

THE AEB MONTHLY



Dear Reader,

Welcome to the October edition
of the AEB Newsletter!

Despite the difficult political situation, which remains unresolved, the AEB is still, as always, trying to help European businesses in Russia stay as little affected by it as possible.

The past month has been busy. We organised several important events, with numerous guests participating, like briefings by Igor Artemiev, Head of the Federal Antimonopoly Service, and H.E. Vygaudas Ušackas, Ambassador of the EU to Russia.

Also the AEB held an “open door” event to let new potential companies members learn more about the specifics of collaboration and opportunities when becoming a member of the Association.

As usual, this Newsletter will provide you with information about the recent achievements of, and important forthcoming events organised by the AEB. There is also news about our latest lobbying initiatives, and updates on Committee activities.

On that optimistic note I wish you pleasant reading!

Frank Schauff, CEO
Association of European Businesses

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AEB Lobbying Activities In August - September 2014

Parallel imports (PI)

The question of PI was raised at the briefing with I. Artemiev who confirmed its position about its possible introduction (change of the regional principle of rights exhaustion to the international one) starting from 2018 - 2020 with exceptions for rights holders who localised their production in Russia. Possibly, exceptions will be also made for some investments' agreements if they have "a substantial nature" (time framework, etc.). These "criteria of substantial nature" should be elaborated together with business. The AEB Working Group on PI also continues its cooperation with the Eurasian Economic Commission which has formed a working group on PI and will study the European experience. We also continue monitoring suggested amendments to art.1487 which are now publicly debated in the framework of regulatory impact assessment.

Personal data protection

The AEB has formulated its position on personal data protection risks following adoption of amendments to the Law on the order of personal data treatment within its working group on data protection under the IT and Telecom Committee. The main concern of the AEB members was that the law provides for a new requirement for operators to treat personal data in the information data centres situated on the territory of the Russian Federation. AEB believes that this Law will lead to large additional costs of the companies as well as some legal and technical problems while its implementation. The position of the AEB was sent to the Administration of the President, the Ministry of Communication, the State Duma and other relevant state bodies. At the same time the AEB monitors a new draft law on a change in date of the entry into force of the Law from September 1, 2016 to January 1, 2015 which until now was adopted at its 1st and 2nd readings and is considering to take further actions in this respect.

Waste management

The AEB Working Group has sent comments on a new working version of the draft law on waste management drafted by the Ministry of Construction and Housing Services and Utilities to the Government and other state bodies. The text contains provisions that give large competences to a regional operator which can be an obstacle for implementation of producer's responsibility since it constitutes a monopoly. Therefore, the AEB has started cooperation with the Federal Antimonopoly Service on the issue in order to strengthen its position.

Dual citizenship

The AEB Migration Committee started cooperation with the Federal Migration Service (FMS) regarding the new Federal Law No. 142-FZ On Amendment of Articles 6 and 30 of the Federal Law On Russian Federation Citizenship and Individual Regulations of the Russian Federation which came into force starting from August 4, 2014. FMS states that determination of the fact of "permanently living abroad" is not in the competence of FMS of Russia but the foreign competent state bodies. Moreover, those Russian citizens who permanently live abroad but have a registration in Russia have to notify migration services (personally or via Russian postal services) after moving to the territory of Russia.

Consumer Protection Legislation

The AEB Working Group on Consumer Protection Legislation is now in the process of drafting its proposals in a form of questions to Rospotrebnadzor that can issue Explanatory Letter with its position which can be used in courts by companies. The AEB also continues its dialogue with the State Duma and FAS in this respect.

Sales tax initiative

The AEB Working Group under the auspices of Retail Trade Committee formulated its position regarding risks in case of sales tax introduction in Russia and sent it to D.A. Medvedev, Prime Minister. For the moment the Government took a decision of not introducing this sales tax.

Other issues included:

- Disposal fee
- Organisation of paid parking places in Moscow
- Takhographs
- Lobbying regulation
- Rules of issuance of passports of self-propelled harvesters
- Implementation of ERA Glonass
- Public procurement questions
- Customs issues (TIR carnet use, authorized economic operator, amendments to the Code of Administrative Offences on responsibility in the field of customs regulation)
- Pre-trip medical check-ups, and others.

