

increasing efficiency
of accounting in russia



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accounting | ERP | import | legal | tax



Ulf Schneider
Managing Partner

We at SCHNEIDER GROUP provide our international clients with the back office services they need to expand their business into or within Russia, Kazakhstan, Belarus, Ukraine, Poland and Germany.

The electronic document interchange revolutionizes accounting work in many ways. Personal signatures, stamps and handling stacks of paper as well as couriers are no longer necessary. This makes the overall process much more efficient and effective. The transparency of financial and contract work also increases with the introduction of electronic document interchange as the document flow becomes more controllable and e-copies can be easily retrieved and traced. This in turn helps to reduce both operational and financial risks associated with paper documents and storage.

We have been utilising the very solutions we provide for over a decade among our 500 experts.

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electronic document interchange b2b

The specifics and practical aspects of Russian accountancy are very well known to companies operating in the Russian Federation. Documents like the Act, Nakladnaya and Schet-Factura require hours of printing, manual stamping, signing, mailing and storing. All these processes are very time consuming.

The Federal Law of the Ministry of Finance, FZ-402 caused a real revolution in the dynamics of Russian accounting. One of its most important aspects was the introduction of Electronic Document Interchange (EDI). Accounting documents can now be created, sent, confirmed and archived electronically.

EDI significantly simplifies data flow between two companies and saves hours of work. This puts an end to piles of paperwork and facilitates document interchange transparency.

The Tax Authorities now deem it acceptable to create, interchange and confirm the following documents electronically:

- VAT-invoice (Schet-Factura)
- Agreements
- Goods Acceptance Protocol (Nakladnaya)
- Reconciliation Act
- Service Acceptance Protocol (Act)

In addition to the documents mentioned above, SCHNEIDER GROUP can support you implementing other documents, e.g. ORDERS, ORDRSP, PRICAT, in different formats (XML, EDIFACT, etc.).



Advantages

This new procedure revolutionises accounting work in many ways; physical signatures, stamps and handling stacks of paper as well as couriers are no longer necessary. This makes the process much more efficient and gives the responsible employee the opportunity to focus on more important tasks.

The transparency of financial and contract work increases as the document flow becomes more controllable and traceable since e-copies can be easily retrieved and backtracked. Thus, adopting electronic interchange early provides a competitive advantage.

Electronic Document Interchange

- Guaranteed document delivery
- Automated control and processing
- Fast access to any document
- Decreased expenses for invoice processing
- Receive payments faster
- Reduce time spent on document processes
- Reduce time spent on document receiving
- Transparency
- Environmentally friendly

Paper documents

- Large archives of documents for storage
- Documents can be lost
- Paper document processing is time-consuming
- A lot of manpower required (assistants, couriers)
- Slower processing time on VAT refunds

The process

In order to implement this new process, an external certified operator is required. The clients' and suppliers' 1C systems (1C is the leading Russian accounting software) are not directly connected to each other, but through an external certified operator. Several certified operator companies in the market are offering this service.

We have successfully tested and implemented some individual solutions for Electronic Document Interchange with clients and suppliers based on 1C using several certified EDI operators (Taxcom, Tensor, Corus consulting, SKB Kontur, etc.)

The seller creates and then, using a certificate from the Certification Authority, electronically signs a document which is sent to the certified operator. The certified operator checks the certificate, sends the confirmation to the seller and forwards the document to the buyer. Once received, the buyer will then sign using his certificate and send the confirmation back to the certified operator who will forward it to the seller. The electronic document can be saved directly in the archive of both companies. The certified operator additionally saves the sent and the received confirmations.

Electronic document interchange scheme





project plan

SCHNEIDER GROUP supports clients that have one or more legal entities and are producing and trading in Russia. You will benefit from all of our in-house departments that are necessary for the full EDI implementation and maintenance. We have over 10 years of proven accounting and IT experience. Early adopters will have a head start over other companies since, in the long term, all companies will have to apply the technology as the government implements their strategy to go digital.

We take on the role of project coordinator and organise EDI implementation, managing the project and informing all the parties involved of the required steps. Our service consists of four important consulting stages: Analysis, Setup, Training, and Maintenance.



