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LEGAL

DIGEST
DIGITAL LAW

Issue No. 1 / 2024
January – March 2024

From the authors

As a follow-up to the previously published [Digest for 2023](#), we are pleased to present a new digest collecting the latest news in digital law for January – March 2024. We believe that the document encompasses all the main news in this area.

We hope you will find this information useful. Please feel free to contact us should you have any questions or suggestions!

Yours sincerely,

SEAMLESS Legal team



Vladislav Eltovskiy

Counsel, Head of Intellectual Property and Digital Law

T +7 495 786 40 90

E vladislav.eltovskiy@seamless.legal



Alisa Mikheeva

Associate

T +7 495 786 40 00

E alisa.mikheeva@seamless.legal



Shermet Kurbanov

Associate

T +7 495 786 40 18

E shermet.kurbanov@seamless.legal



Elizaveta Isaeva

Paralegal

T +7 495 786 41 71

E elizaveta.tsurkan@seamless.legal

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What's new in personal data

State Information System “National Genetic Information Database”

On 31 January 2024, Russian Government [Decree](#) No. 87 was adopted, approving a regulation on the state genetic information system “National Genetic Information Database” (the “**System**”).

The creation of this System was stipulated by [Law](#) No. 643, which amends the [Law](#) “On State Regulation of Genetic Engineering Activities”. This information system is designed to:

- ensure security and sovereignty in the storage and use of genetic data,
- ensure information exchange between authorities and holders of genetic data in their interaction as part of genetic engineering activities.

The Law requires some holders of genetic data to provide such data to the System. For example, the information will have to be disclosed by holders who:

- carry out genetic engineering activities,
- produce and/or supply genetically engineered modified organisms,
- produce and/or supply products derived from genetically engineered modified organisms or containing such organisms, etc.

The regulation on the System details the goals, objectives and main functions of creating and developing the System, its structure, participants, procedure, terms, forms and formats for providing information to the system, composition and procedure for using information contained in the system, procedure for information interaction between the system and other information systems, requirements for software and hardware, powers of the system customer and operator, as well as requirements for protecting information contained therein.

The Decree and the amendments to the Law will come into force on 1 September 2024.

New regulations concerning biometrics

Over the first quarter of 2024, the list of regulations dedicated to biometrics processing was supplemented by:

- 1) Russian Government [Decree](#) No. 367 dated 23 March 2024, which brings other government regulations in line with the UBS Law¹.
- 2) Bank of Russia's [Standard](#) "Security of Financial (Banking) Transactions. Ensuring the Security of Financial Services during Remote Identification and Authentication. Information Protection Measures" STO BR BFBO-1.8-2024 (effective from 1 July 2024). This standard defines the composition and content of information security measures to ensure confidence in the results of identification and authentication of service recipients in financial transactions.

¹ Federal Law No. 572-FZ dated 29 December 2022 "On Identification and/or Authentication of Individuals Using Biometric Personal Data, on Amending Certain Russian Laws and Repealing Certain Provisions of Russian Laws"

Artificial intelligence

Russian regulation

National strategy for AI development

Back in 2019, the National Strategy for Artificial Intelligence Development until 2030 was approved.

Now, in February 2024, [Presidential Decree No. 124 dated 15 February 2024](#) significantly amended the National Strategy. The amendments have:

- introduced new defined terms, in particular, large generative models and large fundamental models;
- recognised AI as one of the most important technologies available to humans today;
- approved new principles for AI development and use, including openness, security and reliability of raw data;
- adjusted mechanisms for implementing the strategy.

The adopted changes underline that Russia, like the rest of the world, recognises the significance of AI and regularly updates plans for its development.

Exclusion of certain AI developments from dual-use goods

On 16 March 2024, Russian Government [Decree](#) No. 308 was adopted, amending the [List](#) of dual-use goods and technologies.

Under these amendments, the number of AI developments to be excluded from the list of dual-use goods has increased threefold. Specifically, neural networks for civilian use only have been removed from export control:

- in mass consumer services and products;
- in banking and financial systems;
- in video analytics and video surveillance systems;
- in systems designed for recognising a person and/or his/her face, appearance and/or body structure, as well as for classifying by biometric features (digital graphic image of a person and/or his/her face);
- for environmental monitoring;
- in construction;
- in road transport infrastructure;
- in civil logistics and delivery, etc.

