



## Commercial Offer

We appreciate your interest in our company.

CREDENCE Recruitment&Outstaffing is one of the leaders in the human resources services market. Founded in 2004, our company particularly specializes in human resources management outsourcing services.

CREDENCE has wide practical experience in servicing Russian and foreign large and small companies in various areas of business.

Owing to the expertise and experience of our staff we have been able to maintain high quality standards in our services as of the inception.

Services we offer:

- Outstaffing
- Recruitment
- Staff records management outsourcing
- Staff records audit
- Staff records recovery and elaboration
- Payroll outsourcing
- Human resources consulting.

## Outstaffing

**Outstaffing** – is when client's employees are transferred to the staff of the outstaffing services provider. While being on the outstaffing services provider's staff such employees actually work for their initial employer, i.e. the outstaffing services recipient. The services provider outsources such employees to the client under a services contract for a fee.

Upon signing an **outstaffing** services contract the client's employees are enrolled on the Credence's staff under a term or indefinite term employment contract. Foreigners are enrolled on the staff subject to a work permit.

### **The benefits of an outstaffing services contract for the client:**

- the employment contract is entered into between the designated employee and the outstaffing services provider whereby the legal liability and the duties to the employee arise with the services provider and not with the client;
- the services provider computes and pays the employee's payroll taxes to the budget and is responsible for the timely and full payment thereof;
- outstaffing allows to reduce staff management and HR department costs;
- the fees paid to the services provider may be allocated to costs whereby reducing the client's tax base;
- a possibility to hire temporary staff without formalization of employment relations (which is done by the services provider);
- outstaffing allows to minimize administrative risks (e.g. in case of recruitment of an unfit specialist) during a trial period;
- outstaffing allows the client to concentrate on its business by transferring some of its non-key staff to the outstaffing services provider.

The set of services includes:

- formalization by the services provider of employment relations with the designated personnel for the term agreed with the client;
- maintenance of the full scope of staff records in respect of such personnel;
- computation and payment of the salaries and advances preliminarily transferred by the client;
- obtaining of obligatory medical insurance policies;
- obtaining of the state pension insurance certificates;
- obtaining of sick leave certificates;
- formalization of vacations;
- issue of standard form certificates to employees on demand;
- formalization of employment contract termination (if employment termination is due to staff redundancy compensations and other payments to the employees to be for the client's account);
- provision of a monthly staff turnover and payments report to the client;
- visits to the client by Credence courier to exchange documents (twice a month).

The client is that who actually gives work to the outstaffed personnel, i.e.:

- allocates the scope of work;
- allocates working space, provides equipment, materials, protective clothing, etc.;
- on a monthly basis transfers funds to the Credence's account equaling the outstaffed personnel payroll, payroll taxes and Credence's fees for the outstaffing services.

Supplementary services offered within the scope of the outstaffing services:

- obtaining of voluntary medical insurance policies;
- procurement of subscription for corporate mobile services.

The **staffing services** fee rate is from **RUR 2'340** to **RUR 1'080** per month per individual (net of VAT), depending on the number of employees being outstaffed.

Number of employees	Services fee per 1 individual per month, RUR	
	Net of VAT	VAT inclusive
1 – 20	2'340	2'761
21 – 50	2'160	2'549
51 – 100	1'980	2'336
101 – 150	1'800	2'124
151 – 200	1'620	1'912
201 - 250	1'440	1'699
251 – 299	1'260	1'487
300 and over	1'080	1'274

Fees for the supplementary services:

Services	Fees, RUR (net of VAT)
Obtaining of voluntary medical insurance policies	10% of the policy value
Procurement of subscription for corporate mobile services	10% of the monthly payment

A bank commission in the amount of 0.4% of the transferred amount is charged on the transfer of the employees' payroll and advances to their plastic card accounts.

Credence offers the option of outstaffing to either an ordinary taxation system (OTS) company or a simplified taxation system (STS) company.

The overall amount to be transferred by the client to the services provider per 1 employee each month is calculated as follows:

### **Russian nationals**

<b>OTS</b>	(salary gross + 34,2% + services fee) + 18% VAT
<b>STS</b>	salary gross + 34,2% + services fee

### **Foreigners**

<b>OTS</b>	(salary gross + 0,2% + services fee) + 18% VAT
<b>STS</b>	salary gross + 0,2% + services fee

## **Recruitment**

CREDENCE Recruitment&Outstaffing searches and recruits skilled personnel in various spheres of business.

The average candidate search time before the interview with the client – 1 – 3 weeks for ordinary staff positions and 3 – 8 weeks for senior management staff.

The services fee\* for recruitment is **10%** of the candidate's annual income.

\* The services fee is stated net of the 18% VAT.