Analysis

In the first step, we check the possibility or the status of implementing EDI. If processes for document flow already exist, e.g. signatures, storage, etc., we analyse them and, where needed, reengineer them and facilitate their implementation into 1C. During the analysis stage we also select the optimal certified operator based on the characteristics of your company.

Having interviewed your key staff members and analysed the current infrastructure, we understand the processes of the accounting document interchange between you and your client's accounting department, as well as its efficiency.

You will then receive a comprehensive report with the results of our evaluation and a proposal of how to optimise your electronic document interchange.

Setup

In order to setup the process, we will install or update the required IT solutions, including:

- Software of the selected certified EDI operator
- Software for the cryptographic protection of information

We will also assist in the internal adaptation of the business processes to EDI within the company and with the setup of an electronic archive of e-documents that have been received and sent out.

Based on the results of the analysis, we can setup your 1C system (or other accounting software) depending on the requirements of the chosen EDI operator and your internal business processes for the creation, approval, signing and sending of electronic documents. If additional customisation or development of your 1C system is required, we can support the project with our qualified in-house consultants, 1C developers and project managers.

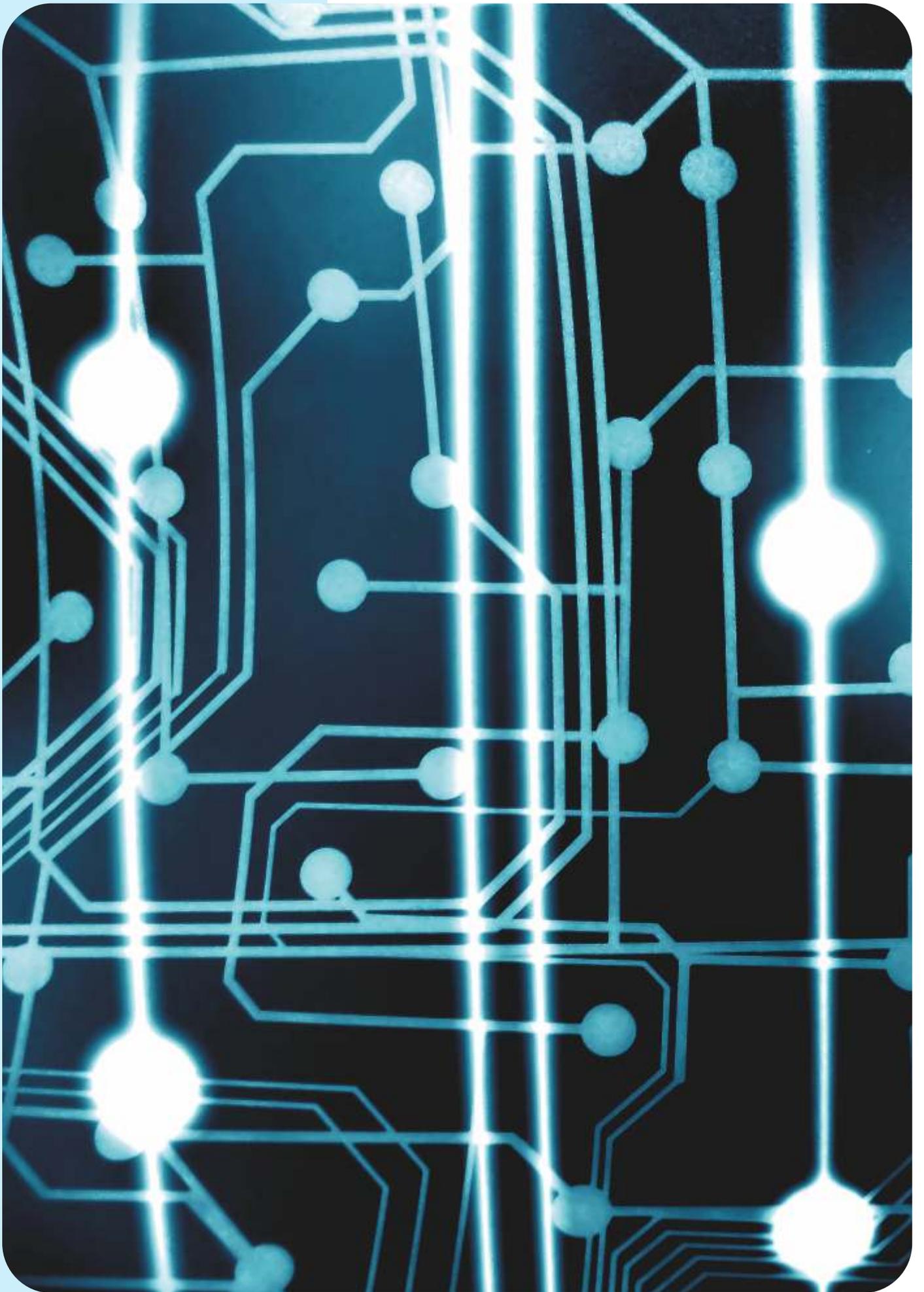
Training

For the long term success of this new procedure, we will offer training to your system users, i.e. your accountants, as well as any responsible administrators in your company.

Maintenance

Our experts will provide you with regular maintenance of the EDI solution according to your needs:

- On a quarterly basis
- On an annual basis
- On demand



all the expertise you need from one source

SCHNEIDER GROUP can offer you all-round support in all matters relating to this innovative document handling solution. The process of implementing EDI requires input from several different spheres, from IT to Internal Controls. Since we have over 500 in-house professionals, we are able to offer you all the necessary support from one source, including Accounting, IT, Tax & Legal and Internal Control.



Accounting

- Analysis of the current structure of a client's accounting department in relation to other departments in the process of document interchange (document flow and its efficiency, etc.)
- Training the client's accounting department and other departments, including use of the specialized software

Tax & Legal

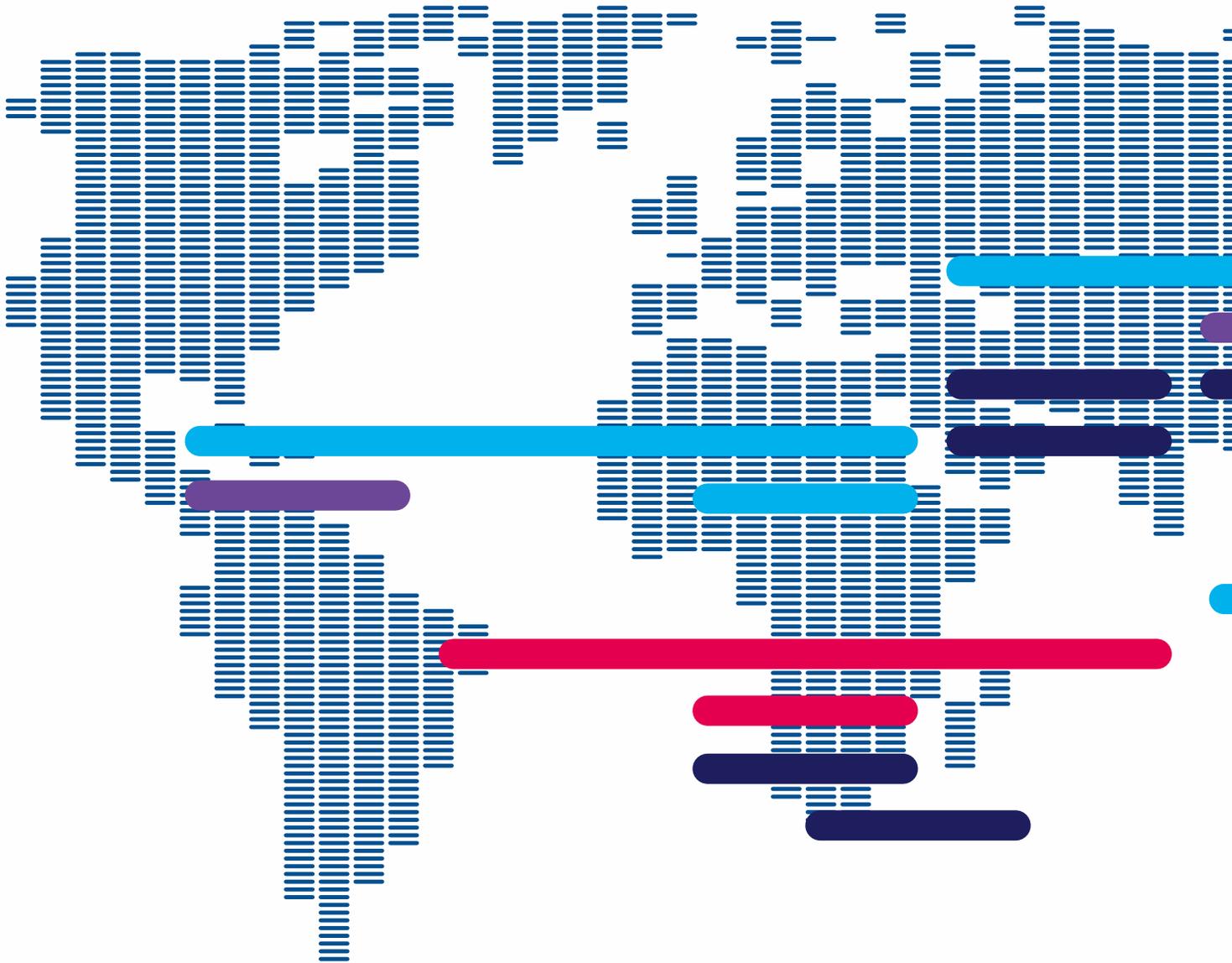
- Preparation of Amendments to Labor agreements for employees who authorized to sign electronic documents
- Preparation of power of attorney for employees who authorized to sign electronic documents
- Preparation of internal agreements on EDI procedure
- Conclusion of agreements with certified EDI providers

