

# DEBAG – Transparent accounting in Russia

## CHALLENGE

When entering the Russian market and starting new business activities, the first challenge western companies have to deal with is the complex formality and bureaucracy of the world of Russian accounting and reporting. Usually, any kind of commercial activity has to be documented, signed and stamped which makes an efficient document flow one of the most important tasks of any accountant in Russia. Combined with the obligation to file complete quarterly reports, the effort, which needs to be put into accounting in Russia is thus far more time-consuming than in Western countries. Additionally, tax regulations are much more important in relation to Russian bookkeeping and the finance system than in Europe. Having successfully registered its subsidiary 'ASCOBLOC DEBAG RUS' in October 2013 with the support of SCHNEIDER GROUP, DEBAG also decided to outsource its entire accounting activity to its trustworthy partner.

## SOLUTION

SCHNEIDER GROUP has been supporting DEBAG since the very beginning of the company's activity on the Russian market. Having accompanied the German brand during the entire registration process, SCHNEIDER GROUP has also been carrying out their accounting activity ever since. Since October 2013, SCHNEIDER GROUP provides Interim Management solutions and has been representing the client's interests at the state authorities regarding customs and tax declarations in close communication with and according to the guidelines of the mother company. Furthermore, SCHNEIDER GROUP has been providing legal consultancy since July 2014, and conducting workshops for DEBAG's employees to train them on how to use 1C in order to increase their efficiency.

## RESULT

This project had a profound impact on DEBAG's business on the Russian market: for almost three years, the German brand has been successfully operating in Russia. With fully outsourced accounting, DEBAG is in continuous contact with SCHNEIDER GROUP's accountants, while fully concentrating on its core business activity on the Russian market.

SCHNEIDER GROUP offers its international clients the possibility of outsourcing their entire accounting activity in Russia. Especially for smaller and medium-sized enterprises, the outsourcing of accounting leads to higher cost efficiency and enables companies to focus on their core business activity in Russia. The outsourcing of their accounting activity in Russia includes daily bookkeeping, preparation of documents and reports for the Russian tax authorities, payroll and HR matters.

## About SCHNEIDER GROUP

Founded in 2003, SCHNEIDER GROUP has grown to employ over 500 experts and supports international companies entering and operating in Russia, Kazakhstan, Belarus, Ukraine, Poland and Germany. With offices in Moscow, St. Petersburg, Minsk, Almaty, Aktau, Astana, Warsaw, Kyiv, Frankfurt and Berlin, our expertise includes: accounting, reporting, tax consulting, IT/ERP-solutions, interim management, expert recruiting, outstaffing, office lease, providing a business address, company registration, import handling, organising business workshops, internal audit, finance & tax due diligence.

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*DEBAG Deutsche Backofenbau GmbH has been developing baking technology for over 100 years. In 1911, Alois Paul Linder started an independent baking oven shop in Munich which became the foundation for DEBAG. His business developed and manufactured brick ovens, and quickly became market leader for the production of trade baking ovens in the German speaking areas. Backofenfabrik Gustav Schmidt & Söhne was founded in Freiburg in 1924. The company developed and built brick ovens. Both acquired companies were united under the name DEBAG in the early 1990s and Bautzen became the home of DEBAG. During the following years, the company underwent continuous further development particularly in Germany, and started exporting – first to Europe and then worldwide. After integrating the companies AlexanderSolia and Ascobloc, DEBAG developed into a one stop provider for baking processes, including selected areas of preparation, storage and presentation. There was a push for intensive and targeted expansion within Europe and other selected regions, supported by the foundation of own subsidiaries in France, Russia, Poland and USA. Today, its premium products and extensive services make DEBAG one of the market leaders in Germany and Europe.*