

## **AEB Relocation Conference:**

## "Bringing Expats to Russia"



# Frank Schauff AEB CEO

# **OPENING REMARKS**



**David Gilmartin** Chair of the AEB **Relocation Sub-**Committee General Director, Troika Relocations

## INTRODUCTION



Jeroen Ketting AEB Honorary Council Member, Director, Lighthouse Russia BV

## 7 MAIN CHALLENGES FOR EXPATS IN RUSSIA



# Alexander Sikorsky Regional Sales Director, Interdean International Relocation

## **RELOCATING WITH CHILDREN**



### **MOVING TO MOSCOW WITH KIDS**



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We make it easy

### THE THREE STAGES OF RELOCATION





We make it easy

### PREPARING TO RELOCATE TO MOSCOW WITH KIDS





### **PREPARATION CHECKLIST**



Family counsel	
Chat with children	
Ask their opinion	
Listen	
Make it exciting	
Get information	
Have Orientation tour	
Another family meeting	

### **RELOCATION WITH CHILDREN**





## **RELOCATION CHECKLIST**





### ON ASSIGNMENT IN MOSCOW WITH KIDS





### **ON-ASSIGNMENT CHECKLIST**



Enrol in school	
Discover children clubs	
Outdoor activities	
Enjoy the new environment	
Make time for them	
Keep in touch with home	
Settle in comfortably	
Cross cultural experience	
Language	



### THE FOUR SECRETS THAT CAN MAKE THE DIFFERENCE





### THANK YOU



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# **Cristina Giordano** *Opel*

# **RELOCATING WITH CHILDREN**



Damien Butters Development Director, Atlantic International School

**SCHOOLING OVERVIEW** 

#### ATLANTIC INTERNATIONAL SCHOOL

МЕЖДУНАРОДНЫЙ ЦЕНТР ОБРАЗОВАНИЯ «АТЛАНТИК»

# Schooling for Expats in Moscow

### **International City of Moscow**





Center of business and tradeToday 50, 000 expats in Moscow

International Education In English: schools

- Anglo American School
- British international School
- International School of Moscow
- Atlantic international School
- English International School



## Curricula available in English:

- International Baccalaureate
- Cambridge International Curriculum
- British National Curriculum
- Combinations of the above





CAMBRIDGE International Examinations

Cambridge International School





International Education First Language Schools

First Language Schools

- Russian School
- Italian School
- German School
- French School
- Swedish School
- Indian School

ΔΝΤΙΓ

МЕЖДУНАРОДНЫЙ

НТР ОБРАЗОВАНИЯ

HOOL

«АТЛАНТИК»

IONAL



### You live in a certain district of the city Desire a certain Meet the Conditions of Entry curriculum Or you fall in love with the school

# The choice is up to you!



# Julia Sheina Marketing Manager, Atlantic International School

## **SCHOOLING OVERVIEW**



# Irina Yulmetyeva Head of Relocation Services, Four Squares

## **RELOCATION TO MOSCOW: PROBLEMS AND SOLUTIONS-HOW TO OPTIMIZE THE RELOCATION PROCESS**



Irina Yakimenko Director, Immigration & Relocation Services, Intermark

MOSCOW HOUSING MARKET 2013-2014 FOCUS ON THE SPECIFICS OF THE FRENCH HOUSING MARKET



Marina Semenova Director, Immigration & Relocation Services, Intermark

MOSCOW HOUSING MARKET 2013-2014 FOCUS ON THE SPECIFICS OF THE FRENCH HOUSING MARKET



FOCUS ON THE SPECIFICS FOCUS ON THE SPECIFICS OF THE FRENCH HOUSING MARKET

A



### About us











relocation support in-house





4 countries Russia, Kazakhstan, Azerbaijan, Belarus

### Interesting Facts of 2013



#### **Intermark Fact Sheet: 2013**



**673 families** were Relocated and found new home in Russia in 2013



**845 children** were placed in international schools in Moscow



1352 lease agreements were renewed



750 immigration files

were successfully completed



**3 new cities** In Russia are now covered by Intermark



### **2 new countries**

(Kazakhstan, Azerbaijan) are now covered by Intermark

-



#### Supply – increased by 27 % (compared to 34 % decrease in 2012)

Dynamics of supply - 2009-2013 (100%-2009)





#### Uneven distribution of supply growth in terms of areas

#### *Territorial structure of supply in the residential rental market of Moscow (high-budget segment)* **December 2013**