The changes will come into force on 14 July 2024.



Continued self-regulation of AI in Russia

The [AI Alliance](#) has previously adopted an [AI Code of Ethics](#), which sets out basic ethical principles for the creation and use of AI.

The Code has recently been finalised through the [Declaration](#) on the Responsible Development and Use of Generative AI-Based Services. The Declaration provides guidance for both developers of generative AI and its users.

The willingness and intentions of companies to set rules in using AI on a voluntary basis, prior to any legislative regulation, is a positive development for the industry in Russia and can only be welcomed, given that legislative processes often fail to keep pace with the explosive development of technology.

International regulation

Adoption of the [EU Artificial Intelligence Act](#)

The European Union has finally adopted a law, which is the most detailed to date, to regulate the use of AI systems.

The Act applies on an extra-territorial basis, therefore not only European companies but also foreign entities targeting the European market will have to comply with the new requirements.

The legislators have chosen a risk-based approach to the regulation. AI systems and models are now categorised depending on the risk they pose:

- **Prohibited AI systems:** systems and areas of their application that are completely prohibited. For example, social scoring.
- **High-risk systems:** AI systems that may pose significant risks and that are subject to the greatest number of requirements. For example, AI used in recruitment.
- **AI with limited risk:** specific use cases of AI that impose certain limited responsibilities. Disclosing the use of AI in chat-bots and labelling AI-generated content are some of the examples.
- **Minimal risk:** all other AI systems will have minimal risk and can be used freely.

In addition, specific requirements are set for general-purpose AI, which has gained significant popularity in recent years.

Non-compliance with the AI Act may result in heavy fines of up to EUR 35m or 7% of total worldwide annual turnover.

UN General Assembly Resolution

In March 2024, the UN General Assembly was marked by the adoption of a [resolution](#) “Seizing the opportunities of safe, secure and trustworthy AI systems for sustainable development”.

The resolution notes the importance of developing AI technologies while taking into account the risks that may arise to rights and freedoms.

AI should help achieve the sustainable development goals, but its inappropriate use poses risks to progress in this area. In this regard, the resolution encourages countries to build co-operation and support in the use of AI technologies.

The adoption of the resolution once again emphasises the importance of AI on an international level.

WIPO

The relevance of AI and its impact on specific branches of law is also being discussed within individual international organisations.

The “collision” of AI and intellectual property was discussed in WIPO discussions and a [document](#) was adopted reflecting the current challenges and how to mitigate the risks.

In addition, WIPO has devoted a separate [document for Generative AI](#) to the legal issues that may arise in its use.

Settlements in DFAs

DFAs can be used for international settlements

On 11 March 2024, [Law](#) No. 45 was enacted, amending a number of laws.

Under the amendments, it is now possible to settle foreign trade contracts with non-residents using digital financial assets (“**DFAs**”) and utility digital rights (“**UDRs**”) as a consideration.

These are transactions involving the transfer of goods, the performance of work, the provision of services, the transfer of information and intellectual property, including exclusive rights thereto.

At the same time, currency transactions themselves involving DFAs and UDRs can only be carried out in systems issuing DFAs and, accordingly, on investment platforms. The law does not legalise cryptocurrency in a broad sense.

The Central Bank of Russia is authorised to control such transactions. It has the power, among other things, to impose certain conditions on and prohibit, such transactions. In addition, the authority may request information on the beneficial owners of the person issuing DFAs.

Such transactions are also subject to control under “anti-money laundering” legislation².



² Federal Law No. 115-FZ dated 7 August 2001 “On Combating Money Laundering and the Financing of Terrorism”

Advertising: new fines, clarifications and trends in labelling practice

Increased fines for advertising spam and consumer loan advertisements

On 6 April 2024, [Law](#) No. 78 was enacted, amending the Russian Code of Administrative Offences. The changes came into force on 17 April 2024.

