

## **Sanctions. Everyday digest on restrictions and support measures for business 2022.10.24**

### **LEGISLATION**

#### **A Coordination Board under the Russian Government has been established to secure the needs of the Armed Forces of the Russian Federation**

[The Russian President's Ruling No. 763 dated 21 October 2022](#)

Came into force on 21 October 2022.

The tasks of the Board are as follows:

- to resolve pricing issues with respect to goods/work/services that are necessary for securing the needs of the Armed Forces;
- to prepare proposals to determine suppliers/service providers to provide such goods/work/services and to arrange control over them.

The Coordination Board may, among other things, request necessary materials, including from organisations.

Decisions of the Board are binding.

**See also** <https://www.pgplaw.com/analytics-and-brochures/alerts/voennoe-polozhenie-ogranicheniya/>

#### **Mobilised individuals have been granted a tax and report deferral**

[The Russian Government's Decree No. 1874 dated 20 October 2022](#)

Came into force on 22 October 2022; specific provisions apply to legal relationships existing since 21 September 2022.

For mobilised individuals and organisations in which a mobilised individual is the sole founder/member and manager at the same time, for the period of the military service and until the 28th day of the 3rd month following the month when the mobilisation period ends/the month of retirement, the following deadlines have been extended:

- for the payment of taxes, levies and insurance contributions (there are exceptions);
- for performing notices of/adjustments with respect to outstanding customs duties, taxes, special, anti-dumping or compensatory duties, interests and penalties.

In addition, there will be an option to pay debt by instalments.

The deadlines have also been extended for submitting tax returns (except for VAT returns), tax calculations, accounting (financial) statements; notices of opening/closing accounts (deposits) with foreign banks; reports concerning the movement of funds and other financial assets on accounts (deposits) with such banks.

Moreover, for this period the following events will be suspended for the specified persons:

- field tax audits, including audits following the consummation of transactions between related parties; field audits of an insured party under a contract for mandatory social insurance against occupational injury. Audits that have been scheduled should be suspended;
- tax control measures (there are exceptions);
- audits of compliance with foreign currency legislation;
- control measures with respect to using cash register equipment.

It has been established that such individuals/organisations are not subject to sanctions for specific tax violations (see the [Government's update](#)).

### **The rules have been updated for granting subsidies to cover expenses on certifying products on external markets**

[The Russian Government's Decree No. 1871 dated 20 October 2022](#)

The decree came into force on 21 October 2022.

The rules have been adjusted for granting subsidies to organisations for them to compensate a part of expenses relating to the certification of products, including those of the pharmaceutical and medical industry, on external markets (the Government's Decree No. 687 dated 30 April 2021).

In particular, terminology has been adjusted: new definitions have been added, including an "external market", and specific terms have been excluded.

It has been determined that the subsidy is granted in order to compensate for part of the expenses relating to certification:

- of products on external markets, if such expenses were incurred not earlier than 1 January of the year preceding the current financial year;
- of medicines on external markets, if such certification is performed by authorised bodies of foreign states and if the organisation incurred such expenses not earlier than 3 calendar years preceding the current financial year.

Adjustments have been made with respect to: requirements for the recipients of the subsidy; the types of expenses for which it is granted; the formula for calculating the amount of the subsidy; the grounds for repaying the subsidy; the elements of an agreement to grant the subsidy; the list of grounds for the subsidy to be denied, etc.

### **Restrictions have been expanded for persons subject to sanctions**

[The Russian Government's Decree No. 1850 dated 18 October 2022](#)

The decree came into force on 21 October 2022.

Amendments have been made to the Russian Government's Decree No. 1300 dated 1 November 2018 on special measures with respect to specific Ukrainian individuals/companies.

A prohibition has been introduced on consummating transactions to import goods into Russia if the producer/seller/sender is a person subject to sanctions (there are exceptions for goods imported by individuals for personal use).

The Federal Customs Service should take measures to prevent such goods from being released (except for the customs procedures of transit, re-export or destruction) and to seize them if found.

#### **The Russian Government:**

- has reduced the deadline for agreeing land use planning documents ([Decree No. 1878 dated 21 October 2022](#) and the [Government's update](#));
- has approved the rules for granting subsidies to cover expenses on developing, creating and putting into manufacturing production ancillary equipment for vessels ([Decree No. 1872 dated 20 October 2022](#)).

#### **The rules have been clarified for arranging payment holidays for mobilised individuals**

[The Central Bank's Information Letter No. IN-03-59/126 dated 21 October 2022](#)

The issues have been clarified of documents being submitted/demanded for payment holidays to be arranged, including by the family members of a mobilised individual; and of interest accruing during this period and of the order of priority of using the payments received to settle the debt.

It is reported that the right to payment holidays is also granted to borrowers who are individual entrepreneurs who took a loan for financing entrepreneurial activity ([see the Bank of Russia's update](#)).

#### **Also on the subject:**

The Ministry of Labour and Social Protection [has clarified](#) the issues of granting payment and tax holidays, performing contracts and reissuing licenses during mobilisation

## **NEWS**

The Russian State Duma [has discussed](#) import substitution in the fuel and energy sector. In particular, it has been proposed to clarify the criteria for classifying equipment as domestic.

#### **Also on the subject:**

Facilities of critical information infrastructure [will not be able to procure](#) foreign software even in the absence of domestic equivalents. It has been proposed that they should purchase combinations of products entered into the register of Russian or Eurasian software.

The Ministry for Economic Development [has opposed](#) new requirements for ensuring the safety of critical infrastructure facilities in the event of

emergency situations, since this will result in an increase in expenses for business

The Government [has approved](#) directives for major state companies on measures of support for their suppliers during partial mobilisation. Such measures include: the non-application of fines and the right to change the terms and conditions of a contract if its performance is impossible owing to mobilisation.

**Also on the subject:**

The Ministry of Finance [has proposed extending](#) the selective application of expanded treasury support of state contracts for construction

The EAEU [is launching](#) a pilot project to grant financial support for industrial cooperation projects.