Association of European Businesses

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POSITION PAPER 2023:
KEY ISSUES

PROTECTING THE CORE IN TIMES OF UNCERTAINTY

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Dear readers,

We present to you "Position Paper 2023: Key Issues. Protecting the Core in Times of Uncertainty".

In 2022, we faced unprecedented challenges and difficult circumstances. Nevertheless, AEB was able to continue providing the necessary assistance and support for businesses. The most important thing for us during this tough time is not to let our members down, and we will try to do the best we can. In turn, we would like to thank the companies for the trust placed in us.

In this book, we have concentrated on the most significant topics for AEB and collected the opinions of experts from member companies regarding the issues that the Association tried to effectively address throughout the year.

The articles in this publication are devoted to such topics as: current foreign trade activities; challenges of parallel imports; labeling system development in new economic conditions; special aspects of migration law and practice; proposals on improvement of the draft law on external administration; the question of imposing criminal liability for compliance with sanctions; significant taxation issues in Russia; restrictions on financial transactions; new regulation of intellectual property rights of foreign rightholders; information technology and telecommunications issues; law on the protection of consumer rights; key aspects of state regulation of prices and trading margins; anti-crisis pharmaceutical industry support measures; export restrictions on foreign medical devices; reform of the mechanism of extended producer responsibility; impact of the global energy crisis on the decarbonization program; product conformity assessment in the context of restrictions.

We would like to express profound gratitude for providing valuable inputs to all those who contributed to the publication (in alphabetical order): Maxim Akentiev (Roche Diagnostics); Yulia Akhonina (Technologies of Trust); Anton Bankovskiy (SEAMLESS Legal); Andrei Baranetc (B1); Elena Borisova (Systeme Electric); Mikhail Chaikin (ING BANK); Olesya Dektyareva (Denuo); Ekaterina Erova (Melling, Voitishkin & Partners); Valeria Eystrakh (Melling, Voitishkin & Partners); Anna Firstova (Siemens Healthineers); Alexey Grigoriev (METRO Russia); Vladislava Gritskova (B1); Roman Ishmukhametov (Melling, Voitishkin & Partners); Denis Khabarov (Melling, Voitishkin & Partners); Anna Klimova-Zemlyanskaya (Merck); Andrey Kolesnikov (Teva); Yana Kotukhova (Servier); Elena Legezina (GE Healthcare); Maya Limonnikova (Servier); Ksenia Litvinova (Pepeliev Group); Artem Lukin (Canon Medical Systems); Stanislav Matishov (Vegas Lex); Natalia Nesterova (Philips); Vyacheslav Norenko (HSBC Bank); Anastasia Osipova (Michelin); Maria Ostashenko (Alrud); Alexey Pavlov (Systeme Electric); Alexander Perrote (Leroy Merlin); Galina Rezvan (GE Healthcare); Pavel Rudyakov (Samsung Electronics); Pavel Sadovsky (EPAM); Kazbek Sasiev (Dentons); Olzhas Satybaldin (Astra Zeneca); Dmitry Semenov (Melling, Voitishkin & Partners); Wilhelmina Shavshina (B1); Ludmila Shiryaeva (B1); Yana Sinelnikova (Michelin); Ksenia Sizova (B1); Andrey Slepov (Advant Beiten); Igor Smirnov (ING BANK); Alexej Soldatow (BSH Bytowije Pribory); Roman Sushko (ING BANK); Armen Tadevosyan (Eni S.p.A); Ekaterina Tchepourina (L'Oreal); Julia Varlamova (Teva); Sergei Vasiliev (Denuo); Vera Volkova (B1); Vladimir Vysotskiy (Caterpillar); Yuri Yakhin (Melling, Voitishkin & Partners); Maria Zabalueva (Sanofi); Vadim Zakharenko (IRU); Yulia Zakharova (Pepeliev Group).

We hope that this publication will be useful and interesting to a wide audience — representatives of state authorities, foreign investors doing business in Russia, and companies that are considering joining AEB.

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Release date: 25 January 2023

TOPICAL ISSUES IN THE AREA OF FOREIGN TRADE ACTIVITIES

LABELING

In spring 2022, it was resolved to suspend new tests of the marking and traceability of new product groups. It was decided, however, that ongoing testing should continue as planned and the marking and traceability of product groups that were fully marked and traceable on the date of the resolution would remain unchanged.

In 2022, the regulatory authority also adopted several resolutions that changed the procedure for working with the product groups already affected:

- The marking of imported goods in warehouses belonging to authorized economic operators was permitted.
- The concept of the trade participant was amended, and the list of trade participants was expanded to include remote sales and marketplace operations (the amendments will become effective on March 1, 2023).
- Amendments to current directives were drafted that, to some degree, change or clarify how work with marked goods is to be conducted.

In 2022, marking and traceability was launched for:

- sticks and tobacco-free mixes for hookahs (on March 1);
- the trade and disposal of finished dairy products (on September 1);
- the trade and disposal of marked potable water (on November 1).

On March 10, 2022, Government Directive No. 336 was adopted, limiting the number and scope of control and oversight actions to be taken during inspections of trade in marked goods and making it easier for businesses to adapt to the new environment.

PARALLEL IMPORTS

At the end of March 2022, the Russian Government legalized parallel importation.

In April 2022, the Ministry of Industry and Trade of Russia approved a list of goods for which parallel importation is allowed (hereinafter — "the list"). The list includes copious categories of goods with the exception for food, tobacco, medical products and some others.

The list mainly includes the trademarks and goods of the companies who have left the Russian market or have stopped deliveries to Russia. The list is "live" and has been amended several times since its publication. Thus, on one side, every list amendment includes some new goods and trademarks. On the other side, the goods and trademarks for which importation has been continued or resumed may be excluded from the list.

Opinions on the legalization of parallel imports differ. From the Government's point of view, it is a practical instrument to prevent a deficit of goods within the Russian market. But it is mainly the authorized importers who speak out against the legalization of parallel imports due to the risks, including:

- creating unequal business conditions;
- the growth of intra-brand competition;
- the import of counterfeit goods under the guise of "parallel imports" and others.

EXPORT RESTICTIONS

In order to ensure the economic security of Russia, a Presidential Decree establishing special economic measures banning/restricting the export of goods from Russia was issued in March 2022.

According to the Presidential Decree, relevant resolutions defining a range (nomenclature) of goods banned/restricted for export, were made on equipment and technologies which are crucial for Russia (including more than 200 products).

The latest changes to the Decree extended bans/restrictions on export until December 31, 2023 inclusive.

The application of the measures described is justified from the perspective of ensuring the uninterrupted functioning of industry, however, it may be inappropriate in some cases.

This refers to cases in which banned equipment should be exported from Russia not to be sold, but for other reasons, for example, to be repaired abroad, as is quite common. So, there are the following options for lobbying on behalf of the interests of business:

- amending the Government resolution (i.e. excluding certain commodity codes/adding relevant notes to certain codes/expanding a list of exceptions);
- obtaining temporary individual permission to export.

Upon implementing the options described, it is important to prepare a rigorously legal position and a set of documents to mitigate any risks of refusal regarding such initiatives.

CATEGORIZATION OF FOREIGN TRADE PARTICIPANTS

The categorization of foreign trade participants is a tool of the current subject-oriented model of the FCS Risk Management System (RMS). This model focuses the control of customs authorities on the subjects of foreign trade — foreign trade participants. Legal relations in the field of categorization of foreign trade participants are regulated by Order of the Ministry of Finance of Russia No. 29n dated February 21, 2020 (hereinafter, the "Order"), which became effective in the first half of 2020. The Order contains a mechanism for evaluating foreign trade participants as well as the List of Criteria that characterize their activities. The Order affects the activities of all importers and exporters, and regulates the frequency and scope of customs control measures applied to the categorized persons.

Given the extreme importance of the issue of categorization for foreign trade participants, AEB created a Working Group on Categorization (hereinafter, the "WGC") within the Customs and Transport Committee, which began functioning in the summer of 2020. The WGC holds regular meetings with the Ministry of Finance of Russia and the Federal Customs Service to discuss measures to improve the categorization mechanism.

The WGC sees the main problems in the area of categorization regulation in the List of criteria approved by the Order, which are as follows:

- duplication of the criteria (simultaneous triggering of the same event);
- use of non-statutory terminology in the List of criteria;
- references in the text of the criteria to restricted documents and closed methodologies;
- violation of the principle of the ratio of "punitive" operations to the total volume of operations.

The above-mentioned problems prevent the establishment of a logical, transparent and understandable categorization mechanism for foreign trade participants.

IMPROVING CRIMINAL LIABILITY FOR CUSTOMS OFFENCES

Over the last few years, the issue of outdated provisions of criminal law relating to economic crimes has been actively discussed at various venues as a factor hindering the economic development of the Russian Federation.

However, the current regulation and draft laws to improve legislation[1] do not eliminate the existing problems, such as:

- a lack of clear regulation of the objective side of customs offences;
- the thresholds of liability being disproportionate to the gravity of the offence;
- the imbalance between the regulation of liability for customs and tax offences in terms of minimum thresholds of liability and grounds for exemption from liability.