### Credence warranties:

In respect of senior managers Credence gives a 180-day free one-time warranty effective from the date of the actual commencement of work by the candidate and a 90-day warranty in respect of ordinary staff. Throughout the warranty period the services provider gets feedback and assists the new employee with adapting to the new job.

To those clients who cooperate with us in other related fields (staff records maintenance, outstaffing, payroll outstaffing, etc.) we offer discounts in recruitment services.

## **Staff records management**

**Staff records audit** – evaluation of the manner in which staff records are being issued and maintained in terms of compliance with of Russian labor legislation requirements.

In practice that means that CREDENCE's HR inspector will be working in the client's office with the client's staff records. Upon completion of the audit a written audit report will be drawn up with recommendations as to how to eliminate the irregularities, if any. The report is prepared in the Credence offices and delivered to the client.

A standard set of documents to be audited during a staff records audit includes:

1. employment contracts and supplements thereto (in case of any changes in the essential terms);
2. orders related to the staff (employment, transfer, discharge);
3. employee data card, Form T-2;
4. orders related to the core activity, related to the HR department activity;
5. staffing pattern and any amendments thereto;
6. vacations pattern and orders granting vacations;
7. labor book and labor book insert entries;
8. labor book and labor book inserts turnover register;
9. time sheets;
10. internal labor regulations;
11. regulations on employee personal data protection;
12. extended custody orders registration ledger;
13. financial responsibility agreements;
14. orders assigning employees for business trips;
15. business trip certificates.

The staff records audit services fee amounts to **RUR 400** net of VAT/ **RUR 472** VAT inclusive per 1 employee, but in no case less than **RUR 10'000** net of VAT/ **RUR 11'800** VAT inclusive.

Audit average duration:

- work in the client's offices – 1 - 5 working days;
- audit report preparation – up to 5 working days.

On request of the client, upon the completion of a staff records audit we provide the service of **elaboration and recovery of mandatory staff records**. The elaboration and recovery of records implies the preparation of any documents to be maintained by the HR department that are missing consistent with the client's business specifics and objectives and the requirements of the applicable labor legislation and based on the preliminary assessment of the condition of the HR document flow.

The particular list of documents to be elaborated and recovered is made upon the audit. The duration of the work depends on the number and nature of the documents.

The fee for the standard form mandatory staff records elaboration services is **RUR 2'000** net of VAT/ **RUR 2'360** VAT inclusive per 1 standard document, and **RUR 3'000** net of VAT/ **RUR 3'540** VAT inclusive – per 1 regulatory document (employment contract, internal labor regulations, etc.).

The fee for the preparation of staff records is computed based on the total number of the documents recovered:

Number of documents	Fee, RUR	
	Net of VAT	VAT inclusive
Up to 50	15'000	17'700
51 – 100	20'000	23'600
101 – 150	25'000	29'500

Apart from records audit, elaboration and recovery Credence provides the service of full-scope **staff records management**.

Staff records management – the preparation and maintenance of the necessary staff records for the client.

**Staff records maintenance includes:**

- issue of the full scope of staff records as required by the applicable legislation; performance of the HR inspector functions by Credence specialists;
- staff records management related consulting.

The list of functions performed by the outstaffing service provider in the staff records management:

- formalization of acceptance for employment;
- formalization of employee discharge;
- drafting of amendments to employment contracts;
- keeping of the record of employees' vacations;
- formalization of employees' bonus payments;
- drafting and maintenance of the staff pattern;
- labor book maintenance;
- timesheets management;
- issue of employment confirmations;
- obtaining of mandatory medical insurance policies;
- participation in inspections related to staff records.

The staff records management services fee is **RUR 400** net of VAT/ **RUR 472** VAT inclusive per 1 employee per month, but in no case less than **RUR 10'000** net of VAT/ **RUR 11'800** VAT inclusive.

## **Payroll outsourcing**

CREDENCE specialists will promptly and properly compute the payroll for your company.

Payroll outsourcing includes:

- monthly, quarterly and annual reporting concerning payroll computation;
- payroll preparation, computation of taxes payable to funds;
- participation in inspections conducted in respect of the client's book-keeping;
- sick leave certificates, maternity leave certificates and the relevant allowances accounting;
- payments at employee retirement;
- vacation pays and compensations;
- formalization of employee pension;
- issue of NDFL – 2 certificates;
- consulting by CREDENCE specialists.

The payroll outsourcing services fee:

**RUR 400** net of VAT/ **RUR 472** VAT inclusive for salary accounting per 1 employee per month;

**RUR 450** net of VAT/ **RUR 531** VAT inclusive per 1 employee per month – inclusive of filing of the quarterly and annual reporting with the relevant funds and institutions, but in no case less than **RUR 10'000** net of VAT/ **RUR 11'800** VAT inclusive.

Yours sincerely

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