



## New work-permit criteria for highly qualified specialists

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The Ministry of Economic Development has come forward with a draft federal law that would amend Article 13.2 of Federal Law No. 115-FZ “On the Legal Position of Foreign Nationals in the Russian Federation” and Article 14 of Federal Law No. 62-FZ “On Citizenship in the Russian Federation” and also supplement the Russian Tax Code.

The Ministry’s key proposal is that the minimum salary required for a foreign employee to be classified as a highly qualified specialist should be lowered from RUB 167 000 to RUB 100 000 and that employers should compensate such specialists in proportion to the amount of time they work. The explanatory note to the draft law indicates that the initiative is designed to create favorable conditions for doing business and to bring investments into Russia. It is also intended to attract more highly qualified specialists in order to stabilize the Russian population and promote population growth.

At the same time, the state duty for work permits issued to highly qualified specialists would be raised from RUB 3 500 to RUB 13 000 (in proportion to the amount of personal income tax for one calendar month on a minimum salary of RUB 100 000 for highly qualified specialists).

The draft also envisages a simplified procedure for obtaining Russian citizenship - one that does not require foreigners to live in Russia for at least five years after receiving a permanent residence permit and to renounce their current citizenship - for the following categories of foreigners:

- ▶ highly qualified specialists and members of their families;
- ▶ foreigners who received professional education in Russia after 1 July 2002 in state-accredited programs in Russian educational or scientific institutions and have worked in Russia for a total of at least three years prior to the date of their application for Russian citizenship;
- ▶ foreigners who have been engaged in Russia in forms of economic activity determined by the Russian government for a continuous period of at least three years prior to the year in which they apply for Russian citizenship. Taxes and insurance contributions paid to the Russian Pension Fund during this period should total at least one million rubles;
- ▶ investors who have had at least a 10% interest in a Russian legal entity for a continuous period of at least three years prior to the year in which they apply for Russian citizenship. Such a legal entity would have an authorized capital of at least RUB 100 million and pay at least RUB 6 million in taxes and insurance contributions to the Russian Pension Fund each calendar year;
- ▶ foreigners who have worked in Russia for at least three years prior to the year in which they apply for Russian citizenship in a profession (specialization, position) included in the list of professions (specializations, positions) of foreign qualified specialists who are eligible for the simplified citizenship procedure. During this period, the employer must have accrued insurance contributions to the Russian Pension Fund for such persons.

If the current public discussion stage is successfully completed, the draft will be submitted to the State Duma.

EY continually monitors changes in legislation and will keep you informed of further developments.

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