Non-compliance with the requirements for advertising mailings circulated via telecommunication networks

Category	Before	After
Officials	RUB 4,000 – 20,000	RUB 20,000 – 100,000
Legal entity	RUB 100,000 – 500,000	RUB 300,000 – 1,000,000

The new fines will apply if advertising via SMS, messengers, email, push notifications or an advertising call are made without consent, or if an advertising call is made using automated calling technologies.

It is worth mentioning that previously there was no separate offence provided for violation of these requirements, and fines were imposed under a “general” article of the Russian Code of Administrative Offences.

Failure to specify the true interest cost in advertising a consumer loan

Category	Before	After
Officials	RUB 20,000 – 50,000	RUB 40,000 – 100,000
Legal entity	RUB 300,000 – 800,000	RUB 600,000 – 1,600,000

The article is also amended to the effect that it applies not only to credit organisations but to micro-finance companies as well.

Prohibited advertising on foreign agents' resources

On 11 March 2024, [Law](#) No. 42 was enacted, amending a number of laws, including the Advertising Law³.

The new rules prohibit to:

- place adverts on the information resources of foreign agents,
- advertise the information resources of foreign agents,

Both advertisers and advertising distributors are responsible for complying with the new requirements. A fine for non-compliance will be:

- for officials: RUB 4,000 – 20,000,
- for legal entities: RUB 100,000 – 500,000.

The amendments came into force on 22 March 2024.

The FAS continues to clarify advertising requirements in its cards

The FAS has released a new series of its cards in Telegram explaining general and specific requirements for advertising. The following cards were issued from January to March 2024:

- 25 January 2024 | [Incorrect comparisons in advertising](#)
- 16 February 2024 | [Use of obscene and offensive images and expressions in advertising](#)
- 1 March 2024 | [Use of images of health care professionals in advertising](#)
- 22 March 2024 | [Requirements for advertising of medicines](#)

Roskomnadzor's recommendations on online advertising labelling

Roskomnadzor has issued new clarifications on the labelling of online advertising:

- 26 January 2024 | [Recommendations for placing an identifier in links](#)
- 8 February 2024 | [Recommendations for submitting reports on advertising](#)

³ Federal Law No. 38-FZ dated 13 March 2006 "On Advertising"

Trends in online advertising labelling practices

FAS practice

The FAS continues to issue fines for the absence of an “advertisement” marking or information about the advertiser. In recent months, the following trends have emerged in practice:

- most cases are initiated following complaints from citizens;
- most cases are brought against municipal social media and online mass media;
- for the absence of labelling in social media, a fine is most frequently imposed on an individual acting as a group administrator, and the fine amounts to RUB 2,000 on average;
- the lack of labelling is fined even if online advertising of this type of goods/services is prohibited;
- the lack of an advertising contract or payment is not taken into account;
- in rare cases, the FAS will confine itself to a warning or verbal reprimand.

A growing number of cases are being brought for unlabelled reposts (cases [No. 011/05/18.1-222/2024](#), [No. 052/05/18.1-3049/2023](#)), and the first decision has been issued: the case was dismissed due to the low significance of the offence (case [No. 068/04/14.3-17/2024](#)).

Roskomnadzor practice

Roskomnadzor has [reported](#) that from January to March 2024 it fined bloggers for non-compliance with advertising labelling requirements for a total of RUB 3.5m.

A total of 52 decisions on imposing administrative liability were adopted, of which:

- 32 fines were issued for delayed submission or submission of outdated information on advertising, totalling RUB 2.1m;
- 20 fines were issued for the lack of an advertisement identifier, totalling RUB 1.4m.

As of 3 April 2024, the authority is still considering more than 250 complaints from citizens, and has opened 98 cases, including those related to publishing advertisements without an identifier in banned social media.

Intellectual property: new clarifications

Recommendations of the Scientific Advisory Council of the IP Court

On 29 March 2024, the Presidium of the Intellectual Property Court approved [recommendations of the Scientific Advisory Council](#).

The recommendations focus on issues arising in connection with restraint of IP infringements.

The document, among other things, provides guidance on handling cases concerning:

- domain disputes (including claims for transferring a domain name to a trademark owner, terminating domain name delegation);
- restraint of infringements committed using software;
- requiring infringers to take action to prosecute similar infringements (active monitoring of infringements).