[1] https://regulation.gov.ru/projects#npa=130229, https://regulation.gov.ru/projects#search=128100&npa=128100

The proposals submitted by the Association members to the Presidential Administration, the Russian Ministry of Justice and agreed with other business associations include the following measures to improve legislation:

- Specifying the elements of customs offences.
- Increasing the fixed liability thresholds and eliminating the imbalance as compared with tax crimes.
- Supplementing the fixed values of liability thresholds with relative values, i.e. ones expressed as a percentage of underpayment relative to the total amount of payments made by a person. The business community sees it as a "combined" formula which, on the one hand, would contribute to the fair application of liability for significant offences and to filling the Russian Federation's budget and, on the other hand, would contribute to the stability of doing business in the Russian Federation.
- A one-off compensation of damage as a ground for exemption from liability.

The proposed measures would help eliminate undue pressure on business and ensure that criminal liability as the strictest measure of state influence is only applied in the most extreme cases.

IMPROVING EFFICIENCY OF CROSS-BORDER TRANSPORT IN THE CONTEXT OF CURRENT RESTRICTIONS

Following the introduction of several packages of sanctions by the European Union (EU), including bans and limitations on mutual trade and access of Russian transport operators to the EU, as well as the adoption of reciprocal measures by the Russian Federation, a major increase in freight costs and time of delivery has been observed, thus leading to the higher transportation costs in the price of goods for end customers. In particular, this was caused by long queues and delays for border crossing, reaching up to 7 and even more days in peak periods, additional time and money costs to manage trailer swap/transshipment procedures.

In some border crossings the situation is even worse due to the lack or shortage of modernised physical infrastructure, advanced equipment and professional staff, more efficient rules and regulations, procedures for cargo handling.

The current situation requires that necessary measures are developed and adopted aiming at the removal of barriers, maintaining quality and efficiency of international supply chains, as well as the facilitation of border crossing procedures.

Among the proposed measures is the removal of current restrictions to apply to the full extent the Customs Convention on the International Transport of Goods under cover of TIR Carnets on the territory of the Russian Federation, notably:

- to include in the list of border crossings of the Russian Federation, which allow placing of goods under a customs procedure of customs transit under cover of TIR Carnets when they are moved into the customs territory of the Eurasian Economic Union, BCPs "Burachki" on the Russian-Latvian border, "Dubki" on the Russian-Lithuanian border and "Tagirkent-Kazmalyar" on the Russian-Azerbaijani border;
- to resume the use of TIR Carnets in seaports (e.g. Astrakhan, St. Petersburg, Vladivostok);
- to increase the guarantee limit up to EUR 100,000 per TIR Carnet on the territory of the Russian Federation;
- to allow TIR subcontracting, which is extremely relevant for goods transported to the Russian Federation using a trailer swap procedure.

The current situation requires that necessary measures are developed and adopted aiming at the removal of barriers, maintaining quality and efficiency of international supply chains, as well as the facilitation of border crossing procedures.

PARALLEL IMPORTS: BETWEEN TRADEMARK INFRINGEMENT AND THE NECESSITY OF MARKET SATURATION

For more than a decade the issue of parallel importation was a hot topic and one of the most debated issues in the IP area in Russia as well as in the Eurasian Economic Union (EAEU). The pros and cons of this type of importation were discussed at various venues. The most common position supported by a number of state bodies in charge of economic development and investments in Russia and EAEU was that an unequivocal decision to allow parallel imports is not in the interests of both the businesses and the EAEU countries. The position of Russian authorities was, however, that parallel imports are useful and must be allowed, especially in cases of shortages of goods in the markets of the EAEU countries, as well as in cases when the bad faith actions of IP owners result in a lack of market saturation. At the same time, practical measures to allow parallel imports had never been implemented.

Since March 8, 2022, when the Government of the Russian Federation was empowered to determine the list of goods allowed for import without the consent of trademark owners for 2022, the situation has become completely different. On May 6, a list of categories of goods and specific brands prepared by the Ministry of Industry and Trade that can be imported into Russia without obtaining permission from the trademark holders was published.

AEB has consistently objected to the legalization of parallel imports and has always pointed out the risks associated with unauthorized circulation of products. However, in the current economic circumstances, AEB members understand that the need to support the country's businesses and economy can require difficult decisions. In the long term, the AEB position on parallel imports remains unchanged, but in the short term, for some goods parallel imports are possible as an exceptional temporary measure that will help ensure the availability on the domestic market of products not produced in the Russian Federation or products the production of which has been discontinued/suspended.

The Russian Federal Customs Service announced in October that 1.6 million items were imported using this mechanism, and the volume is growing 12% monthly. However, the same message contains a clarification that 7 million items of counterfeit goods were brought into the country for 9 months of 2022 (6.5 million in 2021). And so it is necessary to pass between the Scylla of the absence of goods on the market and the Charybdis of the importation of fake products.

Besides, one of the core issues for goods imported without the trademark owners' consent is consumer rights and particularly warranties. The law "On Protection of Consumer Rights" establishes the obligation of the manufacturer to provide repair and maintenance of goods, as well as supply spare parts to distributors and service companies. The manufacturers of goods imported by parallel importers may not have an authorized organization in Russia. This may cause the absence of warranties for consumers. In addition, independent importers can bring in goods not intended for the Russian market. In these cases, the foreign manufacturer (its authorized organization) will not be able to provide

repair and maintenance of such products due to the lack of the necessary spare parts and (or) consumables. The warranty issue is the most pressing for goods with a long service life (machines, vehicles, electronics, etc.).

Another crucial point closely related to consumer rights is the safety of goods imported independently. AEB believes that for some categories of products parallel imports are dangerous as they directly affect people's life and health. These categories are at least the following: plant protection products, pharmaceuticals, medical devices, food. Be it from lack of control over the entry of these categories of goods into the market or the import of fake goods, allowing parallel importation for these categories causes serious risks for the life and health of consumers.

RECOMMENDATIONS

AEB members believe that parallel imports should take place only in the short term and only for limited categories of goods.

To resolve consumer rights issues the amendment to Article 6 of the law "On Protection of Consumer Rights" could be recommended. Currently, this Article states that the manufacturer and seller are liable to the consumer, which is clearly insufficient in the case of parallel imports. That said, AEB believes that the importer should be responsible for consumer product quality and obliged to issue a warranty for consumers in cases when the manufacturer does not have an authorized company in Russia or when the products are not intended for the Russian market, even if the manufacturer has a distributor and/or a service company in the country, as these companies do not have sufficient skills and spare parts for the maintenance and repair of such goods. Moreover, AEB believes that foreign parallel importers in such cases should have a Russian representative or an office/partner in the country authorized to carry out service and maintenance. Otherwise, Russian consumers of goods imported without the trademark owners' control will face a lower level of consumer protection than consumers who purchased goods imported by official distributors or by a manufacturer.

As regards combating counterfeits, AEB would propose maintaining the procedure of the notification of the trademark owner when goods bearing trademarks registered in the Customs Register of Intellectual Property Objects (TROIS) are imported by entities not included in the TROIS. The same approach would be reasonable for the "ex officio" procedure. We believe that notification of the rightholder, without suspending the release of such goods, will allow a balance to be maintained between the need to implement alternative supply channels and the rights of parallel importers, on the one hand, and market protection from counterfeit goods and for trademark owners' interests, on the other. Otherwise, the trend towards increased imports of counterfeit products along with a growth in the volumes of alternatively imported products will jeopardize both the life and health of consumers, the national economy and trademark owners' interests. It should be noted that in the past, before the allowing of parallel imports, importers often used incorrect declarations, avoided customs payments and so on. This practice might continue in the absence of control over such flows of goods. That is why we believe that the "ex officio" procedure should continue to be applied.

As for the safety risks concerning some categories of goods, AEB believes that these categories should be excluded from the list of goods and brands for which parallel importation is introduced. On the one hand, trademark owners could either continue supplies (pharmaceuticals, medical devices) or there are other companies which successfully replace suppliers that have left the country (companies providing food and beverages). On the other hand, the risks in these industries are too high to allow importation without trademark owners' control. Bearing in mind (1) the lack of obligation for parallel importers to establish an office in Russia or the EAEU, (2) the lack of legislative responsibility for such importers, (3) the actual inability to prove the fault of importers in causing harm and damaging the health of consumers when there is a chain of companies involved in international supplies and restricted cooperation with the enforcement bodies — AEB believes that parallel importation should not be introduced at least for plant protection products, pharmaceuticals, medical devices, food. For other categories of goods it is highly recommended to retain all the quality and safety requirements when goods are being imported alternatively.

LABELING SYSTEM DEVELOPMENT IN NEW ECONOMIC CONDITIONS

The business community highly appreciates the efforts of the Government of the Russian Federation and the member states of the Eurasian Economic Union aimed at countering the illicit traffic in industrial products, and supports proposals to optimize the functioning of the labeling system in the new economic conditions.

Given the Government's intention to introduce end-to-end labeling of all goods manufactured or sold in the Russian Federation or imported to its territory by 2024, and despite the evolution of the labeling system, the business community is concerned about the limited places for the physical application of identification means.

At the initial stage of the development of the labeling system, importers had the opportunity to physically apply identification means to products abroad, either in production or in commercial warehouses, before crossing the border of the Russian Federation.

