

expert recruiting

accounting | tax | IT

Russia | Kazakhstan | Belarus | Ukraine | Poland





Ulf Schneider
Managing Partner

For over 10 years, SCHNEIDER GROUP has been advising international companies on business set up in Russia, Kazakhstan, Belarus, Ukraine, Poland and Germany.

Most companies with expatriate management rely on their foreign subsidiary's chief accountant when it comes to issues of local bookkeeping and tax regulations. However, a chief accountant who lacks professional competence could present a high risk exposure to the company.

We provide recruiting services in various fields where we ourselves have expertise. Our particular focus is on accounting, financial and IT positions, for which we have developed rigorous candidate evaluation procedures.

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



aktau
almaty
astana
berlin
kyiv

minsk
moscow
st. petersburg
warsaw

the challenge of finding finance experts	4
understanding cultural differences	4
requirements in an international company	6
the chief accountant role and changes to accountant profiles	7
our services	9
recruiting concept	10
analysis and structure	11
job description	12
3 – stage assessment	13
labor agreement preparation	14
trainings	14
starsacademy	16
our offices	19

the challenge of finding finance experts

The labor market of the CIS is special in many ways and is not as transparent as those in other countries. Finding employees with foreign language skills, knowledge of programs like SAP, and experience in IFRS or US-GAAP is not easy, even in and around Moscow. Therefore, salaries of financial experts who do have these skills are often higher than average. Furthermore, highly skilled individuals working in these areas might not be willing to work in an environment where they cannot practice and keep their knowledge up to date in an international context.

The labor market in Belarus also has many peculiarities that may not be so easy to understand at first. One thing, however, is unchanging; the market has increasing demand for skilled professional workers, and not only for accountants. Belarus is experiencing a programming boom, and as a result many IT companies are still looking for new employees. They are looking not only for programmers, but also for administrators and accountants. Demand for workers is still growing not only in Minsk, but also at a regional level, so recruiting experts who speak foreign languages and have good work experience may become a real challenge. The Belarusian labour market is quite small and there

is a confident scope of people that may meet the requirements of an employer.