Other digital changes

Criteria for blocking websites about VPNs came into effect

On 1 March, Roskomnadzor [Order](#) No. 168 came into force, affecting the dissemination of information about VPN services.

On 31 July 2023, [amendments](#) to the law on information came into force, restricting the online dissemination of information on how to access information resources banned in Russia.

Roskomnadzor has finalised the criteria for identifying banned information on the Internet, which came into force on 1 March 2024. Now this also includes any information that:

- describes actions allowing to gain access to prohibited resources;
- provides insight into the ways and methods of such access;
- encourages the use of ways and methods to gain access to blocked resources;
- contains an offer to buy access to resources or information that allows accessing them;
- provides an opportunity to gain such access.

Under the new regulation, a prohibited action shall meet the following criteria: (1) it constitutes the dissemination of; (2) any prohibited information; (3) on the Internet.

Therefore, it is specifically prohibited to disseminate online certain information regarding various ways of accessing legally restricted resources, including VPNs.

However, the following should not be considered an offence:

- directly using VPN services without disseminating information about them;
- disseminating information about VPNs that do not allow access to information banned in Russia, i.e. those in line with the current restrictions on access to certain information.

The legality of (1) disseminating information about a VPN service on the Internet for any purposes other than providing access to resources (e.g. informing about the ways of secure data transmission) and (2) disseminating information about a VPN service offline, remains in a grey area and requires further clarifications.

New categories in the software register

On 22 March 2024, [Order](#) No. 1041 of the Ministry of Digital Development came into force, adding new categories to the software [classifier](#), which is used to register programmes in the Russian Software Register. The following software classes have been added:

- instant messaging programmes (messengers);
- software for solving industry-specific healthcare challenges;
- robotic Process Automation (RPA) systems;
- software for the operation of a legally significant electronic document management system.



Moratorium on antimonopoly inspections of IT companies lifted

On 28 March 2024, Government [Decree](#) No. 340 came into force, enabling the FAS to inspect accredited IT companies if their actions show signs of:

- abuse of dominance;
- restriction of competition through:
 - an agreement of business entities;
 - an agreement or concerted actions of public authorities or organisations, state non-budgetary funds, the Central Bank of Russia among themselves or between them and business entities;
- non-compliance with any antimonopoly requirements for tenders, requests for price quotations for goods, or requests for proposals.

Previously, Government [Decree](#) No. 448 exempted such companies from routine inspections by regulators for three years (2022-2024).

According to public comments by the FAS of Russia, the changes will primarily affect monopolistic companies (including aggregators and marketplaces).

Information dissemination organisers now have to store more information

On 30 March 2024, Government [Decree](#) No. 342 came into force, expanding the [composition](#) of information to be stored by information dissemination organisers (qualified as such if they own information resources where users can communicate between themselves).

Specifically, if a service allows to electronically monitor geolocation, it has to store user information that is actually recorded.

If electronic payment system technologies are used, the information about means of payment needs to be stored.

New standard of the digital rouble platform

A new [standard](#) “Procedure for connecting a platform participant to the digital rouble platform” (version 1.3) has started to apply since 1 April 2024.

The standard establishes:

- the procedure and parameters for connecting a credit institution to the digital rouble platform as a participant;
- the procedure for obtaining the services of the digital rouble platform.

“Penalty” practice of Roskomnadzor

Fines for the lack of Russian presence under the Landing Law

Amazon failed to comply with the Landing Law⁴, which requires a foreign company with a daily audience of more than 500,000 users to, among other things, set up a subsidiary or open a branch or representative office in Russia.

A magistrate judge of judicial district No. 374 of Tagansky District of Moscow considered a case (No. 5-12/2024) and imposed a fine of RUB 200m on the company pursuant to Article 13.49(2) of the Russian Code of Administrative Offences.