For more details please contact [Maya Limonnikova](#), AEB Legal Advisor, or coordinators of the respective AEB Committees and Working Groups

AEB Events in October 2014

Upcoming Events

Date	Title	Time	Venue
7 October 2014	AEB Open Event: "World Bank Economic Report #32"	09:30 - 12:00	British Ambassador's Residence, Sofiyskaya naberezhnaya, 14
9 October 2014	AEB Open Event: "Talks on Russian Economy"	11:00 - 13:00	AEB Conference Centre
14 October 2014	AEB Open Event: "Briefing by Sergey Lavrov"	11:15 – 12:30	Hotel Radisson Royal Ukraina
15 October 2014	AEB Open Event: "Briefing by Bikas Joshi, Senior Resident Representative of the International Monetary Fund in the Russian Federation"	09:30 - 11:00	AEB Conference Centre
16 October 2014	AEB Real Estate Open Event	09:00 – 12:00	AEB Conference Centre
21 October 2014	Business meeting: "Stress-test of corporate reputation: a business game"	11:00 – 15:00	AEB Conference Centre
23 October 2014	AEB Open Event: "Challenges to Existing Business Models: IT Legislation Changes"	09:30 - 12:00	AEB Conference Centre
28 October 2014	AEB Machine-Building Manufacturers' Committee Open Event: "Engineering in Industrial Sector as a Key Factor of Development"	09:30 -12:00	AEB Conference Centre
29 October 2014	AEB Open Event organised by the Taxation Committee	09:00 – 14:00	Hotel Ararat Park Hyatt

New AEB Board Member

The Association of European Businesses is pleased to announce that **David Gray**, Managing Partner , PwC in Russia, has joined the AEB Board in September, 2014 and replaced **John Jörn Stech**, President, Volvo Cars Russia LLC, as Mr. Stech has resigned from the AEB Board due to his new corporative reassignment outside of Russia.



David Gray, Managing Partner , PwC in Russia

AEB holds its first Executive Evening

On 8 September 2014, the AEB held its first Executive Evening in the Moscow theatre Novaya Opera. The event gathered heads of AEB member companies as well as Ambassadors of EU Member States in the elegant surroundings of the Theatre for an evening of culture and networking. The guests enjoyed a breathtaking performance by prominent soloists of Novaya Opera and had the opportunity to walk around the theatre's building and attend the rehearsal of one of the forthcoming concerts. The AEB would like to express its gratitude to **Dmitry Sibirtsev**, Director of Novaya Opera, for its hospitality and its great support in organizing such a successful event.



Guests of the event

AEB organizes a visit of the Eurasian Economic Commission

On 10 - 12 September 2014, the AEB organized a **visit** of the Eurasian Economic Commission delegation (EEC), headed by **Vladimir Goshin**, Member of Board (Minister) for customs cooperation of the Eurasian Economic Commission, and the AEB business delegation, which was led by **Frank Schauff**, AEB CEO, to Germany in order to share the best practices in customs regulations between European Union, in particular, Germany, and Eurasian Economic Union.

Within the visit, AEB and EEC delegations met with **Peter Bille**, Deputy Director General, Federal Ministry of Finance of the Federal Republic of Germany and others German Customs; also met with **Evgeny Shmagin**, General Counsel of the Russian Federation in Bonn, Germany; visited the UPS' European hub at Cologne-Bonn Airport (express shipments) and IKEA Dortmund distribution Centre (authorized economic operator). Moreover, AEB and EEC delegations met with German business representatives at the German-Russian business club, the Chamber of Trade and Industry (IHK) of Dusseldorf to share with the recent trends of Eurasian integration process and exchange views and expectations of the European companies on the Eurasian Economic Union.



L-R: **Vladimir Goshin**, Member of Board (Minister) for Customs Cooperation of the Eurasian Economic Commission; **Frank Schauff**, AEB CEO; **Hans-Peter Teufers**, Public Affairs & Customs Director, UPS Europe.