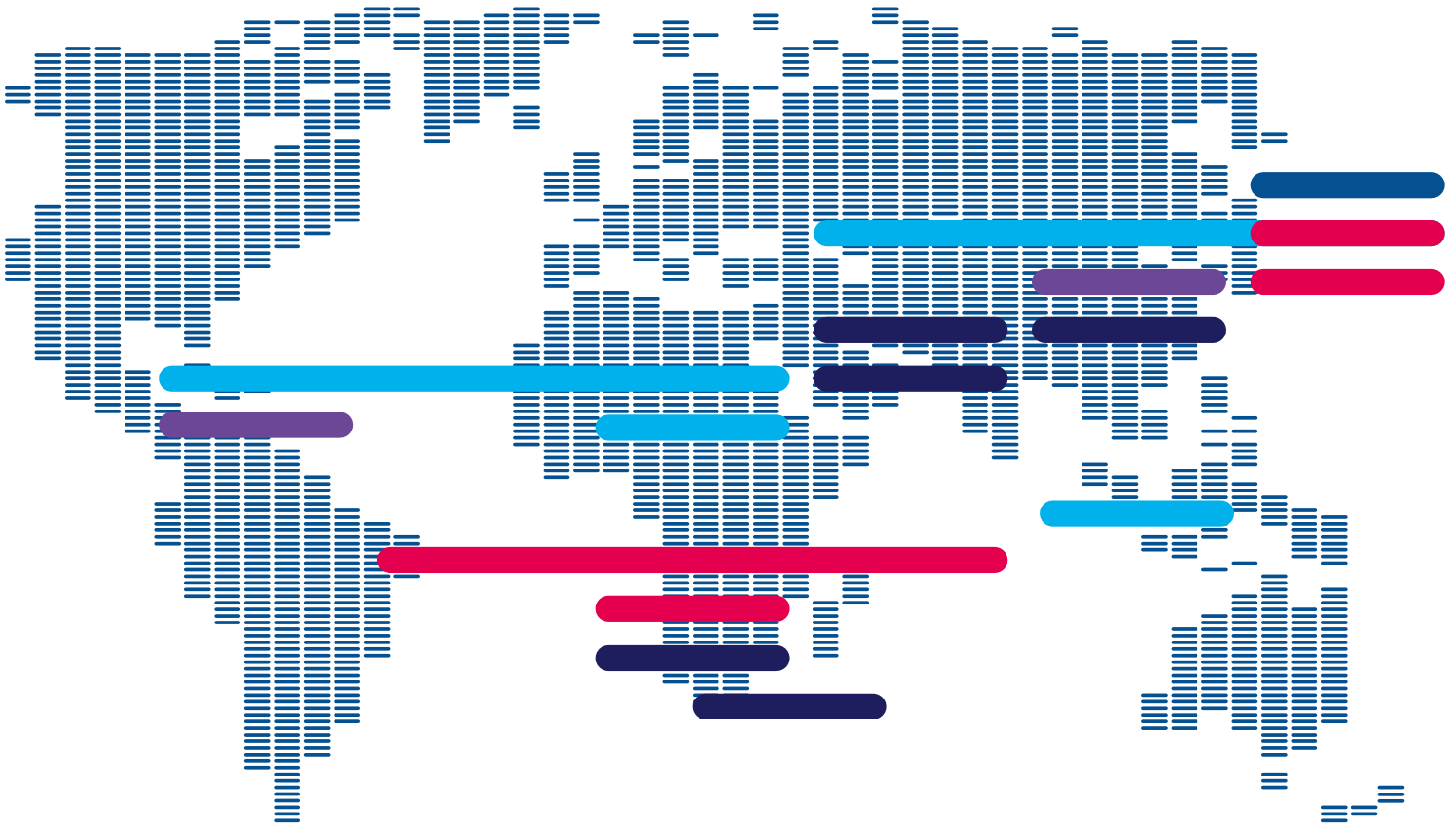
Understanding cultural differences

Due to differences in culture and in the development of management style, there are some variations in approach that most Western companies will need to consider when building up a local management team.

In contrast to a Western firm, in which employees might regard more responsibility as progress in their career, local employees are adverse to it because it gives them the feeling of being exposed to punishment. As a result, many of them are reluctant to show or take initiative.

In many local companies the hierarchy is reminiscent of a monarchy, where the General Director is regarded as – and often behaves like – a Tsar.

It can become a real problem for the recruiter to find not only an experienced employee but the “right person” for the client.



western hemisphere

- Task-orientated and objective-orientated leadership (management by objectives) – leadership skills
- Leader as coach (social and methodical competence)
- Clear task sharing – active information policy
- Cooperative and coaching oriented style of leadership

CIS & ukraine

- Relation-orientated and target-orientated leadership (management by personality)
- Leader as expert (professional competence)
- Diffuse task sharing – passive information policy
- Patriarchic and authoritarian style of leadership



Requirements in an international company

When the company looks for an accountant, the main requirement is, of course, experience. Preferably experience in a similar field of activity because there are a number of specific areas, such as construction or manufacturing, which have their own set of accounting characteristics.

Especially in an international company, the candidate needs to be able to transfer the information from the foreign subsidiary to their headquarters (HQ). Therefore, they need an

understanding of both systems: the one used on the local market and the one used abroad. In addition to relevant work experience, he or she also needs:

- To be fluent in a foreign language for the communication with HQ, customers and partners, possibly from other countries
- To understand and to be able to keep records on the national and international financial reporting standards (IFRS)
- To have experience in using and implementing different ERP systems, for example, SAP, 1C, Oracle, Microsoft Dynamics NAV

The chief accountant role and changes to accountant profiles

Russia

Often foreign companies' managements do not know about the big difference between Russian Accounting Standards and IFRS or US GAAP. Russian accounting legislation is more complicated and bookkeeping in Russia is still built on a huge document flow, which makes the process very time consuming. An accountant today needs to be well versed in the economy, labor and tax laws, decrees from company management, accounting pronouncements and other regulatory materials.

The new accounting law 402-FZ, which came into effect at the beginning of 2014, further increased the obligations of the chief accountant by imposing more standards on bookkeeping. At the same time, bookkeeping quality control was strengthened and penalties were increased. So a mistake by a chief accountant can result in serious consequences for a business. In addition to this, the law also allows primary accounting documents and registers to be drafted and signed digitally. Accordingly, Russian accounting procedures should change.