In the developing of the labeling system functioning, the Government of the Russian Federation has established an additional possibility of applying means of identification in customs warehouses before the customs release of goods.

The requirement for the application of means of identification before crossing the border allows the customs service to implement the function of controlling the identification marks used to confirm the legality of the entry of goods into the customs territory.

At the same time, the importers are forced to focus their efforts on creating a new infrastructure and allocating additional funding for the implementation of obligations to apply means of identification, as statutorily required.

Many importers from different product groups have faced difficulties in implementing labeling in production, including due to the fact that the production lines of international companies are often set up for large-scale production that would satisfy the needs of all markets simultaneously, i.e. there was a problem of allocating production lines and their equipment for the Russian market.

Some importers have found that for applying labeling codes on high-speed lines, the "standard" equipment offered by integrators is not compatible with the production technology. This problem is often revealed following the analysis of production and implementation of the technical solution. An experimental search for proper equipment leads to interruptions and slowdowns in production lines.

The possibility of applying means of identification in warehouses abroad requires importers to reconsider their logistics supply chains, search for solutions for sorting and unloading goods to be labeled and being in the same delivery as goods that are not subject to labeling. At the same time, importers face the risk of damage to the packaging of goods during additional loading/unloading and a higher risk of errors in the application of marking codes by warehouse personnel abroad.

Applying identification means in customs warehouses also leads to a serious increase in the financial costs when importing goods due to the high cost of applying additional labels in customs warehouses in the Russian Federation, a significant increase for business in the time imported goods spend undergoing customs clearance and, accordingly, to an increase in delivery times.

Maintaining a customs warehouse is a significant cost item for importers in addition to the financial costs of developing, finalizing the IT infrastructure, integrating with SIS GM and existing systems, integrating with a warehouse, integrating with customers.

It is to be noted that the labeling of certain product groups requires a special infrastructure, which is not available in each customs warehouse.

In 2022, companies with a special status of an authorized economic operator have the opportunity to label imported goods with means of identification without the permission of the customs authority, subject to certain requirements. However, obtaining the status of an authorized economic operator is an option for a limited number of importers.

As the labeling system develops, the business community continues to come up with a proposal to study the possibility of labeling imported goods after their customs clearance in importers' warehouses without prejudice to the ultimate goal of labeling — countering the illicit traffic in industrial products.

This proposal becomes even more relevant in the current economic conditions that require businesses to quickly adapt.

Labeling in importers' warehouses suggests that labeling codes for specific goods will be registered and indicated in customs declarations prior to import and release of goods by customs authorities, which will allow customs authorities to control the movement of labeling codes. However, the means of identification will be physically applied in the territory of the Russian Federation after their release by the customs authorities in importers' warehouses, where all necessary operations with the goods are carried out before they are offered to consumers.

According to the business community, the proposed mechanism ensures the traceability of the movement of goods and does not reduce the effectiveness of customs control, which could be carried out according to the documents at the time of customs clearance of imported goods and physical registration after goods are released. In this case, the importer will be interested in the physical application of identification means to the goods after their customs clearance, since otherwise they would not be accepted by the buyer in the territory of the Russian Federation. And in case of revealing the fact of non-compliance with the conditions for labeling goods with identification means established by the labeling goods legislation, the regulatory authorities will take appropriate measures within their powers.

In terms of the distribution of responsibilities among the participants in the circulation of labeled products, the proposed model is as follows:

- The importer receives labeling codes or aggregated customs code (ACC) for the consignment.
- The consignor enters the aggregated customs code in the shipping documents.
- The importer declares the labeling codes and/or the aggregated customs code in the goods declaration.
- The customs authority releases the consignment.
- The importer in its warehouse applies the declared labeling codes to the goods from the consignment.

Of course, the implementation of this model requires a detailed study of the risks with the federal executive authorities and the introduction of certain changes in the regulations, including in the relevant government decrees on product groups, namely, their supplement by the following wording:

"It is allowed to apply means of identification on imported products no later than the sale or offer of products for sale in the territory of the Russian Federation, subject to receipt of labeling codes for imported products before submitting a cargo declaration (CCD) for customs clearance, applying an identification code for group or transport packaging on the package".

The business community comes up with a proposal to test this model as part of an experiment with one or more product groups in order to identify/study and eliminate potential risks.

The above optimization of the labeling process will enable importers to choose the place for labeling, considering the business specifics and, accordingly, reduce the burden on the business: to optimize the costs associated with labeling goods, speed up the process of commissioning the goods, maintain the product line and demand of Russian consumers for high-quality safe products.

The optimization of the labeling process will enable importers to choose the place for labeling, considering the business specifics and, accordingly, reduce the burden on the business.

CURRENT ISSUES OF MIGRATION LAW AND PRACTICE

MAINTAINING THE HIGHLY QUALIFIED SPECIALIST (HQS) STATUS

A number of ministries of the Russian Federation, including the Ministry of Internal Affairs, the Ministry of Labor, and the Ministry of Economic Development have been currently developing a new migration concept, which forms the basis for a Draft Law regulating the legal status of foreign citizens in the Russian Federation. This issue is one of the key ones dealt by the AEB Migration Committee. During 2022, the Migration Committee organized a series of meetings and lobbying initiatives at the highest levels of the federal executive branch: with the Government of the Russian Federation, the Ministry of Economic Development, the Ministry of Internal Affairs, the Ministry of Health, the Ministry of Labor and Social Protection, as well as local executive bodies, to discuss and make proposals on the above Draft Law.

The Draft Law "On the Conditions for Entry to (Exit from) and Stay (Residence) in the Russian Federation of Foreign Citizens and Stateless Persons" is posted on the federal portal of regulatory legal acts (project ID 02/04/03-21/00113698).

The following provisions raise concern and proposals of the Committee:

- The validity period of a business visa is limited to 90 days per a calendar year, which contradicts the generally accepted international rules — 90 days per each 180-day period. **Proposal:** To retain the validity period of a business visa of 90 days per each 180-day period.
- A list of healthcare organizations is introduced where foreign citizens may undergo medical examination. This worsens the current situation, since it will only be possible to undergo such an examination in the healthcare organizations included in the list. **Proposal:** To adopt a provision that allows foreign specialists to undergo the examination in any licensed healthcare organizations.
- A provision is introduced that deprives the right to long-term stay in case of being outside the Russian Federation for more than a total of 6 months within a calendar year. **Proposal:** To retain the current procedure in which the stay outside the Russian Federation for 6 consecutive months may be a ground for deprivation of the right to long-term stay in Russia.
- There is a provision that foreign citizens wishing to work in the Russian Federation are required to pay tax in the form of a fixed advance payment. For this purpose, an advance payment shall be made in each region where a foreign citizen works. **Proposal:** To establish a single payment at the place of the employer's registration to avoid multiple taxation of the same income received from the same employer. It is also proposed to establish the same amount of the advance tax payment for all regions.
- In case of failure to make an advance payment within ten business days from the date of sending the notice, a foreign citizen will be excluded from the register of foreign workers. **Proposal:** To establish a period from the date of receiving the notice — through a personal account — to avoid unjustified exclusion from the register (if, due to circumstances, a foreign citizen receives no notice or receives a notice later than the specified period).
- The host person or foreign citizen is required to notify of the departure of a foreign citizen from the place of stay in person, or in electronic form, or through a Multifunctional Public Services Center. **Proposal:** To retain the current procedure according to which the migration deregistration occurs automatically upon the foreign citizen's departure from the Russian Federation or at the initiative of the host party, without establishing the requirement for a foreign citizen to notify of departure from the place of stay. Alternatively, not to perform the migration deregistration in each case of departure of foreigners working in Russia, when they travel abroad or move around the country.

CURRENT LEGISLATION

The requirement to pay the HQS a statutory amount of salary (remuneration) of not less than 501,000 roubles per quarter (which will amount to 750,000 roubles per quarter upon the adoption of the law increasing the HQS's salary[1]) contradicts the current labor legislation in cases when a HQS is absent from work for a good reason. Pursuant to the migration laws, failure to pay the aforementioned quarterly salary (remuneration) during illness, maternity leave, and unpaid leave will be deemed as an employer's non-compliance with the requirement to pay the statutory salary and will result in fines and punishment in the form of a ban to employ HQSs for two years. The nature of such payments requires clarification as well, in terms of attributing such costs to expenses for income tax purposes. Elaboration of special, more flexible approaches and their enshrinement in the legislation will help to regulate similar matters related to a conflict of migration, tax and labor laws.

MEDICAL TESTS, FINGERPRINTING

The entry into force of two Federal Laws (No. 274-FZ of July 1, 2021 and No. 357-FZ of July 2, 2021), which significantly change the conditions of labor activities in Russia and establish a new procedure for conducting medical examinations for all categories of foreign employees, has raised numerous questions from among the business community.

As a result of the collaboration between the AEB Migration Committee and the Government of Moscow, the list of healthcare organizations was expanded to include private licensed healthcare organizations, where HQSs and their family members may undergo medical examinations. The list of tests for adults was also changed (the test for COVID-19 was excluded), and an age differentiation for minors was established for the purpose of undergoing laboratory tests.

