system, pay by hour, combined piece-rate and bonus system, pay by hour and premium system, piece wages, etc.); * **amounts in excess of standard rates**, established by internal bylaws (e.g., travel expenses, official entertainment allowance, private health insurance plans, scholarly literature, etc.); * **employment-related income**, other than remuneration, such as average wages, retained by the employee during regular vacations, as well as compensation up to the actual salary amount (average wages) for days on vacation; * **employment-related compensations**, including: incentive bonuses for secondary employment, or discharging the duties of a temporarily absent employee. | **Tax Code of the Russian Federation.**  **Article 208** “Income from Sources in the Russian Federation and Income from Sources  Outside the Russian Federation”;  paragraph 1, sub-paragraph 6.  **Letter** of the Russian Ministry of Finance No. 03-04-06/0-181, dated August 17, 2010;  **Letter** of the Russian Ministry of Finance No. 03-04-06/6-168, dated June 13, 2012;  **Letter** of the Russian Ministry of Finance No. 03-04-06/71450, dated December 08, 2015;  **Letter** of the Russian Ministry of Finance No. 03-04-06/4216, dated February 18, 2012. |
    | **Under independent contractor agreements for works/services provision.**  * bonuses for one-time assignments or provision of services to HSE. The income acquisition date under individual contractor agreements is the date of works/services acceptance. |  |
    | **Other income** refers to revenues paid under employment and (or) independent contractor agreements, qualified as not directly related to employment, such as:  * financial aid provided to an international staff member leaving on vacation; * one-off relocation package upon arrival in Russia; * luggage shipment costs for the transportation of luggage of new employees from their residence address to the place of their employment; * monthly meals and corporate car allowance; * accommodation allowance; * travel expenses and rental payments made by the employer for international staff and their family members; * meals allowance, and gifts, provided by the employer; * payments made by the employer for medical treatment and education of international staff members and their children; * other expenses incurred in the framework of labour relations, but not regarded as employment-related expenses. | **Letter** of the Russian Ministry of Finance No. 03-04-06/6-158, dated June 08, 2012;  **Letter** of the Russian Ministry of Finance No. 03-04-06/6-158, dated June 08, 2012;  **Letter** of the Russian Ministry of Finance No. 03-04-06/6-158, dated June 08, 2012;  **Letter** of the Russian Ministry of Finance No. 03-04-06/31385, dated June 30, 2014;  **Letter** the Russian Ministry of Finance No. 03-04-06/6-168, dated June 13, 2012, etc. |
    | **Income received by non-residents of the Russian Federation working under remote employment agreements outside of Russia and going on business trips from the place of their permanent residence to their employer’s address or another location in the territory of Russia, at the employer’s request, shall be taxable:**  * in the form of an average salary, retained by the employee during the period of his/her business trip in Russia, including any amounts in excess of standard rates, established by internal bylaws; travel expenses or official entertainment allowances, etc, incurred by the employee during his/her business trip in Russia. | **Tax Code of the Russian Federation.**  **Article 209** ”Object of Taxation”  As income received from sources located in the Russian Federation |

    [↑](#endnote-ref-9)
12. The total amount of personal income tax charged on the income of non-visa foreign citizens working on the basis of a **work patent** shall be computed by HSE acting as the tax agent and shall be reduced by the amount of fixed advanced payments, made by foreign citizens during the work patent’s validity period during the respective tax period (calendar year). The calculated amount of the personal income tax can be reduced during the tax period (calendar year) only by one tax agent chosen at the foreign citizen’s discretion, on the basis of the taxpayer’s application, upon receipt by the tax agent of the local tax body’s **confirming that the foreign citizen is entitled to reducing the calculated amount of his/her personal income tax for the amount of fixed advanced payments remitted by the applicant.** [↑](#footnote-ref-3)
13. Russian citizens frequently leaving Russia for business trips belong to the staff category that may spend in total more than 183 days on international business trips outside the territory of the Russian Federation during the calendar year. [↑](#footnote-ref-4)
14. Individuals (with any citizenship or stateless persons), working at HSE under remote employment agreements (remote employees) whose permanent residence address specified in the agreement is not located in Russia (i.e., the address is located outside of the Russian Federation). Upon seconding remote employees on business trips from their permanent residence address to locations in the territory of the Russian Federation, Russia is considered as the business trip destination, and any income in the form of average wages retained by the employee while on a business trip in Russia shall be considered as income acquired from a source in the Russian Federation. [↑](#footnote-ref-5)
15. Annex No. 4 to Federal Migration Service Directive No. 97, dated February 19, 2014 [↑](#footnote-ref-6)