Therefore, in the near future, in addition to their traditional job requirements, accountants will also need project management skills in order to understand business processes, organize document handovers and implement B2B EDI processes that increase efficiency and are thereby crucial for being competitive.

SCHNEIDER GROUP's thorough understanding of the intricacies of both IT and accounting is essential to recruit the most qualified accountant for this changing environment.

Belarus

The role of the chief accountant in Belarus is very different from the role of the chief accountant in western countries, due to differences in the Belarusian accounting legislation. The majority of Belarusian accountants have a university degree nowadays, so they are not

only an expert in bookkeeping, but a well-educated specialist who is familiar with different business spheres.

The new accounting law 57-3, which came into force at the beginning of 2014, further increased requirements to the chief accountant: bookkeeping quality control was strengthened and penalties were increased. As a consequence, financial reporting in Belarus tends towards international standards and practices with which the accountant must also be familiar.

Kazakhstan

Under the law "About Accounting and Financial Reporting" of the Republic of Kazakhstan, a chief accountant is a "Head of Accounting Department". The same law requires that the public entity assigns a chief accountant who has been issued a certificate by the accredited organization.

It also defines public interest entities as financial institutions, joint stock companies, subsoil users and entities partially owned by the state.

The chief accountant acts in accordance with the law, related legislative norms and the code of the professional body where he / she is a member of.

The law stipulates that accounting in Kazakhstan is performed following IFRS and IFRS for SME (small and medium entities). It is worth noting that current tax and accounting legislation is heavily document-based and the chief accountant should be a person who can implement and control the documents flow.

Nowadays, the function of the chief accountant is multidimensional, and he / she should possess a certain level of knowledge to be qualified.

Below is a short list of skills the chief accountant should be able to demonstrate, as listed by market players:

- Certification, e.g. CAP, CIPA, CPA, ACCA, etc.
- Managing the accounting department with coaching skills
- Ability to process / analyse large data volumes – quantitative and qualitative

- Be up to date on changes in legislation
- Ability to work under the pressure
- Have a strong knowledge of, and experience applying the knowledge to, tax and HR matters
- Be an intermediary between those responsible for governance and external auditor

Poland

As a member of the EU, Poland has both internal and external regulations. In Polish law there are several acts that regulate key issues related to bookkeeping. The basic rules regarding the preparation of financial statements, maintaining books and accounts or publication of the financial statements are determined by the "Accounting Act of September 29, 1994".

As a result of adjusting the act to IAS / IFRS, standards are continuously altered and updated.

The fourth deregulation act, which came into effect at the beginning of 2015, changed the core requirements for becoming a chief accountant in Poland, abolishing the previously required Ministerial exam and certificate.

At the same time, bookkeeping quality control was strengthened, and a mistake by a chief accountant can now result in serious consequences for the business.

Ukraine

In the course of the recent two years, the Ukrainian accounting and tax procedures have been considerably simplified as part of the reforms to bring the country closer to the Western standards. Though this is not yet fully visible in the World Bank ranking (where Ukraine is still lagging behind its neighbors in the category "paying taxes"), any professional accountant in the country will confirm that such important changes as the optimized taxation rates, the quick development of electronic document flow

as well as the first signs of the results in reforming the State Fiscal Service make their job altogether easier.

At the same time, the "form over substance" principle still plays an important role in the Ukrainian accounting process, meaning that much time is needed for the proper preparation of documents required for demonstrating the tax deductibility of business transactions. As the example, similarly to all the former USSR countries (except for the Baltic states), in Ukraine separate documents are required for the payment and acknowledgment of related expenses – in some cases for same transactions one invoice in the West is replaced by up to four documents in Ukraine.

This indisputably makes the position of the Chief Accountant one of the most important within the organization. Moreover, together with the growth and complexity increase in business, the role of the Chief Accountant as the respective tax risks mitigation professional becomes more crucial. Therefore, it takes time for Western expatriates to get used to the practice where the opinion of Head of Accounting and Tax department is required for each new and complex business deal, making this person a true "right hand" of each front-office leader.