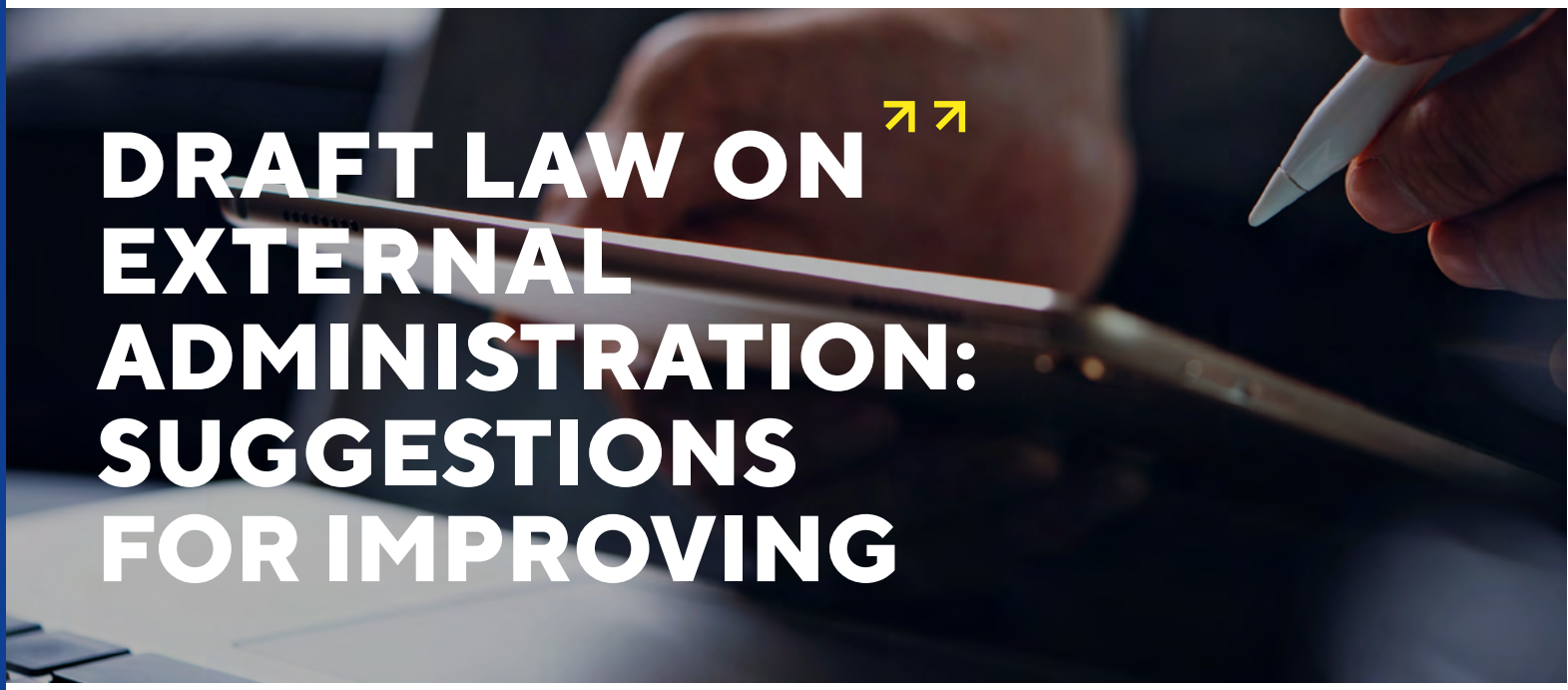
Thanks to AEB's efforts, Federal Law No. 357-FZ of July 14, 2022 "On Amending the Federal Law 'On the Legal Status of Foreign Citizens in the Russian Federation' and Certain Regulatory Acts of the Russian Federation" now allows foreign citizens to undergo subsequent medical examination not on a yearly basis, but upon receipt of a new work permit, i.e. every three years. Family members of HQSs, however, were not covered by the positive amendments, and the obligation to undergo an annual medical examination was retained in their relation. In this regard, the AEB Migration Committee held a meeting with the Ministry of Economic Development and sent a letter to the relevant committee of the State Duma with a proposal to establish a similar frequency of medical examination for family members of HQSs.

Active interaction between the AEB Migration Committee and the Government of Moscow has facilitated the opening of additional points in Moscow where HQSs may undergo the fingerprinting procedure and provide medical examination certificates.

The situation in the migration sphere is changing rapidly, and in this regard AEB continues to represent and defend the interests of foreign citizens working in Russia and actively cooperate with the Government of the Russian Federation, the Ministry of Economic Development of Russia, the Ministry of Internal Affairs of Russia, the Government of Moscow and State Duma deputies to promptly solve practical tasks and develop migration legislation.

Active interaction between the AEB Migration Committee and the Government of Moscow has facilitated the opening of additional points in Moscow where HQSs may undergo the fingerprinting procedure and provide medical examination certificates.

[1] The Draft Law is awaiting its second reading in the State Duma of the Russian Federation.



DRAFT LAW ON EXTERNAL ADMINISTRATION: SUGGESTIONS FOR IMPROVING

On May 24, 2022, the State Duma of the Russian Federation adopted in the first reading Draft Law No. 104796-8[1] for introducing external organization administration (hereinafter, the Draft Law).

The Draft Law is supposed to be extended over foreign invested companies, which are "essential for ensuring the stability of the economy and civil circulation", subject to certain conditions (in particular, when the company's management actually "leaves" it; actions are taken to "unreasonably" cease doing business in Russia).

Where justified, an external administration may be introduced in the company (as provided for by the Draft Law), followed by replacement of the company's assets, liquidation of the company (through the usual or bankruptcy procedure).

At the time of preparation of the publication, the Draft Law was not considered in subsequent readings, its ultimate fate is unclear. However, the business community is concerned about this Draft Law since, if adopted, it may be of fundamental importance. At the same time, some provisions of the Draft Law raise questions.

1. First of all, the Draft Law lacks an exhaustive and clear list of criteria and legal grounds for appointing an external administration. A number of provisions proposed by the Draft Law contain vague, evaluative, broad wording, while the Draft Law does not establish a specific mechanism for applicability/inapplicability of these criteria and grounds.

Examples of vague and evaluative criteria and grounds for the introduction of an external administration are as follows:

- The criterion for the number of employees: *"the number of employees of the organization shall be at least 25% of the total working population of the relevant locality"*, while the Draft Law ignores cases where a company operates simultaneously in several localities.
- The criterion for increasing prices for consumers: *"cessation of operations (disruption of functioning) of an organization can lead to destabilization, an unreasonable increase in retail prices for goods (works, services) manufactured (performed, rendered) by this organization or other organizations, for consumers in the Russian Federation or in the constituent entity of the Russian Federation"*, this Clause of the Draft Law does not specify how the probability of a rise in prices for goods will be determined (in particular, whether it will be necessary to analyze the market, how to determine the geographical boundaries of the market (and weather they will be determined), etc.).
- Production significance criterion: *"an organization participates in a chain of significant productions, and the cessation of operation (disruption of functioning) of an organization or its structural units may lead to the cessation of operation (disruption of functioning) of other organizations, as provided for by this Part"*, the Draft Law does not specify the procedure for determining the "significance" of the chain production, does not provide for a mechanism for establishing a

[1] https://sozd.duma.gov.ru/bill/104796-8

probability that the cessation of a particular company's operations may lead to the cessation of operations of other organizations.
- Grounds for "unreasonable" cessation of the company's operations: if *"... actions are taken that may lead to unjustified cessation of operations, liquidation or bankruptcy of the organization, causing damage to the organization ..."*, the Draft Law does not explain what constitutes the "damage" and its amount; and the Draft Law does not contain criteria for distinguishing "unreasonable" cessation of operations from business risk.

Thus, if the Draft Law in its current version is adopted, legal uncertainty may arise when it is applied in practice.

Furthermore, the Draft Law provides for authority granted to the new interdepartmental commission for introducing an external administration in a particular company, even if the company does not meet the criteria established by the Draft Law. That is, the Draft Law allows applying the measures provided for by the Draft Law to each and every foreign invested company. These provisions may become grounds for abuse of the interests of any legal entity. Moreover, the Draft Law does not provide for sufficient mechanisms to protect against abuse, appeal against decisions, actions, omission.

It seems necessary and important, in the event of further consideration of the Draft Law, to introduce appropriate clarifications and additions, to establish a closed list of minimum and clearly defined legal grounds and criteria for appointing an external administration. Furthermore, it is important to provide in the Draft Law the possibility of appealing against decisions on the appointment of an external administration on the principle of territorial jurisdiction, within the time limits and in authorities established by the procedural law of the Russian Federation.

These measures will facilitate the creation of legal certainty and will become a guarantee of business continuity for companies planning to continue their activities in the Russian Federation.