-



#### Demand on the level of 2012 with significant changes in tenant profile







### Moscow Housing Market 2013 Key Legal Changes



### January-February 2013

Cancellation and re-confirmation of registration procedure for company leases > 1 year

#### December 2013

Draft of law of compulsory state confirmation procedure for all deals with real estate involving foreign nationals

### Moscow Housing Market 2013 Forecast





- Overall stable demand & supply
- Change of tenant profile in 2013 will affect availability and prices of larger properties
- Devaluation of Russian Currency main influence and cause of instability
- Shift towards rates fixed in currency affecting companies with ruble housing budgets
### Moscow Housing Market 2013 Specific to French Community

One of the largest expatriate communities in Moscow:
6000 French citizens permanently living

\*according to the data of French embassy

- Most French families have similar requirements – very specific in terms of size and location
- Similar issues & solutions



### Moscow Housing Market 2013 Specific to French Community





### Moscow Housing Market 2013 Specific to French Community



Majority of French expatriates relocate to Moscow with families



High demand for large 3 (at least!) bedroom properties

Traditionally low supply of such apartments in Moscow



### Exploring "French" Moscow Case study by Agathe Hovasse



- Relocation to Moscow My story
- Moscow expectations vs reality
- "French" Areas vs Other Areas in Moscow
- Finding work in Moscow for a trailing spouse Possible!





### Thank you for attention!

\* For more information on Moscow housing market 2013/2014 request our Expatriate Housing Report.



If you have any questions do not hesitate to ask:

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# **Agathe Hovasse**

# MOSCOW HOUSING MARKET 2013-2014 FOCUS ON THE SPECIFICS OF THE FRENCH HOUSING MARKET



# Irina Yulmetyeva Head of Relocation Services, Four Squares

# **RELOCATION TO MOSCOW: PROBLEMS AND SOLUTIONS-HOW TO OPTIMIZE THE RELOCATION PROCESS**



### RELOCATION TO MOSCOW: PROBLEMS AND SOLUTIONS - HOW TO OPTIMIZE THE RELOCATION PROCESS



You are Welcome to contact us:

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#### The main Russian Regions applications for HQS (ball score from UFMS) 2013

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### **Relocation to Moscow: the main differences**

- **•** Expectations
- **\*** Apartments
- **\*** Landlords
- Payments
- Services

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### **Four Squares provides**

Our task is to provide whole quality services in each case.

If necessary, FOUR SQUARES sends the relocation consultants to regions, for providing the support. Also, FOUR SQUARES works with contractors and coordination takes place in Moscow.

We use subcontractors to provide regional serviced accommodation and housing search services. We have a pool of preferred suppliers. We employ them based upon quality service levels, length of time in the marketplace, quality of portfolio and communication skills.

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You are Welcome to contact us:



### **Orientation Tour**

The orientation tour should be customized based on the specific needs identified during the assessment. The tour should be a representative of the whole city and should outline the advantages and disadvantages per location.

- Local history
- Schools
- Public transportation
- Guidebook with map
- Local word book
- The information kit should be customized as per the needs assessment.
- Pre-move familiarization with living conditions, residential areas, schooling, obtaining goods and services, and a preview of representative communities and housing (i.e. medical facilities, place of worship, post office, local authority, hair dressers, tailors, landscapers and other applicable necessities).
- Cultural discussions around traditional aspects of life
- Lunch When possible

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### **Home Search Services**

The Home search program designed to assist the assignee in identifying suitable housing in destination location as well as help facilitate any issues or questions surrounding the service.

- Accompanied viewing of pre-screened/pre-selected properties
- Provide overview of local market practice and lease process
- Provide impartial perspective on the advantages and disadvantages of each property
- Negotiation with landlord/ Coordination of issuance of deposits/ advance rent
- Lease review including payment details, responsible party, and all expenses (i.e. Parking etc) and support all modifications as needed
- ✤ Assist with furniture rental / purchase and insurance.
- Participate in pre-move in inspections/final move-in inspection
- Follow up on unfinished works/ repairs or defects with landlord ( within first month after move in )
- Provide information pack which is relevant to housing
- Provide complete report with photographs of property, documented existing condition, inventory list and all relevant documents.
- Utility connections: Gas, Water, Electricity, Telecommunication (phone, cell phone, internet), TV (cable or satellite)
- Shortlist options based on needs and budget



### **School Assistance**

The school assistance product provides customized services determined through the needs assessment.