Consequently, there is a whole number of breakthrough legislative acts waiting to be passed through the Ukrainian Parliament with the aim to further reduce the differences between GAAP and UAP. It will still take a considerable amount of time for all of the acts to be implemented as well as for the market practices to accept the changes. In the interim, Chief Accountants will continue to play a key role in any business decision process within various types of Ukrainian organizations.

russia, ukraine & CIS

90 : 10

university college

germany

10 : 90

university dual education

In CIS countries as well as in Ukraine, 90% of all accountants have a university degree. In Germany, this is only 10%, and 90% went through a dual educational system.



our services

At SCHNEIDER GROUP we provide services in accounting, tax, legal, import and IT / ERP, all from under the same roof. Our clients receive the same unrivalled quality services in Russia, Kazakhstan, Belarus, Ukraine, Poland and Germany. To increase the efficiency and hence the profit of our clients, we implement and develop modern technology and constantly improve our processes and workflows.

We recruit specialists for positions in spheres in which we are leading experts ourselves. First-rate expertise and experience in the field of accounting, finance, legal and IT are of particular importance.

We are able to recruit a candidate with industry experience for you. Below are the positions we cover:

- Chief Accountant
- Accountant
- Financial Controller
- Finance Director
- Tax Expert
- Legal Specialists
- Sales Manager
- Business Development Manager
- Top Management
- Administrative personnel

The list is not exhaustive. Thanks to our extensive experience, we also fill more specific vacancies with success.

recruiting concept

In order to provide our clients with professionally qualified candidates we have developed a systematic method of staff recruitment.

It is a modular system from which specific individual tasks are carried out depending on each client's requests. Each module can be carried out separately or can be combined into a

package at a competitive price. When completing the tasks of each module, we involve experts from our different departments – from legal to the internal control department. Our entire range of expertise is at your disposal.

department analysis

diagnosis | optimization proposal | tailored service

job description

requirements | legislation rules | corporate culture | temporary job description

search and selection

own database of experts | professional software | image film, events | 3-step assessment

professional testing

professional competence test | case study | tailored to position and customer needs

labor agreement

legislative requirements | organization chart | safety regulations | confidentiality

training

hard skills | soft skills | technical skills | individual development plans

recruiting concept modular

Analysis and structure

Before searching for candidates it is necessary to analyse the activities of e.g. the accounting / finance department.

Our method includes four stages:

1. Analysis of the accounting department's activities
2. Develop suggestions to optimize task distribution within the department
3. Draft the description of the vacancy
4. Define the requirements for the candidate

These four stages produce a job description that accurately defines a post which efficiently satisfies the needs of the department both now and in the future. With the tailored job description in hand, we conduct focused and effective staff recruiting – the next step to your future optimized accounting department.

Accounting department	poor	average	excellent
Structure / organization		✓	
Working process	✓		
Distribution of duties	✓		
IT <i>software</i>			✓
<i>hardware</i>			✓
Control		✓	
Data safety			✓
Risk management		✓	

Example: Analysis of accounting department

Job description

This is an example of a common job description for chief accountants you may find on a recruiting website:



Responsibilities of a chief accountant are to be in charge of RAS Accounting Policy and to be responsible for all areas of RAS Accounting which includes the following tasks: accounts payable, accounts receivable, takes control of timely formation and issue of documents, of timely record of assets, liabilities and primary documents.

Tasks of a chief accountant include: accounting, reporting, import operations, control of receivables, payable state, foreign exchange payments, bank and cash parts of accounting. Work experience in sales ledger, purchase ledger, VAT accounting, accounting of materials, fixed assets, charging of depreciation, loans and credit accounting, accounting of exchange rate differences, tax reporting, payroll accounting, HR documentation, contact / coordination of local audits, profit calculation and creation, submission of all statutory, reports to government bodies, are significant.

Unfortunately, this job description is too generic. In order to find a good chief accountant for an individual company, SCHNEIDER GROUP can analyse the organization and the specific department of our client.

The aim of the evaluation is to determine the exact tasks that would be the most important, the level of qualification required and, in particular, the experience in specific industries and businesses a candidate should have in order to find an ideal match for the company's

requirements. The result of the evaluation is a personalised job description, which is the key to rapidly finding a perfect candidate and thereby saving time throughout the search process.

SCHNEIDER GROUP has the experience and knowledge that is necessary to create the ideal job description for your vacancy.

3–stage assessment

We have developed a special procedure for the selection of candidates, and further refined it based on our experience. Our experts find the most suitable candidate for our clients within the shortest possible period of time. At the same time, this allows us to adapt the search to the individual needs of our customers at any time.

