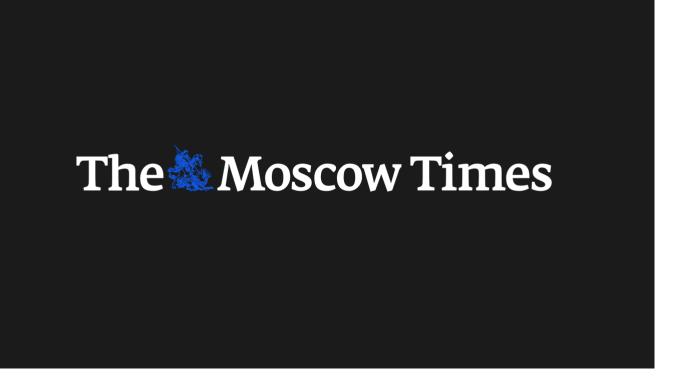


New Registration Rules for Expats to Have Mixed Effect

By Nikolaus von Twickel

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New rules supposed to make expatriates' lives easier are to come into force Tuesday, but experts fear that they will actually produce new headaches.

The positive news is that foreigners will no longer be required to de-register when they leave their place of residence for more than three working days.

The Border Guard Service will automatically inform the migration authorities when a foreigner is leaving the country, and a local office of the Federal Migration Service will do the same for those who travel domestically, lawyers said Monday.

"Basically, de-registering can be deleted from expatriates' vocabulary," said Valery Fedoreyev of Baker & McKenzie's Moscow office.

The reform, spelled out in a legal alert <u>published</u> on the law firm's site, removes a major

hassle for businesses employing foreigners, which in the past resulted in fines of up to 800,000 rubles (\$27,300), when staff forgot to de-register before departure.

On the downside, the reform abolishes the current practice of registering foreigners at their employers' address.

Instead, authorities now only accept addresses that correspond with a person's real place of residence.

Consequently, landlords will have to go through long lines at post offices or Migration Service offices to register their tenants every time they return from trips longer than three working days.

Faced with complaints from foreign business associations, the Federal Migration Service agreed last week to accept registrations from third parties, if they have notarized power of attorney from the landlord.

This means landlords will be able to delegate registering foreign tenants to the employers.

Migration Service spokespeople did not answer repeated calls for comment on Monday.

But experts interviewed by The Moscow Times said that the compromise raised more questions than answers.

"What if a landlord refuses to cooperate or lives abroad?" asked one representative of a Western business association who requested anonymity because he was not authorized to speak on the record.

Most foreigners are obliged to register within three working days of arrival. Failure to produce valid registration when stopped by police may result in a fine of up to 5,000 rubles (\$170).

The cumbersome registration rules have recently been relaxed for highly skilled specialists. Members of this group, defined by a 2 million ruble (\$66,000) per annum minimum salary, need to register only 90 days after arrival in the country and re-register a new address only if they stay there for more than 30 days.

Still unresolved is another painful reform for expats — a 5 tariff on each kilogram of household goods brought into the country.

The rule, introduced with the Customs Union with Belarus and Kazakhstan last summer, regularly levies bills of tens of thousands of dollars on families relocating to Russia.

The government has promised to remove the rule since September, but Alexander Korsunov, a spokesman for the Customs Union's commission, said Monday that the issue hinged on "technical details" and would not be solved before the body's next session on March 2.

Critics say the failure to reduce red tape for foreigners strongly contradicts President Dmitry Medvedev's declared policy of attracting more foreign experts and investment.

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