Open Doors event

On 17 September 2014, the Association of European Businesses opened its doors to potential members. Companies had a good opportunity to get detailed information about the AEB membership benefits from the presentations given by **Frank Schauff**, AEB CEO, and **Ruslan Kokarev**, AEB COO. Moreover for visitors there was created a good environment to have a speed dating with the AEB employees representing the following tables:

- AEB Loyalty Programme and CRM system
Vera Prokopenko, AEB Customer Care Manager
- Membership and Sponsorship Benefits
Lyudmila Sahakyan, AEB Membership Development Manager
- Membership Benefits and Committees work
Natalia Trembovetskaya, AEB Head of Membership and Sales
- Publications and Communications
Mikhail Konishchev, AEB Publications Manager
Svetlana Kuskova, Communications Manager/Press Secretary
- Lobbying and Legal Questions
Maya Limonnikova, AEB Legal Adviser
- Regional Development
Olga Pavlyuk, AEB Director for Regional Development
Alla Hovhannissyan, Coordinator of North-Western Regional Committee



Frank Schauff, AEB CEO, welcomes guests of the event

“Launching the Business Season”

On 22 September 2014, The Association of European Businesses organized **Cocktail “Launching the Business Season”** in **InterContinental Moscow**.

This cocktail was the first networking event after the summer break and opened the new business season with numerous representatives of Russian official bodies (Ministries, Agencies, Federal Migration and Customs Services, etc.) as well as European officials – Delegation of the European Union and European Embassies participating.

The AEB expresses its deepest gratitude for supporting the event to:

Silver Sponsor:



Philippe Pegorier, Chairman of the AEB Board; Country President, Alstom (Russia, Ukraine, Belarus), gives address at the event

Briefing by H.E. Mr. Vygaudas Ušackas

On 22 September 2014, at a meeting Ambassador **Vygaudas Ušackas**, the Head of EU Delegation to the Russian Federation, briefed members of the Association of European Businesses on the current state of play of EU–Russia relations, in particular in the light of the unfolding Ukrainian crisis. Participants of the meeting expressed the desire for a comprehensive political solution in Ukraine, as well as normalization of relations between the EU and Russia.



Ambassador **Vygaudas Ušackas**, the Head of EU Delegation to the Russian Federation

Briefing by Igor Artemiev

On 23 September 2014, the AEB organized a briefing with **Igor Artemiev**, Head of the RF Federal Antimonopoly Service (FAS). Mr. Artemiev's speech was devoted to the topic: **"Federal Antimonopoly Service: current practice and further developments of anti-trust legislation. Continuing the dialogue"**.

For more information please see the AEB press-releases in [RUSSIAN](#) and [ENGLISH](#).



L-R: **Alexander Kozhukhov**, AEB Legal Committee Chairman; **Sergey Krokhalev**, Legal Committee Deputy Chairman; **Frank Schauff**, AEB CEO; **Igor Artemiev**, Head of the FAS; **Maxim Ovchinnikov**, Head of the Department of control over industry and military complex of the FAS.

Automobile Manufacturers Committee

From 27 August 2014 through 7 September 2014 members of the Automobile Manufacturers Committee took part in the AEB supported event - **Moscow International Automobile Salon 2014**. The event held under the aegis of the Organisation Internationale des Constructeurs d'Automobiles (OICA).

Moscow International Automobile Salon (MIAS) took place for the fifth time in the style of a truly international motor show in Russia. The scale of the motor show is rapidly growing in terms of exhibition space, number of participants and visitors.

More than 1 000 000 visitors had a chance to enjoy the biggest automotive event of the year. Nearly all leading foreign and national automobile brands and car makers were presented at MIAS in 2014. New models and incredible concept cars were traditionally of special interest at general public and experts.

The program of the Salon was significantly expanded as compared to MIAS 2012. In addition to individual brands' programs, conferences on the road safety and other electric cars took place. One of the novelties of the event was an Education Day at which automobile manufacturers could present their intern and education programs. More than 100 students of leading Universities got answers to the questions related to their future.

MIAS 2014 became a memorable event and it will for sure make a positive contribution to the development and strengthening of the Russian automotive market.