1. Verbal interview with a recruiting expert
2. Professional competence test developed by our experts and tailored to each individual customer's needs, followed by a second interview with an in-house accounting or senior finance expert
3. Final approval interview with one of our Directors / Partners of SCHNEIDER GROUP

Our customers receive an objective and comprehensive assessment of the competences of each candidate, his / her theoretical knowledge and practical skills, as well as a detailed assessment of his / her personal characteristics.

Competence Test for Chief Accountant Test by Area of Accounting	Knowledge Evaluation
1 Accounting and tax legislation	75 %
2 Fixed assets and intangibles accounting	60 %
3 Inventories accounting	65 %
4 Finished products and goods accounting	55 %
...	...
...	...
9 Accounting of expenses and revenue from primary activities	90 %
10 Accounting of non-operating revenue and expenses	95 %
11 VAT accounting	66 %
12 Profit tax accounting	70 %
Overall assessment for Chief Accountant position	72 %

Labor agreement preparation

After the successful conclusion of an employee search it is especially important to observe the bureaucratic legislative requirements for labour relations registration, many of which date back to the Soviet era.

Along with the correctly prepared employment agreement it is necessary to prepare numerous other documents (the order on employment, the labor book, an organizational chart, safety regulations, etc.) in order to prevent yourself from the risk of claims and penalties which may arise from labour inspection.

Subsequently, it is essential to prepare a summary of additional working conditions from a legal point of view (participation in trainings, payment of bonuses, using a company car, the internet, confidentiality observance etc.) in order to provide for their practical performance and, in case of a conflict, the possibility of judicial appeal.

The process of contract administration involves several formalistic procedures and will set the stage for the next contract negotiation experience. The future employer should be aware of this fact when recruiting a new employee.

Trainings

Increasingly, companies appreciate trainings as an effective tool for the professional and personal development of their employees. Thus, an individual approach to each employee's development is important. Conducting trainings for the finance department is a long-term contribution of the company to the professional development of their personnel.

In particular, the employees of the finance department need to be aware of the constantly changing regulations affecting their daily work. This demands their continuous development and adaptation of their professional knowledge and skills.

We can offer special trainings to the employees of your finance department. From our own experience, we know the problems accountants face and what is needed to solve them.



starsacademy

As we are one of the market leaders in the sphere of business set up, accounting outsourcing and consulting in Russia, Kazakhstan, Belarus, Ukraine and Poland with a team of experts who have knowledge and experience to share, we stand for high quality, tailor-made solutions, fast response and effective communication.

starsacademy is our corporate training institute that provides a wide range of trainings and seminars with focus on hard and technical skills, including conferences for departments and business lines and trainings for newcomers.

With **starsacademy** we support and further develop our clients' professional hard skills.

What does **stars** stand for?

S Standards We respect and follow the high standards of quality, efficiency and security which help us to provide the best support to our clients.

t Timing Time is one of the most valuable assets for any specialist and any business. We use it very carefully, constantly working on effective time management.

a Accuracy This is one of the main characteristics of our professional team. Accuracy ensures quality which leads to a successful business.

r Responsibility We act responsibly in all spheres of our activity: in consulting our clients and business partners, in keeping their commercial data well secured and also in our social spheres.

S In total, this concept leads to success!

starsacademy offers

- Fully equipped training rooms
- Hot training topics with practical application
- Workshops in three languages: Russian, English, German
- Increased efficiency after the first training
- Career and personal growth
- Comprehensive administration and IT-Support for the training session

We provide trainings in different formats

- English and German language classes with preliminary testing of current level
- Customized trainings for your accounting team on the relevant topics (possible at your location as well)
- Individual workshops on the most relevant topics (please see the list above)

Topics for individual workshops

Import handling

Import regulation
 Product certification
 Logistic chain and warehousing
 Export documents & electronic customs clearance

Accounting

Introduction into local accounting
 Year-end closing, quarter-end closing procedures
 Differences between IFRS and local accounting standards
 Differences between tax and statutory accounting
 Overview of primary accounting documents
 P&L planning
 Analysis of finance department regarding efficiency, restructuring and development
 Electronic document exchange (EDI)

Internal control

Efficient check of the local statutory and tax accounting and reporting
 How to establish efficient internal control processes
 What to consider when setting up the document flow