- Referrals to supplementary nationality specific education options.
- Facilitating and accompanying the transferee to appointments per short listed choice of schools.
- Assistance with registration and admissions procedures where necessary
- Provide assistance regarding medical, vaccinations, transportation, uniforms, and school supplies.
- Service may also include playgroups, daycare/childcare options, nursery, preschool and kindergarten for the younger children whose entitlements may not be covered through the international schools.



### **Settling In Services**

The settling in services should be customized based on the specific needs identified during the assessment (additional services may be requested based on client policy including but not limited to arranging for cleaning services, and briefings regarding living with a domestic maid, insurance, and policies regarding visiting pets in quarantine). The settling in services is a comprehensive post-arrival coordination where assignee/transferee is offered assistance by a consultant in orientating to the new location.

- Facilitate banking relationship (accounts/debit/credit cards, club membership and other financial services.
- Accompanied shopping fundamentals "lessons" (grocery, appliances, furniture, hair dresser, and other applicable necessities)
- Review of medical/dental facilities options and usage of facilities
- Facilitate networking into international community (clubs, organization, etc)
- Utility connections: Gas, Water, Electricity, Telecommunication (phone, cell phone internet), TV (cable or satellite)
- 🚸 Car Rental





The lease renewal product offers an advocate for the assignee/transferee who will coordinate with the assignee and landlord to reach an agreement of terms.

- Extension and or renewal terms for renewed contract
- Assistance with contract review/recommending changes etc.
- Review inventory and property condition
- Facilitate and coordinate signing of new contract Distribution of signed documents to appropriate parties.



### **Departure Services**

The departure service supports those assignee/transferees in arranging departure from a location. Assistance with comprehensive pre and post departure coordination includes but is not limited to:

- Consultation on service termination and final service account payments (insurance, utilities, furniture).
- Disposal of unwanted house ware items
- Coordinate school record and test score transfers
- Coordinate closure of banking relationships, club memberships, personal security deposits etc.
- Consult on arranging mail forwarding
- Schedule and participate in move out inspections
- Participate in negotiation of lease/housing deposit
- Check both property and rental furniture and note defects in comparison to original condition at the time of check-in.



### **Temporary Accommodation**

The temporary accommodation program is offered to those assignees/transferees that require temporary accommodations in a destination location. The requirements/policy for each client will be different but at a minimum the following services will be offered

- Provide a shortlist of options based on needs and budget
- Supplier should work to negotiate security deposits to zero or refundable security deposits where required will be paid and managed by supplier and treated by suppliers as a pass through cost. All deposits will be refunded in full to buyer.
- Supplier will invoice buyer the stated lease rate with no markups.
- Supplier to manage all aspects of lease signing, including rent negotiation, lease contract review, signing and choosing most effective lease term based on assignment length and likelihood of assignment end-date. Booking of hotel or furnished accommodation (for short terms lease only)
- Review Lease contract (if applicable)
- Booking and coordination of direct invoicing
- Assist with any issues/concerns with property accommodations throughout the term
- Arrangement of airport transfer where applicable

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### **Tenancy Management**

The tenancy management program is an advocacy and maintenance assistance product designed to offer an advocate for the assignee/transferee once a decision has been made on housing.

- Review contract for terms regarding landlord/tenant responsibilities for maintenance, breakage, damages, etc.
- Contact tenant within 24 hours of initiation to brief and facilitate the ongoing support process.
- Supplier shall contact and advise landlord of role.
- Provide landlord with a copy of the client letter of responsibility for ongoing tenancy support.
- Provide tenant with a list or ensure that the tenant has a list of contact numbers for repairs and maintenance (such as air-conditioning, pool and other applicable items.).
- Provide tenant with a point of contact should they have problems with their property, contractors and or landlords.
- Supplier will act as a liaison between the parties to solve any problems. Maintain an issue log / record of calls and actions taken. Escalate to SIRVA any major issues throughout the tenancy period.
- Supplier shall act as an on-site presence to manage contractors when necessary
- Monthly rental / expiry reports will be required as part of this service.



# **THANK YOU!!!**

**Four Squares** is a well-established Western-owned real estate and relocation company based in Moscow since 2005, providing short-term accommodation rentals and housing search services.



