

Russian Legal Update

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Changes to the Labour Code of the Russian Federation - "Specific Regulation of Work Performed by Foreign Citizens or Stateless Persons"

KILIC & Partners advises that Federal Law No. 409-FZ "On Amendments to the Russian Federation Labour Code and Article 13 of the Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation" with respect to the Specific Regulation of Work Performed by Foreign Citizens or Stateless Persons" dated December 1, 2014 (the "**Law**"), introduced a new chapter in the Labour Code of the Russian Federation (the "**Labour Code**") on the specific regulation of work performed by foreign citizens or stateless persons, which entered into force on December 13, 2014.

The Labour Code introduces the procedure, which should be followed when hiring foreign citizens or stateless persons ("**foreign employees**"):

1. The **minimum age for entering into labour relations** by foreign employees is 18 years.
2. **Specific procedure for conclusion employment contract with foreign employees.** In accordance with the new requirements
 - employment contracts with foreign employees shall be concluded for an indefinite period, except for cases set forth in Article 59 of the Labor Code, which specifies the general grounds for conclusion a fixed-term employment contract;
 - employment contracts with foreign employees, along with other information required by the Labour Code, shall contain the information on the work permit or patent, temporary or permanent residence permit in the Russian Federation, grounds for providing medical assistance to the respective foreign employee within the term of the employment contract, including the details of a voluntary medical insurance agreement (policy) or an agreement of paid medical services for a foreign employee, concluded between an employer and a medical institution.
3. **List of documents foreign employees must present when being hired** includes a work permit or patent, temporary or permanent residence permit in the Russian Federation, voluntary medical insurance agreement (policy) or agreement of paid medical services for a foreign employee, and other documents as provided in Article 65 of the Labour Code.

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Foreign employees may present a work permit after conclusion of an employment contract, if such a contract is required for obtaining of a work permit. In this case, an employment contract shall enter into force only after a foreign employee receives a work permit. Information related to a work permit shall be added to the employment contract once the work permit is obtained.

4. Temporary transfer of foreign employees.

Foreign employees may be transferred to perform work not stipulated by the employment contract for the same employer, irrespective of the profession (specialty, position, type of work) specified in the work permit or patent, for up to one month and for no more than once per a calendar year.

5. Additional grounds for suspension foreign employees from work include:

- suspension or expiration of permission for hiring and use of foreign employees;
- expiration of work permit or patent, temporary or permanent residence permit in the Russian Federation, voluntary medical insurance agreement (policy) or agreement on paid medical services for a foreign employee.

The suspension or expiration of any of the above mentioned documents require the suspension of the employee from work.

6. Additional grounds for termination employment contract with foreign employees include:

- suspension, expiration or cancellation of permission for hiring and use of foreign employees;
- cancellation or expiration of work permit or patent, temporary residence permit or residence permit in the Russian Federation;

- expiration of voluntary medical insurance agreement (policy) or termination of agreement on paid medical services for a foreign employee, concluded between an employer and a medical institution;
- bringing the number of foreign employees in line with restrictions set for such employees to perform labor activities;
- impossibility to offer an employee with the same job upon termination of his/her temporary transfer (*);
- impossibility of a temporary transfer of an employee (see clause 4 above) (*).

(*) Foreign employees should be notified in writing on termination of the employment contract not later than three calendar days prior to the dismissal.

7. Additional grounds for making severance payments to foreign employees.

In case the employment contract with foreign employees is terminated on the grounds of suspension or cancellation of permission for hiring and use of foreign employees, the employer shall pay a severance payment to such employees equal to their average salary for two weeks.

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KILIC & Partners would be happy to answer any questions that you may have and provide legal advice.