Crop Protection Committee

On 15 September 2014, the AEB Crop Protection Committee (CPC) in cooperation with the Agricultural Committee of the State Duma of the RF Federal Assembly and the Committee on Agroindustrial Sector Development of the RF Chamber of Commerce and Industry held the International conference «**Innovations for Russian agriculture productivity and food security**». The conference was supported by the RF Ministry of Agriculture.

Many representatives of the federal authorities participated in the fruitful dialogue on the establishment of the legal conditions for the R&D activities in Russia and among them were **Pyotr Chekmarev**, Director of the Plant Growing, Chemicalization and Plant Protection Department of the Ministry of Agriculture, **Sergei Migin**, Deputy Head of the Federal Accreditation Service and others, the Crop Protection and Seeds producers, business unions and associations, **Alexander Berkovskiy**, Chairperson of the AEB Crop Protection Committee, Syngenta Head CIS, the research and educational institutions. It was agreed to approve the Final document. The dialogue between business and authorities will be continued in the Working Group on the Crop Protection and Seeds issues that will be organized in the framework of the State Duma Agricultural Committee.



L-R: **Vladimir Alginin**, Executive Director of the Russian Union of CPP Manufacturers; **Pyotr Chekmarev**, Director of the Department on Plant Growing, Chemization and Plant Protection of the Ministry of Agriculture; **Alexander Fomin**, Head of the Expert Group of the State Duma Agricultural Committee; **Tatiana Belousovich**, AEB Crop Protection Committee GR Manager; **Frank Schauff**, AEB CEO; **Alexander Berkovskiy**, AEB Crop Protection Committee Chairman, Syngenta Head CIS.

North-Western Regional Committee

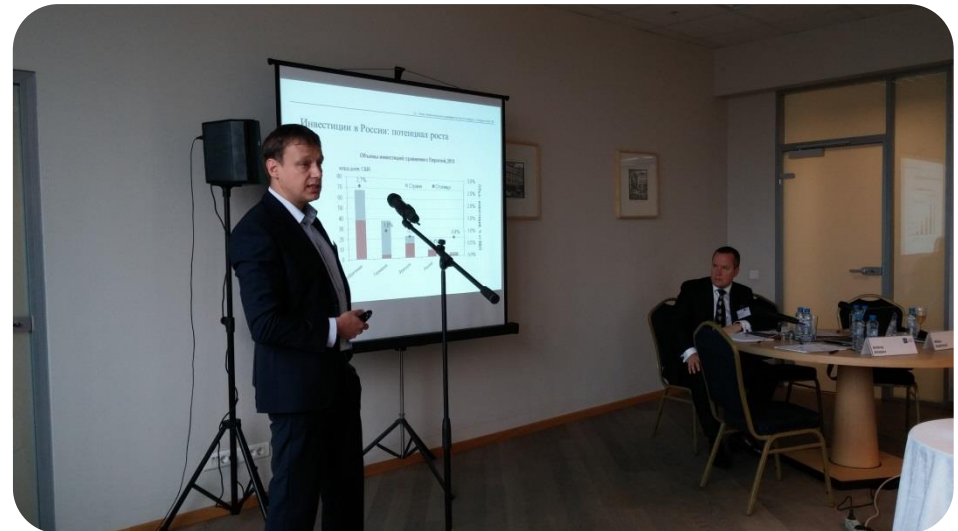
On 24 September 2014, Construction & Real Estate Subcommittee of the AEB North-Western Regional Committee organized its traditional open event on **“Market and regulatory update in construction and real estate industry of North-Western Region”**. This time the event was focused on the following issues:

- Real Estate Investment Activity. Resume of semiannual results of 2014 and forecast
- Land Law Reform: a Brief Review of the Main Changes
- Protection of the interests of investors in construction sector
- Particularities of determination and contestation of the cadastral value of permanent structures
- New ways of developer’s securing obligations under the agreement of participation in shared construction
- Construction site status for foreign companies working in Russia: Tax aspects

The event attracted such AEB members as JLL, SRV Group, Betsset, Dentons, DLA Piper, DS Law, BSH, Awara Group, EKE Group, SATO Rus, YIT, EBRD, SVKK and others.