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# Véronique Hautière BNP PARIBAS

# **RELOCATION TO MOSCOW: PROBLEMS AND SOLUTIONS-HOW TO OPTIMIZE THE RELOCATION PROCESS**



# Victoria Chub Managing Director, IWM

# Bringing expats into Russia – who is doing the job?



# **BRINING EXPATS INTO RUSSIA: WHO IS DOING THE JOB?**







«Relocation Services» means a combined package of global relocation and destination services for individuals relocating within or across national boundaries, including, but not limited to, services related to and assistance with home sale or lease termination at the originating location, visa and immigration matters for relocation to the destination, finding housing and lease or purchase thereof at the destination, travel to destination, shipment, export and import of household goods and other personal property, settling in at the destination (including, but not limited to, assistance with schooling and school enrollment, tenancy management, cross-cultural and language training, shopping, transportation, drivers' licenses, interaction with government agencies at destination), and (other matters related to international relocation), as well as any other services to be provided by Franchisee to Clients and customers as such services are defined or described in the Manual as "Relocation Services" or otherwise set forth in the Manual. Franchisor may add and delete particular services to this definition of "Relocation Services" from time to time in its sole discretion, where by particular services so added shall be deemed to be "Relocation Services" as of the time on which such addition is designated be Franchisor to be effective, or immediately if Franchisor makes no such designation, and whereby particular services so deleted shall cease to be "Relocation Services" as of the time on which such deletion is designated by Franchisor to be effective, or immediately if Franchisor makes no such designation.

**WHO IS RESPONSIBLE FOR RFP?** 



### You?

### Your colleagues abroad?

### **Bid committee?**

#### **WHO IS DOING THE JOB?**





#### WHO IS DOING THE JOB? (CONTD.)



	YOU	DSP	RMC		
	Specific approach	Professional approach	Global approach		
DROG	Market knowledge	High service capabilities	Standardized services		
PROS	Local experience	Local expertise	One global contract		
	Service cost control	Effective communication			
		Fast problem solving			
		Flexibility			

#### WHO IS DOING THE JOB? (CONTD.)



	YOU	DSP	RMC
	Limited number of transactions	Contract management	Not personalized services
	Limited human resources	Lack of financial resources	Lack of control under subcontractors
CONS	Limited time to quality control		Move specialists level of experience
			Lack of flexibility
			Slow claim procedure





#### WHAT TO ANALYZE BEFORE RFP (CONTD)

Origin		Destination		D	ata			Invoice		
City	Country	City	Country	Volume, cbm	MOD	Name	Туре	RUR	Inv #	Date
Moscow	RUS	Berlin	GER	1.7	airfreight		Export			
St. Petersburg	RUS	Geneva	SWI	11.0	truck		Export			
Huston	USA	Moscow	RUS	6.0	LCL		Import			
Sydney	AUS	Vladivostok	RUS	26.5	FCL		Import			
Moscow	RUS	Mexico city	MEX	12.0	LCL		Export			
Almaty	KAZ	Novosibirsk	RUS	18.2	rail		Import			
Dubai	UAE	Y. Sakhalinsk	RUS	3.1	airfreight		Import			
Baku	AZE	Tumen	RUS	2.7	airfreight		Import			
Y.Sakhalinsk	RUS	Nizhnevartovsk	RUS	car	rail		Local			
Samara	RUS	Ekaterinburg	RUS	8.3	truck		Local			

#### **PRE-QUALIFICATION IS NEEDED**





#### **RFP: CORRECT REQUEST – RIGHT PROPOSAL**





- Volume/weight matrix
- Required mode of transport
- Geography specification
- Traffic statistics (!)
- Excl/incl descriptions
- Specific requirements (if any)
- Contract period
- Terms of payment
- Layout for alternative proposal

N	

- Flat rate per kg/cbm
- One rate for country/regions
- A-B=B-A
- Distance coverage around cities included
- Total crating
- Duties and Taxes included
- Confusion about net/gross/chargeable weight/volume



#### **RIGHT CHOICE: WHAT YOU SEE**

### COST MANAGEMENT

Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? Unexpected charges? Budget? My personal time management? My working hours? Estimated cost? Real cost? Where are the gaps? Does my CFO know? The Host Country is paying so I don't care...? Cost centers for extras? U

#### **RIGHT CHOICE: WHAT WE WANT YOU TO SEE**




#### **RIGHT CHOICE: WIN-WIN SCENARIO**







# Qs?



# www.iwm.ru



# Inna Soltyk Business Development, Move One

# **DEPARTURE SERVICES**







# Relocation Conference: "Bringing Expats to Russia"

Moscow, 2014

making relocation easier





# **Departure process in**

# Immigration | Relocation | Moving

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# DEPARTURE

### PROCESS

Immigration Consultant

# **IN IMMIGRATION**



Immigration

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#### Red flags of leaving Russia process

When planning the dismissal of a foreign assignee, the employer should be aware of the rules of state authorities notification, once such dismissal takes place.