2. **It seems necessary to improve the procedures proposed by the Draft Law. In particular:**

- to provide for a legal framework to preserve the assets of the organization, develop recovery procedures, possibly similar to those used in case of bankruptcy of legal entities (surveillance, financial recovery), which would lead to the continuation of the organization's operations and the preservation of jobs for its employees;
- to establish a pre-trial procedure for considering the appointment of an external administration;
- to exclude from the Draft Law the provision on the preemptive right to purchase a company by an external administrator and thereby eliminate a possible conflict of interest that an external administrator may have if such a right is granted thereto (since if this right exists, an external administrator may be interested in reducing the value of the company, and not in effective administration of the company);
- to clarify the provisions of the Draft Law in terms of the balance between asset replacement mechanisms, on the one hand, and the liquidation/bankruptcy of the organization, on the other hand;
- to regulate the responsibility of the external administration, provide for a procedure for determining the effectiveness of its work, etc.

3. Furthermore, it is important to bring the provisions of the Draft Law into line, including, but not limited to, with the Commercial Procedural Code of the Russian Federation and the Civil Code of the Russian Federation, to eliminate possible conflicts: regarding the provisions on trust management; on compliance with the mandatory complaint procedure; the terms of case consideration, the entry into force of the decision of the court of first instance, appeal against court judgements, etc.

In the event of further consideration of the Draft Law, it seems necessary to establish active cooperation, participation in discussions and consultations at all levels and platforms in order to bring the position of business, the legal community to the state authorities involved in the decision-making process on the Draft Law, in general, and on the above issues, in particular.

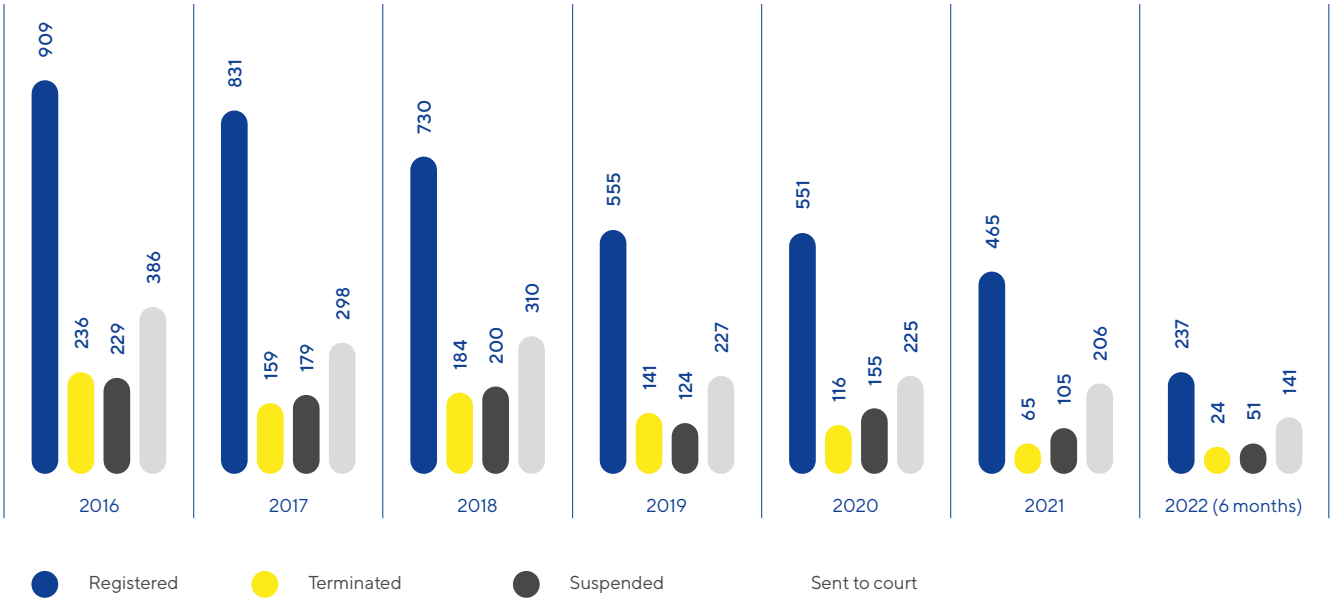
It seems necessary and important to introduce appropriate clarifications and additions, to establish a closed list of minimum and clearly defined legal grounds and criteria for appointing an external administration.

ISSUE ON CRIMINAL LIABILITY FOR SANCTIONS COMPLIANCE

Abuse of power in non-governmental organizations that caused significant harm or consequences for citizens, organizations, society and (or) the state is recognized as crime in Russia from the moment the Criminal Code of the Russian Federation entered into force. Responsibility for such illegal actions is provided for by Parts 1 and 2 of Article 201 of the Criminal Code of the Russian Federation.

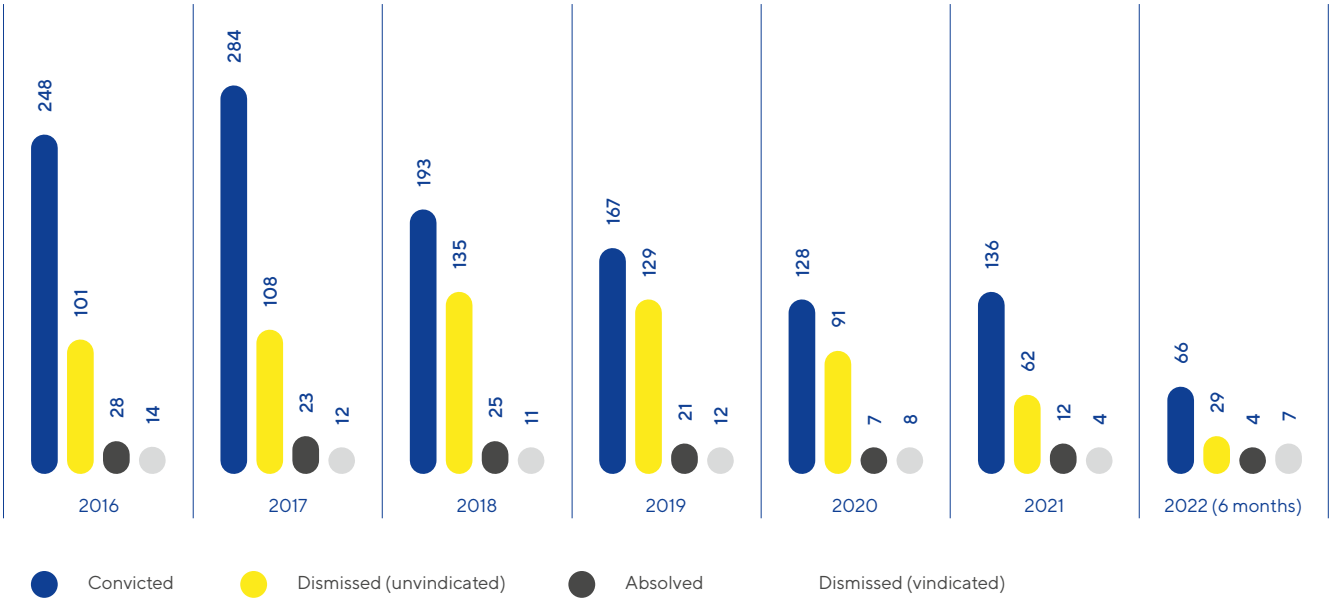
Investigative statistics over the past six and a half years show a decrease in the number of detected cases of criminal abuse in non-governmental organizations. At first glance we could think of some investigation and procuracy supervision quality improvement as 80% or more of the criminal cases following the investigation are sent to court, and the number of suspended and terminated preliminary investigation cases is gradually decreasing (Diagram 1).

Diagram 1. Investigative statistics



Meanwhile, judicial statistics do not look so promising. Every year the courts do not find guilty about 9% of the accused (Diagram 2).

Diagram 2. Judicial statistics



This norm became widely known in early April 2022 as a result of the submission to the State Duma of the Russian Federation of the draft federal law "On Amendments to Article 201 of the Criminal Code of the Russian Federation" (bill No. 102053-8).

In particular, the developers of the bill propose to supplement Part 2 of this Article with a new qualification sign — the commission of a crime

> "for the purpose of executing a decision of a foreign state, a union of foreign states or an international organization on the introduction of restrictive measures against the Russian Federation."

We find it necessary first to understand the basic structure of the norm to comprehend the danger of the changes proposed for introduction and the imperfection of the legal technique of the draft law.

For example, Article 201 of the Criminal Code of the Russian Federation ("Abuse of Power") provides for criminal liability for the use by a person performing managerial functions in a commercial or other organization type of his/her powers contrary to the legitimate interests of this organization and in order to derive benefits and advantages for himself/herself or other persons or to cause harm to other persons, if this act entailed:

- causing significant harm to the rights and legitimate interests of citizens or organizations or to the legally protected interests of society or the state; abuse of power in a commercial or other organization contrary to its legitimate interests (Part 1 — minor crime);
- serious consequences for the same persons (Part 2 — grave crime).

The composition of this crime, according to the construction actus reus, is material, and therefore, criminal liability arises only if the unlawful act caused significant harm or serious consequences.

The concept of the above consequences is an estimate and is subject to clarification in each specific case, while:

- Determining the significance of harm (Part 1) does not cause difficulties in practice. In addition to general categories one may establish this criterion through the amount of material damage caused.
- The definition of grave consequences (Part 2) in practice is more formalized and, in accordance with the latest clarifications of the Supreme Court of the Russian Federation, consists in causing such damage that leads to the termination of the company's activities or its insolvency. At the same time, it was previously presumed that grave consequences could also consist in causing material damage on an especially large scale.