The following companies, among others, were fined on the same grounds:

- Hetzner Online GmbH (case No. 05-0016/422/2024) for RUB 117.7m
- DigitalOcean, LLC (case No. 05-0010/422/2024) for RUB 30.8m
- Bluehost Inc. (case No. 05-0018/422/2024) for RUB 6m
- DreamHost, LLC (case No. 05-0011/422/2024) for RUB 6m
- GoDaddy.com LLC (case No. 05-0009/422/2024) for RUB 6m
- HostGator.com LLC (case No. 05-0014/422/2024) for RUB 6m
- Ionos Inc. (case No. 05-0015/422/2024) for RUB 6m
- Kamatera Inc. (case No. 05-0017/422/2024) for RUB 6m
- Network Solutions, LLC (case No. 05-0013/422/2024) for RUB 6m
- WPENGINE, Inc. (case No. 05-0008/422/2024) for RUB 6m.

Thus, we see that Russian law enforcers have stepped up their enforcement of the Landing Law, and heavy fines have become a real risk for foreign businesses.

Fines for failure to notify the commencement of activities

The Law on Information⁵ requires organisers of information dissemination to notify Roskomnadzor of the commencement of such activities.

Skype was fined RUB 500,000 at the end of February for non-compliance with this requirement under Article 13.31(1.1) of the Russian Code of Administrative Offences (case No. 05-0180/24).

Earlier, the following companies were also fined RUB 500,000 for such an offence:

⁴ Article 5 of Federal Law No. 236-FZ dated 1 July 2021 “On the Online Activities of Foreign Entities in Russia”

⁵ Article 10.1 of Federal Law No. 149-FZ dated 27 July 2006 “On Information, Information Technologies and Information Protection”

- WhatsApp (case No. 05-0078/24)
- Keybase, Inc. (case No. 05-0077/24)
- Wire Swiss GmbH (case No. 05-0082/24)
- Status Research & Development GmbH (case No. 05-0076/24)
- Radical App LLC (case No. 05-0081/24)
- Oxen Privacy Tech Foundation (case No. 05-0080/422/2024)
- Pinnacle CJSC (case No. 05-0079/422/2024)

Fines for data leakages

Currently, the regulator fines companies for personal data leakages under Article 13.11(1) of the Russian Code of Administrative Offences.

Specifically, since the beginning of 2024, major companies have been fined for leaks, such as:

- AST Publishing House LLC (case No. 12-0529/2024)
- Litres LLC (case No. 05-0019/376/2024)
- Nikamed LLC (case No. 05-0381/349/2024)
- Evalar Pharmacy Chain LLC (case No. 05-0109/425/2024)

The average fine amounted to RUB 60,000.

However, the State Duma is now considering a [bill](#) that would envisage separate offences for personal data leaks. The current version of the bill introduces fines for legal entities from RUB 3m to 3% of a company's annual revenue.

Fines for failing to remove prohibited information

According to the Law on Information⁶, where any prohibited information is found to be disseminated online, the person disseminating such information is obliged to remove it at the request of the hosting provider.

In the first quarter of 2024, Roskomnadzor fined the following companies for failure to remove prohibited information pursuant to Article 13.41(2) of the Russian Code of Administrative Offences:

- Twitch Interactive, Inc (case No. 05-0289/2024) for RUB 3m + case No. 05-0191/2024 for RUB 1m
- Amazon.com, Inc (case No. 05-0207/2024) for RUB 2m
- TikTok Pte. Ltd (case No. 12-0007/2024) for RUB 2m

⁶ Article 15.3 of Federal Law No. 149-FZ dated 27 July 2006 "On Information, Information Technologies and Information Protection"

- Pinterest Europe Limited (case No. 05-0309/2024) for RUB 1m
- Viber Media S.a r.l. (case No. 05-1246/2024) for RUB 800,000

Google LLC (case No. 7-4144/2024) and Wikimedia Foundation, Inc (cases Nos. 05-0771/2024; 05-0087/2024; 12-0059/2024; 12-0058/2024) have also been among the companies fined.

Based on the above practice, we see that fines in the digital sphere very often amount to millions of roubles and affect an increasing number of companies.

Our team is always ready to provide full legal support on any issues associated with doing business in Russia.

Should you have any questions regarding this material, please [contact](#) Vladislav Eltovskiy, Head of IP & Digital Law.