The notification process depends on visa status of the foreign assignee:

- nationals who may enter Russia without a visa (Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Tajikistan, Ukraine, Uzbekistan)
- and nationals, who require visa;

and type of the work permit:

- standard
- high qualified specialist (HQS).





For HQS visa assignees the process is the following:

- Notification of Federal migration services (FMS) 3 business days from the date of official dismissal
- Notification to tax authorities 10 business days from the date of official dismissal

For HQS and standard non visa assignees the process is the following

- Notification of Federal migration services (FMS) 3 business days from the date of official dismissal
- Notification to Labor authorities employment center 3 business days from the date of official dismissal
- Notification to tax authorities 10 business days from the date of official dismissal

For standard visa assignees the process is the following:

Notification to tax authorities - 10 business days from the date of official dismissal



#### Vital points:

! The original of **work permit should be returned to the authority**, which issued it, with a corresponding accompanying letter from the company. It is not obligatory but, however, highly recommended.

Can be useful for the companies which terminate an agreement with an assignee, whom they hired **using quota positions**, got by the company on annual basis. By canceling the work permit they obtain back the quota position which can be used for a new assignee.

! The foreign nationals should keep their **own personal bank accounts open** even after leaving Russia to have a possibility to pay taxes on personal income within 2 years after leaving the country. The tax authorities will not accept tax payments made from abroad in a foreign currency or from a corporate bank account. The payment needs to be made from a personal Ruble account opened with a Russian bank.



#### Vital points (continued):

Employers of the HQP should continue to notify tax authorities about the salary paid to the assignee for the corresponding quarter (3 months) in which the employee got his salary for the last time.

! The company is allowed to apply for an **exit visa** for an assignee leaving the country, and provide the copy of a dismissal order. In this case the working visa will be canceled and with the new exit visa a foreigner will be obliged to leave Russia within 10 days.

The advantage for the employer is that as soon as the working visa is canceled **the company will not be responsible for the foreigner any more as an inviting party**. Otherwise a foreigner who holds a HQP work permit is allowed to stay in Russia during 2 months from the dismissal date. The process is possible for all types of assignees mentioned above.





#### **Relocation Consultant**

### DEPARTURE

# PROCESS

### **IN RELOCATION**



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#### Vital points to be included into the Termination agreement:

If the lease is not due to expire company should proceed with termination letter or termination agreement signing in duly terms according to the Lease agreement (usually 30 days prior the actual termination date).

- . The last day of lease should be put clearly.
- The prepaid uncovered fee calculated in advance.
- If the parties agree to count the security deposit as the payment for the last month.

If electricity (or other) bills are paid separately - the order of paying or reimbursement should indicated.

If utilities are not included to the rental fee company should check in advance the approximate amount that should be paid or reimbursed to the landlord at the departure. Final meter readings are be taken during the check-out and the final payments are done to the landlord directly or to the utility companies shortly after departure.



#### **Check-out Inspection:**

A check-out inspection should be scheduled as close as possible with the move out date of transferee.

The inspection is conducted with the intent of identifying any damages in the condition of the property and contents since check-in.

A report stating the present condition of the property and listing damages and needed repairs will be drawn up. This document must be signed by the tenant and landlord. It is best if an agreement as to who is responsible for repairs is concluded at the check-out.

If there are disputes regarding responsibility it is advisable that both parties sign the document as a record of the condition of the property and a solution will be negotiated as soon as possible. If necessary, a third party surveyor will be engaged to identify clearly who is responsible for the repairs.



#### <u>Check-out Inspection (continued) :</u>

If the landlord claims for damages during check out in many cases it is possible to appeal to *normal wear-and-tear*.

Repairs beyond normal wear-and-tear are the tenant's responsibility. To conduct repairs in advance of the check-out, it is recommended the tenant a professional firm for any repairs.

Prior 2 weeks it is recommended to organize **pre inspection** of the apartment and to check in advance if everything is satisfactory, to compare the damages to those put in handover protocol during move in.