A frequent example of criminal case charges in these types of crimes is the execution by the head of the company of obviously unprofitable transactions (or transactions without corporate approval) which caused significant harm both for the company itself, and for its participants, or even for third parties. In this regard, one tends to widely believe criminal are only the actions of management in relation to their own company, but this is not entirely true. Following the disposition of the Article and based on its application in practice, victims in criminal cases of these crimes can also be:

- counterparties of the company where the guilty person performs managerial functions;
- citizens, state, and society.

Special subject is liable under Article 201 of the Criminal Code of the Russian Federation – a person performing managerial functions in a commercial organization. In addition to the obvious subjects (director, Board of Directors member, etc.), such a person may be an employee who permanently, temporarily or by special authority performs organizational and administrative or economic functions in a commercial organization.

The analyzed crime can be committed only with direct or indirect intent, that is, the guilty person must be aware of the socially dangerous nature of his/her official behavior and foresee that the use of managerial powers by him/her will entail (or may entail) significant harm (or grave consequences) and wishes (or knowingly allows) the occurrence of such consequences.

HOW?	WHO?	WHY?	OR
use managerial powers contrary to legitimate interests of a company	person performing managerial functions (CEO, Board of Directors Body or any CFO, Board Member, Chairman, etc.)	to gain material or non-material advantages and benefits for himself/herself or third parties	to cause harm to other persons

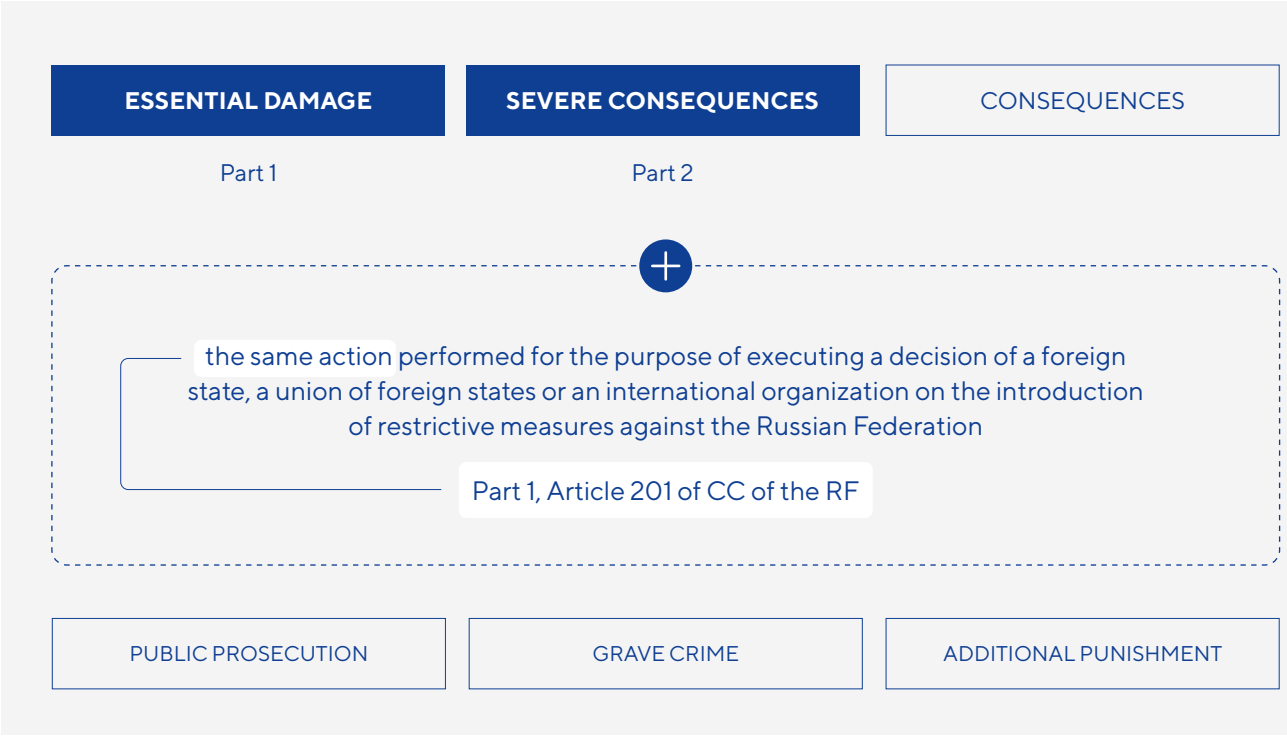
Outcome: the disposition of Part 1 of Article 201 of the Criminal Code of the Russian Federation is very broad and contains several evaluative concepts that allow law enforcement authorities to interpret different situations as forming constituting elements of a crime. In fact, the application of this norm is really limited only to a special subject of a crime (an ordinary employee of a company without special powers does not bear criminal liability for abuse of power, in the first place, since the person does not have any).

WHAT IS THE DANGER OF THE SUPPOSED-TO-BE-ADOPTED CHANGES?

The developers of the Draft Law do not form a new corpus delicti, but only supplement the existing norm with a new qualifying feature that indicates the direction of the intent of the perpetrator, while achieving the following:

- The social danger of a crime increases (it is transferred to the category of grave ones), which, among other things, causes an expanded range of criminal

intelligence activities and the practical possibility of using various means of procedural coercion.
- The sanction for committing a crime is significantly changed (up to real imprisonment for up to 10 years with deprivation of the right to hold certain positions or engage in certain activities for up to three years).
- The accusation becomes public (state bodies get the opportunity to initiate an investigation on their own initiative).



In this concern the following position of the Government of the Russian Federation, expressed in its official response to the bill under consideration, seems to be absolutely correct:

- The purpose of illegal actions is doubled (in order to derive benefits and advantages for oneself or others or to harm others and committed for the purpose of executing a decision of a foreign state, a union of foreign states or an international organization on the introduction of restrictive measures against the Russian Federation).
- There is an unreasonable increase in the category of a crime to grave with potentially excessive punishment.

It is possible that such justified criticism was the reason to postpone indefinitely the consideration of the bill.

Since otherwise the disposition of the Article remains the same and any actions related or not to compliance with international sanctions, which led to the negative consequences indicated in the Article, subject to other conditions specified in the Article, can be considered as criminal in relation to Article 201 of the Criminal Code of the Russian Federation.

In this regard, the following brief step-by-step plan can be used to identify the risks of making managerial decisions directly or indirectly related to international sanctions:

- Determining the list of persons who can be held criminally liable by analyzing the company's corporate documents (the risk subject must be authorized to perform legally significant actions that can create, change, or terminate legal relations).
- Identification of potential victims by sampling data on contracts under which the company has not fulfilled or cannot fulfill its obligations due to the imposed sanctions.
- Determining the approximate damage that may be caused to the counterparty because of non-fulfillment of obligations by the company.
- Analysis of the procedure and conditions when contractual obligations with counterparties are terminated due to the imposed sanctions, as well as measures taken to minimize negative consequences.

SIGNIFICANT ISSUES OF TAXATION IN RUSSIA

EXCESSIVE TAX ADMINISTRATION AND DEMANDING A SIGNIFICANT VOLUME OF DOCUMENTS FROM TAXPAYERS OUTSIDE OF FIELD AND DESK TAX AUDITS

In recent years, the Russian Federal Tax Service in its public declarations has stated that the number of field and desk tax audits has substantially decreased and that the burden of tax administration has reduced. The idea is that the holding of field tax audits should be substituted by taxpayers independently assessing risks and voluntarily adjusting their tax obligations; and territorial tax authorities should steer taxpayers to do so.

However, in practice some taxpayers actually face tax control that is unlimited in time, since territorial tax inspectorates often use the powers provided by Article 93.1 of the Russian Tax Code (the "Tax Code") and actively request taxpayers to provide a substantial volume of documents and information both with respect to individual transactions and with respect to a taxpayer's general activity for a specific period.

The regulatory opportunity to request documents (information) outside of tax audits is limited in nature — if the tax authorities have "a reasonable need to obtain data concerning a specific transaction from the parties to such transaction or from other parties which have documents (information) with respect to it". However, in practice, only a general justification is provided with respect to demands for documents outside of an audit, and the volume of documents requested sometimes is comparable with the volume of documents that taxpayers provide during a field tax audit. Not only are contractual and source documents concerning specific transactions demanded, but so are documents that are drawn up during a transaction and that are not classified as source documents (operating documentation with respect to the construction of facilities, email correspondence, etc.) as well as internal documents with respect to the taxpayer's activity (staffing tables, job descriptions, etc.).

In addition to requests for documents regarding their own activity, taxpayers regularly receive demands for documents as part of cross-audits of contracting parties. Such demands often contain a large volume of requested documents, including those that are not classified as source documents, with respect to all business operations with a particular counterparty.

The list of documents provided in accordance with the demands made with respect to the taxpayer based on Article 93.1 of the Tax Code may reach several thousands of pages. Major business might receive several such demands per month, which results in the need for a company to divert its resources for a long period and multiple times in order to process such demands and to search for and provide the relevant information and documents. Moreover, the measures to demand documents and information are often accompanied by summonses for a taxpayer to provide explanations as well as by interrogations of the taxpayer's employees.