The AEB gratefully thanks for the support of the event:

Silver Sponsor:



L-R: **Andrey Amosov**, JLL, Russia & CIS; **Mikko Soderlund**, SRV Group, Chairman of the AEB NWRC's Construction & Real Estate Subcommittee.

Safety, Health, Environment and Security Committee

On 16 September 2014, the AEB Safety, Health, Environment and Security Committee held the open event, titled "**Cybercrime: made in Russia**". The event was moderated by **Dmitry Budanov**, Elite Security Holding Company, Chairman of the Russian Chapter of ASIS International. **Ilya Sachkov**, founder and General Director of Group-IB and a highly respected consultant in the cybersecurity industry, spoke about cybercrime in Russia and its implications for businesses and for individuals, as well as about forecasts and recommendations. **Vladimir Kremer**, AIG in Russia, briefed the participants about cyber risks insurance. The presentations were followed by lively discussion and Q&A session.



L-R: **Vladimir Kremer**, AIG in Russia; **Ilya Sachkov**, founder and General Director, Group-IB; **Dmitry Budanov**, Elite Security Holding Company.

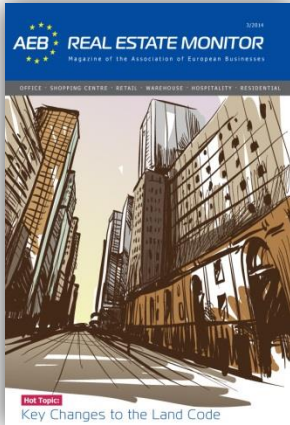
Working Group on Modernization and Innovations

On 16 September 2014, the AEB hosted a meeting on “**The development of environmentally friendly transport and infrastructure**”, organized by the AEB Working Group on Modernization and Innovations. The meeting was moderated by **Michael Akim**, Member of the AEB Board, Chairman of the AEB WG on Modernization and Innovations, Vice-President, ABB Russia. **Vladimir Maksimov**, Head of the Department of State Regulation of Tariffs, Infrastructural Reforms and Energy Efficiency of the RF Ministry of Economic Development, briefed on the comprehensive plan of the eco-friendly transport development in Russia elaborated by the Ministry. **Heiki Kalve**, Head of Business development, ABB Estonia and Baltic States, spoke on the general trends of infrastructure development systems of charging stations for electric vehicles on the example of Estonia. **Elena Lazko**, Partner, Deloitte, presented a comprehensive study on the international experience of marketing promotion of sustainable transport. Participants of the meeting were representatives of automobile industry, state bodies and consulting companies.



L-R: **Heiki Kalve**, Head of Business development, ABB Estonia and Baltic States; **Michael Akim**, Member of the AEB Board, Chairman of the AEB WG on Modernization and Innovations, Vice-President, ABB Russia; **Vladimir Maksimov**, Head of the Department of State Regulation of Tariffs, Infrastructural Reforms and Energy Efficiency of the RF Ministry of Economic Development.

Following publications were published in September 2014:



**Real Estate Monitor
3/2014**



**Russia's HR Sector:
Surveys, Analyses,
Facts**

Upcoming publications:

- **How to invest in Russia (release date: 10 October 2014)**

The advertising opportunities in the upcoming publications are available. Please see the [Media Kit 2014](#).



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GRATA lawyers have been recognised by international experts including The Legal 500, Chambers Global, Chambers Asia Pacific, IFLR1000, Who's Who legal, Asialaw Profiles.

Having established a reputation as the most reliable partner in the region, GRATA is proud of its outstanding experience in dealing with important regional projects implemented in cooperation with various international law firms.

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- Construction & Infrastructure
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- Labour Law
- Subsoil Use
- Real Estate
- Tax Law
- Customs Law
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The AEB Welcomes New Members



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In 1992, the SAP AG office was opened in Moscow. During the past 22 years, SAP representative offices have been opened in Ekaterinburg, St. Petersburg, Novosibirsk, Rostov-on-Don, Almaty, Minsk and Kiev, and the number of employees has topped 1500 persons.

www.sap.com, www.sap.ru



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