Legal

Intercompany agreements
 General Director change procedures
 Registration of legal entities and representative offices
 Comparison: subsidiary, representative office, branch
 Charter change
 Obtaining a work permit in CIS / Ukraine
 Residence issues

Taxation

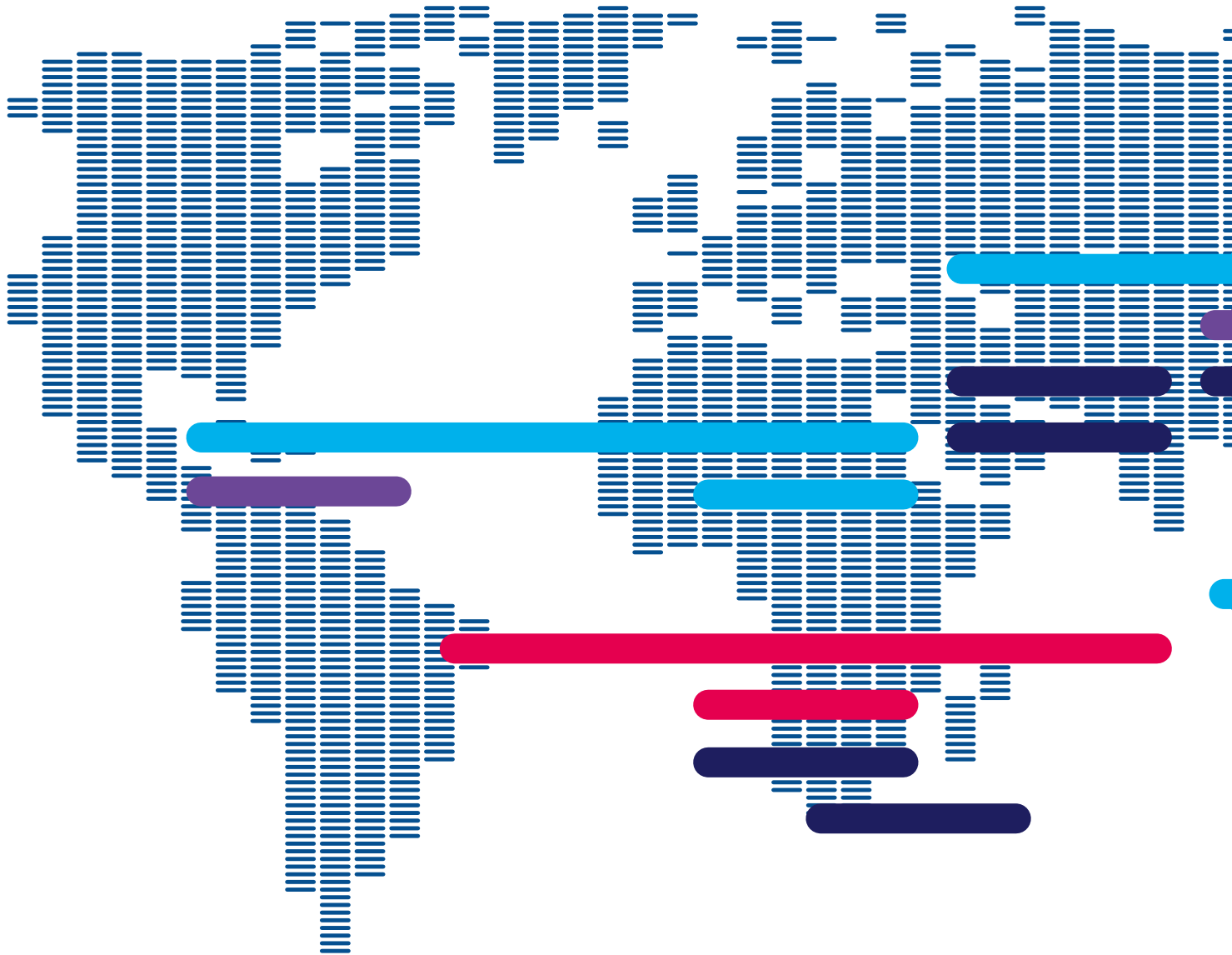
Transfer pricing
 Taxation of foreigners in CIS / Ukraine & Poland
 Progressive tax approaches
 Emergence of permanent establishments
 Introduction into the application of different VAT rates