Such excessive tax control results in the principle being breached of legal certainty and good-faith tax administration and in the need arising to adjust approaches.

EXCESSIVE APPLICATION OF THE PROVISIONS OF ARTICLE 54.1 OF THE TAX CODE

Article 54.1. of the Tax Code was adopted in 2017 as a tool to fight aggressive tax planning. Initially, tax authorities actively applied this provision in cases involving bad-faith suppliers when it was analysed whether tax deductions were legitimate. This provision was aimed at developing and codifying the approaches to assessing whether a tax benefit is justified that were set out in Resolution No. 53 of the Plenum of the Russian Supreme Commercial Court dated 12 October 2006.

Over the short period in which Article 54.1 of the Tax Code has been applied, it has become obvious that this Article is one of the most conflicting provisions of the Tax Code. There is no other category of tax cases resulting in so many disputes being brought before a court.

In practice, this provision, which was initially aimed at fighting sham transactions, has recently turned from a tool to fight "fly-by-night" companies into a universal method to assess additional taxes. Tax authorities have started to apply the specified Article broadly when denying deductions in genuine transactions that have tax flaws or that are ambiguously classified for legal purposes. Instead of using special provisions of the Tax Code aimed at determining tax obligations in a specific transaction/a business operation (determining the market price in controlled transactions, the application of a coefficient of thin capitalization with respect to intra-group loans when the maximum interest share is determined, adjusting the interest rate under loans to the market rate, etc.), the tax authorities might deny the booking of expenses/deductions in a transaction based on the provisions of Article 54.1 of the Tax Code. Thus special provisions of tax legislation are left out of the equation and the application limits of the general provision (Article 54.1) are expanded.

In practice taxpayers face having the business purpose of genuine transactions and/or operations challenged — with reference to Article 54.1 of the Tax Code the tax authorities deny the booking of expenses, reclassify payments as other forms of income (most frequently with respect to foreign counterparties) under the pretext that the main purpose of the transactions or operations is not to pay taxes in Russia (or not to pay them in full). Such approach is often applied to intra-group transactions, including intra-group services supplied by a foreign related party.

When such approach is applied, law enforcement is shifted towards the general provision, which we believe did not correspond to the purposes of the legislature when Article 54.1 of the Tax Code was adopted. In addition, imputing to a taxpayer a violation of the provisions of the above Article in most cases results in an increased fine being imposed of 40% of the amount of additionally assessed taxes and significantly reduces the chances of taxpayers subsequently challenging additional assessments, including through a court. We believe that approaches should be discussed and adjusted with respect to the application of Article 54.1 of the Tax Code.

DOUBLE TAXATION IN THE CUSTOMS FIELD: CHARGING OF IMPORT VAT FROM VAT ON ROYALTIES WITHHELD BY AN IMPORTER (LICENSEE) AS A TAX AGENT

In 2021, the Audit Chamber of the Russian Federation formed a number of recommendations for the Russian customs authorities on conducting customs audit of licensing structures. In particular, it was recommended to take into account and use information on the amounts of VAT paid by importers (licensees) as tax agents of foreign licensors in order to include them in the customs value of imported goods.

At the end of 2021, the Ministry of Finance of Russia in a letter dated 13 October No. 27-01-21/82729 reiterated a similar position on the need to include VAT on royalties paid by importers (licensees) as tax agents in the customs value of goods as part of royalties.

At the same time, such position is not entirely in line with the conclusions of the WCO Technical Committee on Customs Valuation (TCCV), set out in Advisory Opinions 4.16 and 4.18. Thus, these documents contain a conclusion on the need to include the reverse charged income tax in the customs value of goods, but not VAT due to the following:

- Advisory Opinions 4.16 and 4.18 refer to a specific direct tax — "special tax on income" and "royalty income tax", and not to an indirect tax — VAT.
- On the 47th session of the TCCV the opinion was fixed on the nature of the tax referred in Advisory Opinion 4.18, namely a direct tax levied on income. This position has not been rejected by any of the WCO parties.

Nevertheless, the customs authorities are actively using the recommendations of the Audit Chamber and the position of the Russian Ministry of Finance, which leads to a violation of the legitimate rights and interests of participants in foreign economic activity. Hence, such an approach leads to a situation of double taxation in the sense of levying import VAT on the amounts of agency VAT as part of royalties.

Herewith, disputes on this issue are resolved by arbitration courts ambiguously: as in favor of foreign economic activity participants (for example, cases Nos. A56-114310/2021, A40-3225/2022, A40-286907/2021, A40-4727/2022, A40-88352/2022, A35-1670/2022, A40-79711/2022, A40-33892/2022), and in favor of the customs authorities (for example, cases Nos. A40-251204/2021, A56-90354/2021, A56-90356 /2021, A08-804/2022, A40-11337/2022).

AEB members have previously expressed their concern on this matter. The result of the work was the decision by the regulator to organize a series of meetings on the problems of customs value, and the inclusion of the amount of reverse charged VAT in the customs value.

RESTRICTIONS CONCERNING FINANCIAL TRANSACTIONS

Year 2022 was marked by introduction in the Russian Federation of a number of special economic measures for counteraction against unfriendly actions taken by the United States of America in league with other foreign countries and international organizations (hereafter, "unfriendly countries" and "unfriendly organizations" respectively). Specifically, at the level of laws and sublaws, additional currency control measures were introduced as well as restrictions on certain transactions between Russian companies and parties representing unfriendly countries/organizations, including some companies based in the European Union. The multitude of such measures has created uncertainty regarding their actual application. This is especially relevant for performance of loan transactions and transactions with financial instruments referred to in several Executive Orders of the President of the Russian Federation (No. 79, No. 82, No. 95, No. 126 and No. 254). Several official clarifications have been issued to state the legal approach of regulators; however, some lack of clarity still remains with regard to certain debatable provisions of these regulations. Such ambiguity affects, among others, those Russian companies whose shares/stakes are owned by European businesses. In this document, we would like to address some aspects of application of such measures.

SETTLEMENTS WITH FOREIGN BANKS FROM UNFRIENDLY COUNTRIES IN SOME DERIVATIVE TRANSACTIONS

Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022 establishes a temporary procedure for the fulfillment by residents of their obligations under some financial agreements, including loan agreements and derivative contracts (hereafter, "financial agreements"), to foreign creditors specified in clause 1 of the Executive Order (hereafter, "unfriendly foreign creditors"), to other foreign creditors (hereafter, "friendly foreign creditors"), and to Russian creditors. Under the procedure, if the amount of obligations under such agreements/contracts exceeds 10 mln roubles per calendar month, such obligations are to be fulfilled in favor of unfriendly foreign creditors in roubles using type 'C' bank accounts.

According to clause 10 of this Executive Order, the Bank of Russia is authorized to determine a different procedure for the fulfillment by debtors of the obligations referred to above.

On July 19, 2022, the Bank of Russia Board of Directors, exercising its powers under Executive Order of the President of the Russian Federation No. 126 dated March 18, 2022, resolved that a deliverable FX forward and swap contract between a resident and an unfriendly foreign creditor (bank) where one foreign currency is to be delivered in exchange for another foreign currency may be executed by non-resident banks in the Russian FX market without restrictions, provided that the price of this signed contract/deal should not deviate by more than 2% from the market price of similar financial instruments in exchange trading in the Russian and/or international FX market (international electronic trading platforms and/or information systems).

Besides, in the above resolution the Bank of Russia determines the signs of a deal executed in the international market, which, as we understand, is not subject to restrictions on purchase by non-residents from unfriendly countries of foreign currency from Russian companies (banks). These signs are as follows: (1) venue of the deal is a foreign country; and (2) venue of settlements under the deal are accounts in banks and other financial market organizations located outside the Russian Federation.

Therefore, a question arises: does the above resolution mean that the Bank of Russia is using its authority to determine a different procedure (as compared to the procedure stipulated by Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022) for the fulfillment of obligations under deliverable FX forward deals and swap contracts entered into between residents and foreign banks? And if so, do residents have the right to fulfill their obligations under such contracts/deals in the

domestic and international FX market by means of exchanging one foreign currency for another foreign currency (as described in the above resolution) without using type 'C' accounts? We believe the regulator should provide its official clarification on this issue.

USING THE MECHANISM OF REPLACING A PARTY IN THE OBLIGATION THROUGH ASSIGNMENT OF MONETARY CLAIM TO RESIDENTS BY PERSONS FROM UNFRIENDLY COUNTRIES IN RELATION TO LOANS/BORROWINGS AND FINANCIAL INSTRUMENTS

As we said above, Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022 establishes a special procedure for the fulfillment of obligations to unfriendly foreign creditors in roubles by using a type 'C' account. Clause 6(a) of the Executive Order says that financial obligations to unfriendly foreign creditors may be fulfilled in Russian roubles, without mentioning the requirement to use a type 'C' account. Under clause 6(b) of the Executive Order, the same procedure applies to settlements with Russian creditors whose securities are held on securities accounts in Russian depositories (i.e. without using a type 'C' account). According to clause 6(c) of the Executive Order, obligations under financial contracts in relation to securities are fulfilled by means of transfer of funds by the debtor to a type 'C' account of a foreign nominal holder. It is also permitted that obligations are fulfilled as stipulated by a special permission or otherwise as may be determined by the Bank of Russia (for credit organizations) or the Ministry of Finance (for other debtors).