#### Additionally planned:

#### Cleaning

It is suggested that the tenant have the property cleaned in advance of the check-out. Even if it is not required by lease agreement, engaging the services of a professional cleaning company can help to create a positive impression at the check-out inspection.

#### Private bank account

Check in advance when you can close the bank account. Make sure you have a power of attorney (notary if required) prepared in advance to proceed with any operations with bank account (payment taxes, closing) after assignee leaves Russia.

#### Other

If there are separate services like water delivery or satellite channels – the contracts with providing companies also to be terminated.



Canceling





International Moves

### DEPARTURE

# PROCESS IN MOVING



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#### Main steps in moving process

Contact moving company for a survey 1 month before the move.

Inform the surveyor about everything that should be moved (incl. household goods, pets, cars, cultural items, etc.).

In case the goods were previously imported under Temporary Import Obligation (TIO; earlier then July 2010) all the goods that are mentioned on the TIO should be exported.

> Surveyor estimates the move and prepares the price.

> On the day of the move client should be present to confirm what should be packed.



#### DOCUMENTS

• For normal **household goods** documents are the following: Power of Attorney (POA), Letter for customs, copies of ID documents. Please note that the POA should be issued by a Russian notary so make sure you have time to visit a notary before you leave the country.

• To export temporary **imported car** it should be de-registered first. Note: after de-registration transit plates valid 20 days so please make sure you did it not too early. Documents: notarized POA, original of car registration, copy of ownership document.

**. Items of cultural value** (paintings, sculptures, samovars, musical instruments, etc.). For such items special certificates should be prepared in the Ministry of Culture to confirm that the items can be exported. Issuing of this document can take from a couple of days to a couple of weeks.

Vital issue: Insurance for shipment



Pet's Transportation

Kind of service:

\* door to door (pick from residence at origin and delivery to residence at destination)

- \* airport to airport
- \* door to airport
- \* airport to door

Information about pet to be mentioned: breed; age; weight.







#### tesa SE: the Company – the Brand

The world's competency leader in self-adhesive products and solutions





#### **Company Profile**

#### The Company



tesa SE:

One of the world's leading producers of selfadhesive solutions for industry, trades, and consumers

#### 125 years of experience in

- Coating technology
- Development of adhesive masses and innovative product solutions

tesa is the **global market leader** in many application fields



#### **Company Profile**

#### The Group



tesa is

- a member of the Beiersdorf Group, manufacturer of successful international cosmetic brands including NIVEA
- and has been successful since 2001 as an independent corporation
- tesa Russia celebrates 10th anniversary in 2014



#### **Company Profile**

#### The Brand



- One of the best-known consumer brands in Europe
- Name recognition in Germany: 98% (International Research), Austria, Switzerland, and Portugal: >90%
- Worldwide technology leader in the industrial field
- tesafilm® is even listed in the authoritative Duden dictionary of the German language



#### As an example:

#### Organization of move for Mr. Petryla

- Call to Move One and arrange survey
- Receiving quote for move
- Accept quote and arrange packing day
- Receiving list documents for export in Russia and for import in Lithuania
- Packing goods, preparing documents for export goods,
  - cultural permission for export paintings, insurance for goods
- Transportation to Lithuania
- Delivery goods after import custom clearance
- Insurance claim





### **QUESTIONS ?**

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# **Evgenia Kalyuzhnova** *Tesa*

# **DEPARTURE SERVICES**



**Evgeny Reyzman** *Chair of the AEB Labour Law Sub-Committee Counsel, Baker & McKenzie-CIS* 

RECENT LEGISLATIVE DEVELOPMENTS IN MOST IMPORTANT AREAS: DRAFT BILLS ON AGENCY WORK / SECONDMENT AND KEY PERSONNEL

BAKER & MCKENZIE

# Recent Legislative Developments in **Employment: Draft Bill on Agency Work/Secondment Ban on Civil Law Contracts** in Lieu of Employment Ones **Special Assessment of Work Conditions**

**Bringing Expats to Russia AEB Moscow** February 27, 2014 Marriott Tverskaya Hotel, Moscow

#### **Evgeny Reyzman**

#### Counsel, Baker&McKenzie

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### Draft Bill № 451173-5 Ban/Limit to Agency Work and Secondment

- Initially two major parts:
  - Ban/limit on Agency Work and Secondment
  - Ban on Use of Civil Law Contracts in lieu of Employment
- State Duma: Passed Second Reading in April 2013 Revoked from Third Reading in September 2013
- Ban on Use of Civil Law Contracts transferred to Bill #421 of December 28, 2013 (initially intended to introduce Special Work Place Assessment)