IT / ERP

Accounting programs in CIS / Ukraine & Poland
 Interface for IFRS in 1C
 Technical solutions for IFRS transformation

HR

Recruiting in CIS / Ukraine & Poland – How to identify the right candidate?
 Introduction to HR documentation
 Payroll & salary
 Outstaffing
 Dismissal procedures
 Employee loyalty

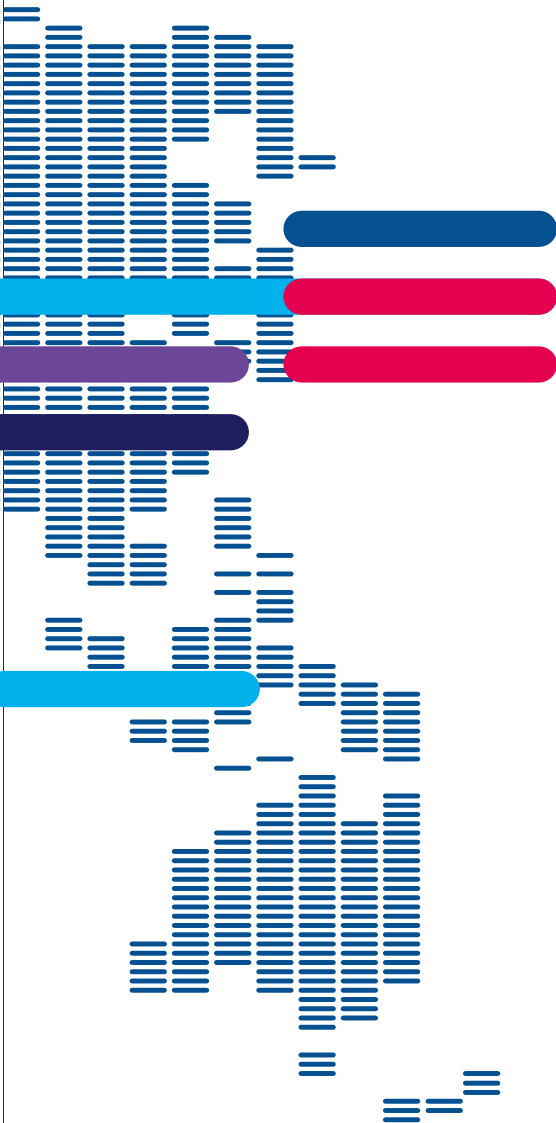


www.schneider-group.com

This brochure is a summary and partly schematic overview of the rules and requirements provided by the legislation in Russia, Kazakhstan, Belarus, Ukraine and Poland. 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.

© SCHNEIDER GROUP

our offices



Aktau

Business Centre Grand Nur Plaza, Office 46
Microdistrict 29 A
130000 Aktau, Kazakhstan
T +7 / 7292 / 201 151
aktau@schneider-group.com

Almaty

Tole Bi Straße 101, Block 9 B
050012 Almaty, Kazakhstan
T +7 / 727 / 355 44 48
almaty@schneider-group.com

Astana

Business Center St. Petersburg
Dostyk Pr. 20, 14. Etage, Büro 1407
010000 Astana, Kazakhstan
T +7 / 7172 / 249 319
astana@schneider-group.com

Berlin

Ritterstraße 2 B
10969 Berlin, Germany
T +49 / 30 / 847 19 921
berlin@schneider-group.com

Kyiv

Horizon Office Towers
vul. Shovkovychna 42-44
01004 Kyiv, Ukraine
T +380 / 44 / 490 55 28
kyiv@schneider-group.com

Moscow

ul. Bakhrushina 32/1
115054 Moscow, Russia
T +7 / 495 / 956 55 57
moscow@schneider-group.com

Minsk

ul. Surganova 29
220012 Minsk, Belarus
T +375 / 17 / 290 25 57
minsk@schneider-group.com

Warsaw

ORCO Tower, Office 17.02.
Al. Jerozolimskie 81
02-001 Warsaw, Poland
T +48 / 22 / 695 03 10
warsaw@schneider-group.com

St. Petersburg

Business Center Petrovskiy Fort
8th floor, Finlyandskiy pr. 4 A
194044 St. Petersburg, Russia
T +7 / 812 / 458 58 00
spb@schneider-group.com

expert recruiting



www.schneider-group.com