



COUNTRY GUIDE
EA INTERNATIONAL - MOSCOW

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THE LEGAL MARKET

Although the financial crisis damaged the Russian economy and set back a previously booming bank lending market, 2010 saw significant recovery. The Russian stock market grew steadily in late 2010, as a result of rising oil prices and the decline in the US dollar. The relative economic recovery, as well as the recent upsurge in potential IPOs and the easing of financing conditions has restored confidence in the market. The energy and resources, banking, real estate, TMT and other industry-driven sectors are showing increased levels of activity, and as such, the prognosis for 2011 is good. Firms are once again hiring laterally with a significant focus on the Australasian markets as a source of legal talent.

M&A, energy and resources, projects, real estate, banking and finance and capital markets are the primary areas of practice for the leading UK and US law firms with established offices in Moscow. There are a number of pre-eminent UK and US firms that have gained a significant edge on their competitors. The market is very competitive, and while lateral hires of teams and individuals are part of the landscape, the market offers foreign lawyers plenty of options. The leading international firms have ambitious growth plans for the short, medium and long-term despite the recent economic downturn, and there continues to be a wealth of choice for foreign lawyers looking to take their career to Russia.

Over the last decade, there has been a high flow of heavy-hitting London and New York partners to Moscow to build and maintain practices, and together with the local and international client base of these firms, the quality of work is first class. Many US and UK firms have hired extensively from the Australian and New Zealand market so the firms are very receptive to lawyers from top Australian and New Zealand firms, particularly those with a strong background in one of the transactional areas outlined above. Whilst Russian language skills are a distinct advantage they are not a pre-requisite. Additionally, most of the transactional practices that an Australian or New Zealand lawyer would move into are English law focused.

SALARIES AND TAXES

Australian and New Zealand lawyers will receive an attractive expat package which includes the equivalent of a London salary (usually paid in Euros or US dollars) together with a monthly housing allowance of between US \$4,000-5,000. Firms also uplift the basic salaries and incorporate a hardship allowance with a typical uplift of 20% on the average London salary. All in all from a base salary point of view Moscow remains one of the highest paying jurisdictions for lawyers.

Personal income tax in Russia is currently at a flat rate of 13% for residents. Residents are defined as anyone who lives in Russia for at least 183 days in any financial year. The tax rate for non-residents and people outside of this category is 30%.

COST OF LIVING

As a city the relative cost of living in Moscow is comparable to London. The most notable expense will be rent, which is relatively high. However it is important to note that housing allowances paid by firms have also moved up at the same rate to ensure there is no disadvantage. Hotels, restaurants, bars and night clubs that are targeted to cashed-up expats, local millionaires and foreign tourists will also set you back.

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For the basics, like food and alcohol, some venues in Moscow have been known for excessive prices. However, as with all cities, familiarity and utilising the local alternatives will see the basic prices significantly lowered. Using local knowledge will save you money, ensure better quality products and will contribute towards a more genuine Russian experience.

Examples of current costs in Moscow:

Two bedroom apartment in central Moscow: US \$4000 plus/month

Two bedroom apartment in city outskirts: US \$2500 plus/month

Loaf of Slice White Bread: US 65 cents

Litre of Milk: US \$1.50

0.5l Local Beer: US \$3.00

Metro Pass: US 90 cents

Cinema Ticket: US \$10.00

Bottle of Vodka: US \$3.00

Meal for 2 in a standard restaurant: US \$80.00

Meal for 2 at higher end restaurant: US \$150.00

VISAS AND WORK PERMITS

Australian and New Zealand lawyers looking to relocate to Moscow will require sponsorship by their employer. The employer will obtain a work permit on their employees' behalf which is a relatively easy process to do. Whilst it is possible to gain entry to Russia with an independent visa permitting an individual to seek employment, it is a far more arduous option. The immigration bureaucracy in Russian is notoriously difficult to navigate and liaise with, particularly if you cannot speak fluent Russian. As a result, applying for a visa individually can take several months, and as such it is not advised.

Candidates will be required to provide a number of official documents to the sponsoring firm, which will then be forwarded to the authorities in support of their application. These include: birth and marriage certificates, qualification certificates, passports etc. These documents must be translated into Russian and notarised by a licensed notary and contain a recognised international notary seal.

LIFESTYLE AND CULTURE

Moscow is one of the most dynamic and interesting places in Europe with a genuine mix of new and old. It is steeped in culture and offers an endless array of arts and cultural pursuits. Moscow caters to every possible interest with the best of opera, ballet, theatre, museums, cinemas, nightclubs, restaurants and bars from the basic to the most luxurious and

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exclusive. The rich culture and orthodox holidays and customs further enhance the expat experience, as do the wealth of tourist attractions and neighbouring cities such as St Petersburg.

The city has also become a centre for European sports, particularly football, ice hockey and basketball. The active and sports-orientated person will have plenty to choose from as a spectator and the city also offers a very well-organised array of sporting competitions at the amateur participant level. Competitions like this are an excellent way for expats to mix with locals.

Few European cities can match Moscow for the diversity and choice on offer for the expat lawyer. Much of the city is still made up of older buildings with a good mix of modern developments yet the streets and infrastructure still maintain a communist era feel typical of many Eastern European cities. This mix of old and new makes Moscow a genuinely interesting place to live and work.

FURTHER INFORMATION AND USEFUL LINKS

www.expats.ru

www.themoscowtimes.com

www.lonelyplanet.com

www.moscow-guide.ru

For more information on living and working in Moscow contact one of our international experts on +61 2 9266 2900 or Email at ea@ea-int.com or visit our website: www.ea-int.com.