IT

- In-depth analysis of the current document interchange procedure and potentially existing EDI processes (document flow, signatures, storage)
- Proposal on how to optimize document interchange using EDI
- Setup, reengineering and process implementation in 1C
- IT support and maintenance

Internal Controls

- Adaptation of company's business processes to EDI
- Develop of EDI internal order (assigning responsibilities and establishing electronic signatures security rules)
- Assistance in setup of electronic archive
- Adaptation of Accounting & Tax policy to rules regarding creating, receiving, sending and storing of e-documents
- Development of internal controls procedures for EDI, ensuring correctness and completeness of e-documents for reporting in financial statements and tax returns

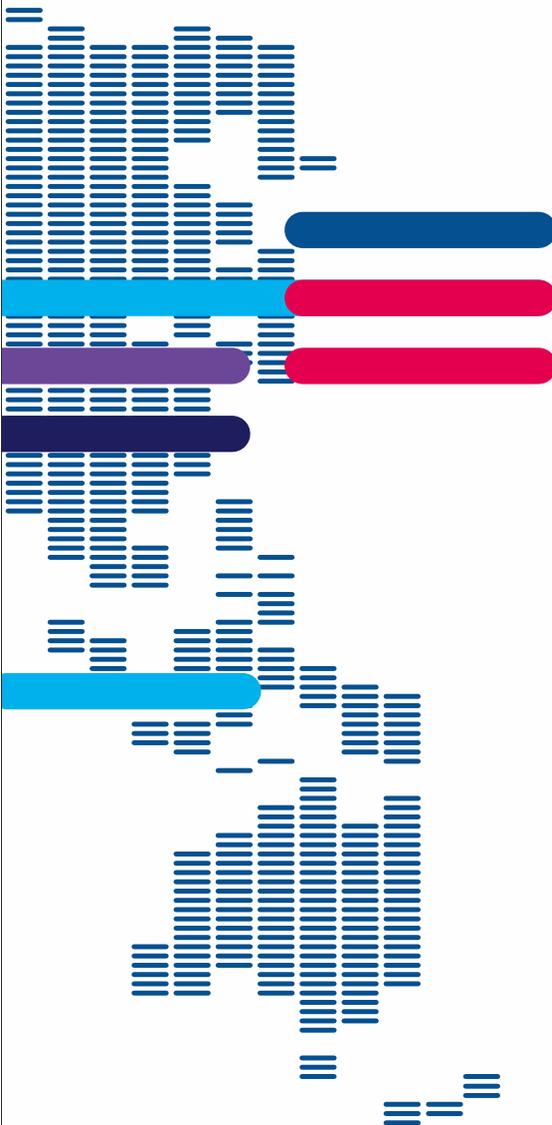


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This brochure is a summary and partly schematic overview of the rules and requirements provided by the legislation in Russia. It is for information purposes only and does not offer any legal advice. It is recommended to receive an individual consultation on the matter before making a transaction. Copying or distribution of this brochure in any form whatsoever is possible only after a prior approval of the copyright owner.

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