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PRESS-RELEASE

Position of the Association of European Businesses on Changes to the Foreign Citizens Registration in the Russian Federation

The Association of European Businesses considers it of critical importance to inform the public about the changes, introduced by the Federal Law N385 from 23.12.2010 "On changes to some legislative acts of the Russian Federation", which comes into force from the 15th of February 2011. According to this law, the employer can no longer act as the receiving side of the foreign citizen in the Russian Federation. Only the side, where the foreign citizen lives (i.e. landlord etc.), can act as such. Thus, foreign citizens will face a number of considerable difficulties during the migration registration in the Russian Federation, upon arrival in the country.

On practice, it can lead to the following consequences:

- many foreign citizens are likely to fail to register in Russia on time as the landlord might refuse them registration or would be unable to carry registration out within the set timeframe, therefore, leading to the illegal status of the foreigner in the RF; Moreover, in many cases the owner of the apartment is the private citizen of the Russian Federation, who, for a variety of reasons, is unable to keep track of the tenant's travel and often does not have a physical opportunity to duly execute the registration of the foreign citizen in the Russian Federation on account of absence from the country;
- financial pressure on both foreign citizens and their employers is likely to rise, as this measure might lead to higher rent rates for foreign citizens;
- the market of apartments for rent for foreign citizens may considerably suffer, as the landlords might not be willing to participate in the migration registration of their foreign lodgers, which would lead to negative influence of this law on the let apartments market as well, including the even bigger price-rise than exists currently.

In spite of the fact that the abovementioned changes make provisions for the possibility of migration registration by the employer in cases when the rental agreement between the landlord and the employer is concluded, we believe that this still does not reduce the potential negative effect from the changes introduced. A lot of companies do not have agreements with the proprietors of the apartments; therefore, foreign citizens enter into agreements with landlords directly, and thus, will face the necessity of having to go through migration registration with their landlords.

In addition, many international residential complexes, which host foreign citizens and their families, will face the problem of having to provide migration registration for their multiple dwellers, which poses an absolutely new task for them, and preparation for the fulfilments of this new duty will take a lot of time and resources and will require the formation of special departments within these complexes, who will deal with migration registration.

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Frank Schauff, the Chief Executive Officer of the Association of European Businesses, comments: "We are exceedingly worried about this change introduction, which was passed without consultation with international community in the Russian Federation. Over half a million citizens of the European Union register in Russia annually. Foreign specialists coming to work in Russia usually carried out migration registration through the organisations they work in, and now this is not going to be possible. We understand the concern of the Russian authorities regarding the problem of non-payment of taxes on rent by unofficial landlords, but this does not apply to the foreign specialists and this prohibition will place them in an extremely difficult situation. This measure contradicts the long-term objectives of the Russian government for the modernisation of the Russian economy and liberalisation of the migration legislation for foreign investors and specialists, and, in particular, the Federal Law N86 from 19.05.2010 "On changes to the Federal Law "On legal regulations for foreign citizens in the Russian Federation". Therefore, in avoidance of the numerous problems for foreign citizens, working in Russia, we consider it appropriate to put on hold the enactment of this change to the migration registration of foreign citizens. We believe it reasonable to either make arrangements for a discussion of migration registration reform for foreign citizens with participation of all interested parties in order to establish a single procedure for registration of foreign citizens arriving in Russia for work reasons, with a possibility for employer to register the foreign worker, or consider the full abolishment of migration registration as such, having provided for the use of existing databases at the border check points for control measures, in the prospect of the visa-free regime introduction between the Russian Federation and the EU."

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