### Bill #421 of December 28, 2013

- Labor Code before: strong concept of de facto employment (Art. 16)
- Labor Code current:
  - Explicit ban on making civil law contracts actually regulating employment
  - Explicit ban on admitting to actual work not authorized by employer/its due representative
  - De facto employment may be recognized by Employer, Labor Inspector or Court

# Insurmountable doubts MUST be interpreted in favor of employment relationships!

### Bill #421 of December 28, 2013 SANCTIONS

#### Amendments to Code of Administrative Violations:

Significant fines for infringements in *de facto* employment (*effective from January 1, 2015*)

- Art. 5.27(2) : Admission to work by unauthorized party Company officer: up to RUR 20,000
- Art. 5.27(3): Evading or improper documenting of employment contract or making civil law contract in lieu of employment Officer: RUR 20,000, Company: from RUR 50,000 to 100,000

# Bill #421 of December 28, 2013 SANCTIONS

- Art. 5.27(5): Repeated infringement upon administrative record doubles fine, for officers disqualification for up to 3 years
- Art. 19.5(23): Failure to perform or improper performance of legitimate prescription by officer of Federal regulatory authority supervising compliance in labor relationships

Sanctions:

Company officers – from RUR 30,000 to 50,000, or

Disqualification for 1 to 3 years

Companies – Fine from RUR 100,000 to 200,000

# Bill #421 of December 28, 2013 POSSIBLE CONSEQUENCES

- Principal sufferers law-abiding employers
- Secondment jeopardized ("*admission to actual work*"!)
- Disloyal secondees get more leverage against legitimate employers

# **Quo vadis?**

# **New Line in Labor Protection:** Special Assessment of Work Conditions Importance of new amendments

comprehensive set of measures to **identify** harmful /dangerous factors of work environment /labor process, and to **assess** their impact on employee

- Applicable for all employers
- Direct regulation via Labor Code and Federal Laws
- Employer's interests are taken into account
- Criminal and increased administrative liability (with possible impact on expat managers)
### Procedure



## **Guarantees and Compensations**

Compensation types	Harmful	Dangerous work			
	The first category	The second category	The third category	The fourth category	conditions (The fourth class)
Increase of a base salary at least 4%	+	+	+	+	+
Annual additional paid vacation at least 7 days	-	+	+	+	+
Reduced working week: not more than 36 hours per week OR 40 hours per week plus compensation			+	+	+

## **Criminal and increased administrative liability**

## **Criminal Code, Article 143**

## More general description of Actus Reus:

Previous – infringement of work safety and other labor protection rules (with grave consequences)

Current – violation of labor protection rules set out by Federal statutes (with grave consequences)

## **Code of Administrative Violations**

**New Article 5.27.1** Violation of statutory labor protection rules set out by Federal and other statutes (formal description - in absence of consequences)

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## Expat in Russia, remember: Vigilantibus jura scripta sunt! Stay on alert!

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## Thank you for your attention! Your questions?

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## Gennady Odarich Director, PwC Legal

## RECENT DEVELOPMENTS/CHANGES IN MIGRATION LAW: PRACTICAL ASPECTS



Andrey Slepov Senior Associate, Head of Employment and Migration Law Practice, BEITEN BURKHARDT

A FOREIGN EMPLOYEE WORKS IN SEVERAL REGIONS OF RUSSIA: EMPLOYMENT AND MIGRATION LAW ASPECTS Andrey Slepov, Senior Associate, Head of Employment and

## A foreign employee works in several regions of Russia: employment and migration law aspects

Andrey Slepov, Senior Associate, Head of the employment and migration law practice of Beiten Burkhardt law firm

Moscow, 27 February 2014

#### Contents

- Obtaining and extending permits for HQS
- Business trips and business journeys of foreign employees
- Regions with restricted travel
- Administrative liability
- Contact

## Obtaining and extending permits for HQS

Functions on the receipt of documents and issue of work permits for highly qualified specialists have been transferred to all regional divisions of the Federal Migration Service (FMS Order No. 415 dated 21 October 2013):

- Short staff, lack of experience, varying requirements
- Impossibility of carrying out the procedure of extending work permits (except at the Moscow division of the FMS of Russia)
- Choice of where to submit documents if several work regions have been declared

