

Key labour issues in 2023



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Suspending/ceasing activities



Suspension of employment

- No concept of garden leave;
- Partially paid downtime may be introduced;
- Paid/unpaid leaves are subject to employee's consent.

Dismissal of staff

- Relocation to another group company implies terminating Russian employment;
- Mutual agreement is optimal but often subject to employee's increased financial expectations;
- Multistage & formalistic staff redundancy cannot facilitate separating the protected categories of employees.

Foreign senior executives

- Remote management is practically complicated;
- Can be transferred to corporate supervising roles with employment termination.

Flexible working arrangements

Remote work from outside of Russia

- Ambiguous authorities' position;
- Tax issues arise after 6 months of working abroad;
- Health & safety issues arise;
- Due formal communication may be not feasible;
- Returning to office, employment termination, ensuring confidentiality of information may be complicated;
- Employee data privacy issues must be resolved.

Engaging contractors under service agreements

- Risks of requalifying into labour relations if the respective "indicators" are not excluded;
- Tax implications are subject to contractor's legal status (individual, independent entrepreneur or self-employed).

Outsourcing & outstaffing

- Ensure compliance with specific requirements to avoid recognizing direct labour relations with leased staff.



Audits, disputes and migration

Labour audits

- Authorities still check employers upon grievances;
- Scheduled audits remain for high-risk companies;
- Other businesses face requests of information and warnings based on company's public statements.

Labour disputes

- Most disputes are related to conflict dismissals or non-payment of compensation and benefits;
- Courts examine reasons lying behind decisions on reducing staff and cutting down business activities affecting employees.

Migration issues

- Work permits of highly qualified foreign specialists may be annulled if foreigners stay outside Russia for more than 6 consecutive months;
- Remote work of foreigners without permits and visas entails substantial fines and other penalties.



Crisis and ad hoc cases

Businesses continue to face specific challenges

- Military mobilization of employees
- Employee misconduct and conflicts
- Health & safety incidents at workplaces
- Revising HR policies & procedures due to legislative changes

How can ALRUD support?

Legal
helpline

Whistleblowing
hotline

Internal
investigations

Advice on
health & safety
regulations

Audit of client's
HR framework



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