## Business trips and business journeys of foreign employees

		Types of activities (BT –		
		business trips ( <i>служебные</i>	Maximum duration that the	
	Category of	командировки), BJ –	employee can be located	
No.	foreign	business journeys	away from the area where the work permit is in effect (in calendar days)	
	employees	(служебные поездки) by		
		employees whose work has		
		a travelling nature)		
1	Temporary	ВТ	10 days during the term of the	
	staying*		permit	
		BJ	60 days during the term of the permit	
2	Temporary	BT	40 days during 12 calendar	
	resident*		months	
		BJ	90 days during 12 calendar	
			months	
3	Specifics	BT	Continuous duration of work	
	concerning		not more than 30 days annually	
	HQS	BJ	Unlimited	

\* Professions and positions of which are indicated in Order No. 564n of the Ministry of Health and Social Development of Russia dated 28 July 2010

## Business trips and business journeys of foreign employees (continued)

Positions and professions of employees:

- Correspondence between the title of the position stated in the work permit and that held during BT/BJ
- Correspondence of management positions with the Russian National Classification of Positions
- Possibility of combining positions

## Business trips and business journeys of foreign employees (continued)

Documents that the employee should have during the business trip:

- Passport
- Work permit
- Business trip certificate (командировочное удостоверение)
- Letter of assignment (служебное задание)
- Travel documents

## Business trips and business journeys of foreign employees (continued)

Documents confirming the travelling nature of work (Letter No. 4209-TZ of the Federal Labor and Employment Service dated 12 December 2013):

- Employment agreement indicating the travelling nature of work and the exact address of the place of work
- In-house regulatory act (list of positions that involve mobile work)

### Regions with restricted travel



Resolution No. 470 of the Russian government dated 4 July 1992 On Approving the List of Territories of the Russian Federation with Restricted Travel for Foreign Citizens (most recently amended 18 September 2012):

- Odintsovo, Balashikha, Zheleznodorozhny (Moscow Region),
- Norilsk (Krasnoyarsk Territory),
- Komsomolsk-na-Amure (Kharbarovsk Territory) and others

### Regions with restricted travel (continued)

Approval procedure:

- FSB as the authority for approving visits
- procedures and dates for approval are established **locally**
- preliminary condition for receiving a working invitation

## Administrative liability

No.	Article of the Code on adm. offences	Offence	Liable entity	Liability other than in Moscow, Moscow Region, Saint Petersburg, Leningrad Region	Liability in Moscow, Moscow Region, Saint Petersburg, Leningrad Region
1		Unauthorized visit to a region with restricted travel	Foreign citizen	Fine of RUB 2000 to 5000, with or without administrative deportation	Fine of RUB 5000 to 7000, with administrative deportation
2	Article	Unauthorized entry of a foreign citizen in a region with restricted travel		Fine of RUB 400,000 to 500,000 Fine of RUB 40,000 to 50,000	
3	and 2 of Article	Performance of employment activity away from the area where the work permit is in effect and/or in a different profession	-	•	Fine of RUB 5000 to 7000, with administrative deportation
4	and 4 of Article	Hiring for employment activity away from the area where the work permit is in effect and/or in a different profession	employer	Fine of RUB 250,000 to 800,000, or administrative suspension of operations for a period of 14 to 90 days Fine of RUB 25,000 to 50,000	1,000,000, or administrative

### Arguments for the defense

- "In accordance with part 2 of Article 8 of the Convention for the Protection of Human Rights and Fundamental Freedoms, everyone has a right to respect of his/her personal and family life. Interference by the public authorities in the exercise of this right is not permitted, with the exception of cases where such interference is stipulated by law and is required in a democratic society in the interests of national security and public order, the economic welfare of the country, for the purposes of preventing disorders or crimes, or to protect the health and morals or defend the rights and freedoms of other persons" (Moscow Regional Court)
- \* An insignificant administrative offense is an action or inaction which may technically contain the elements of an administrative offense, but which in view of the nature of the offense committed, the role of the offending party, the degree of harm, and the severity of the consequences does not constitute a substantial violation of protected public legal relations" (Supreme Court of the Russian Federation)
- "It is the employer who decides on the assignment of an employee to a business trip, and establishes the duration of the business trip and the nature of the work to be performed. Due to his insufficient knowledge of the laws of the Russian Federation and for other objective reasons, a foreign citizen does not have the practical ability to effectively influence the lawfulness of the employer's decision on assignment to a business trip" (Pskov Regional Court)

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Thank you for listening!



# Q & A