It is our understanding that Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022 is aimed at enabling Russian debtors to make settlements with unfriendly foreign creditors by minimizing sanctions risks arising in the fulfillment of obligations to creditors from unfriendly countries.

According to clause 8 of the Executive Order, debtors must fulfill their obligations under financial contracts to residents and to friendly foreign creditors, if the right of claim in relation to such obligations was assigned to them after March 1, 2022 by unfriendly foreign creditors, according to the procedure stipulated by the Executive Order. However, it is not clear which procedure is meant. Assuming that the Executive Order does not restrict settlements between Russian companies under financial contracts (including with use of a type 'C' account), we conclude that settlements between the new creditor (a Russian company) and the Russian debtor may be effected in the currency of the obligation under the financial contract without using type 'C' accounts. We would appreciate some clarifications from the Bank of Russia on this matter. In the absence of such clarifications, there is legal uncertainty in terms of Russian companies' ability to purchase claims to Russian debtors from unfriendly creditors to "disentangle" payments and terminate cross-border financial obligations.

COMPULSORY TRANSFER OF ACCUMULATED COUPON INCOME FROM AN ACCOUNT OF A FOREIGN NOMINAL HOLDER OF OFZ BONDS TO THE AUTHORIZED RUSSIAN DEPOSITORY

Following introduction by unfriendly countries of restrictions against a number of Russian financial companies (depositories), Russian companies have been unable to handle their securities held in their name by foreign depositories (nominal holders).

The coming into effect of Federal Law No. 319-FZ of July 14, 2022 allowed such Russian companies, specifically including owners of OFZ bonds, to apply to the Russian depository for compulsory transfer of records of rights to such securities. However, the Law does not envisage the transfer of accumulated coupon income on OFZ bonds to the Russian depository or the procedure for such transfer. Therefore, restricted handling of coupon income recorded by the foreign depository cannot be avoided according to the currently valid regulations, and Russian companies cannot use their owned funds accounted for by the foreign depository. It should be emphasized that part of such coupon income was transferred by Russian depositories to a type 'C' account in accordance with Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022 because the recipient of such securities payment was the nominal holder of the securities — the foreign depository from an unfriendly country. Consequently, these payments are now "frozen" on the type 'C' account of the foreign depository in the Russian depository and cannot be used by its client — both by Russian and EU companies which have previously made OFZ transactions through the foreign depository.

In view of the above, for the purpose of circumventing sanctions introduced by unfriendly countries, and for the purpose of "disentangling" payments, we propose amending Federal Law No. 319-FZ of July 14, 2022 by adding a new provision, according to which coupon payments due to owners of securities issued by Russian issuers may be forcefully transferred form a type 'C' account opened for a foreign nominal holder (depository) to the owner's account in the Russian depository, according to the same procedure that applies to transfer of securities under clause 5 of the Law.

COMPULSORY TRANSFER OF FUNDS CREDITED TO TYPE 'C' ACCOUNTS OF AGENTS OF CREDITORS THAT ARE UNFRIENDLY FOREIGN CREDITORS UNDER SYNDICATED LOAN AGREEMENTS TO ACCOUNTS OF RUSSIAN CREDITORS

Similarly to absence of regulations for compulsory transfer of accumulated coupon income to Russian owners of securities from a type 'C' account of a nominal holder (foreign depository) from an unfriendly country, there is no legal basis for compulsory transfer of funds payable to Russian creditors under a syndicated loan agreement by an agent

from an unfriendly country which, in its turn, received those funds from a Russian debtor, to a type 'C' account opened in accordance with Executive Order of the President of the Russian Federation No. 95 dated March 1, 2022. This does not allow Russian creditors to use such funds "frozen" on the agent's type 'C' account to finance other projects, which creates additional financial risks for Russian creditors and the Russian banking system as a whole.

Executive Order of the President of the Russian Federation No. 430 dated July 5, 2022 created the conditions for direct transfer by the debtor of amounts payable under syndicated loans agreements to Russian creditors (bypassing an agent from an unfriendly country). However, it did not resolve the issue with amounts already paid and transferred to the agent's type 'C' account.

Considering the above, and to enable Russian creditors to use amounts owed to them that were "frozen" on a type 'C' account of an agent from an unfriendly country, we propose issuing a regulation (as a separate Law or Executive Order of the President of the Russian Federation) according to which amounts payable to Russian creditors which have been credited to a type 'C' account of an agent from an unfriendly country under a syndicated loan agreement may be forcefully transferred from such type 'C' account to bank accounts of Russian creditors.

BAN ON PAYMENT OF DIVIDENDS AND ALLOCATION OF PROFIT TO SHAREHOLDERS OR MEMBERS FROM UNFRIENDLY COUNTRIES

According to existing restrictions introduced by Executive Order of the President of the Russian Federation No. 430 dated July 5, 2022 and clarified in the Bank of Russia Letter No. 03-12-4/7594 dated August 9, 2022, a legal entity may not freely allocate profit (pay dividends) of Russian companies by making cross-border payment in a foreign currency to non-residents from unfriendly countries. Earlier, Executive Order of the President of the Russian Federation No. 254 dated May 4, 2022 introduced a temporary procedure for performing obligations related to payment of profit of limited liability companies, commercial partnerships and production co-operatives to parties from unfriendly countries, which incorporates restrictions stipulated by Executive Order of the President of the Russian Federation No. 95 dated March 5, 2022.

Such restriction of dividend payments and allocation of profit to shareholders and members from unfriendly countries significantly limits companies' ability and reasonability of doing business in such a legal regime. It must be considered that many companies with members and shareholders from unfriendly countries play an important role in the economy of the country, contributing to production and sale of socially important goods. In view of the above, we find it necessary to discuss with the regulators the possibility of softening the existing ban and of developing a common mechanism that would enable organizations to continue their business in the Russian Federation to allocate profit to non-residents from unfriendly countries.

We find it necessary to discuss with the regulators the possibility of softening the existing ban and of developing a common mechanism that would enable organizations to continue their business in the Russian Federation to allocate profit to non-residents from unfriendly countries.

NEW REGULATION OF INTELLECTUAL PROPERTY OF FOREIGN RIGHTHOLDERS

Since March 2022, the Russian government authorities have developed numerous initiatives to take countermeasures in response to economic sanctions against Russian individuals and legal entities. Some of these initiatives were given regulatory formulation and touched upon issues of management and disposal of intellectual property.

On May 27, 2022, Presidential Decree No. 322 "On the Temporary Procedure of Performance of Obligations to Certain Rightholders" (hereinafter referred to as the "Decree") was adopted, which established the procedure of fulfilling monetary obligations in favor of foreign and Russian rightholders through the transfer of funds to a special "O" type account.

The Decree applies to certain categories of both foreign and Russian rightholders. The grounds for determining the rightholders in respect of which the temporary procedure applies may include supporting the implementation of sanctions against the Russian Federation, Russian individuals and legal entities, the prohibition to use intellectual property in the Russian Federation after February 23, 2022, and the termination (suspension) of production, supply of goods, provision of services or performance of work for reasons not related to economic feasibility as well as originating from "unfriendly" states to the Russia.

In accordance with the introduced temporary procedure for the fulfillment of obligations, funds from the special account of type "O" may be transferred by permission of the Government Commission for Control over Foreign Investment in the Russian Federation, which creates significant difficulties in the commercialization of intellectual property in the Russian Federation.

The obligation to open the said account in the name of the rightholder is imposed on the debtor. Physical presence and consent of the rightholder to open a special account is not required. In its turn, the authorized bank must notify the rightholder of the opening of the account, and the rightholder must inform the debtor applying to him of the account details and issue a consent to the transfer of funds. In this case, the debtor has the right to choose whether to make payments without the consent of the rightholder or to suspend making payments until consent is obtained. If the requirements of the Decree are duly fulfilled, the debtor retains the right to use the intellectual property with the previously applicable conditions.

The provisions of the Decree apply to all types of legal relations providing for the fulfillment of monetary obligations associated with the use of intellectual property, regardless of the timing and nature of the obligation, the type of contract (obligation).

It is also important to note the execution of obligations arising from the infringement of intellectual rights. We know the court practice[1], according to which the execution of a court decision on the recovery of money for distribution of counterfeit products is subject to the procedure determined by the Decree, i.e. by transferring the money to a special "O" type account. Although the Decree does not affect the possibility of protection of intellectual rights, the awarded monetary payments in the form of damages, compensation, penalties and other payments must be transferred by the debtor in roubles to a special account like "O". This, in our view, can significantly reduce the motivation of intellectual property protection in the Russian jurisdiction.

[1] Appeal determination of the Volgograd Regional Court of 09.06.2022 in case No. 33-6251/2022

The Decree enshrines the cases, excluding its application. Its provisions do not apply to a number of rightholders duly performing their obligations under the agreements concluded with debtors. At the same time, this act does not regulate the issues of "proper" performance of obligations by rightholder and does not establish what is the confirmation of the proper performance of obligations.

The new procedure for the performance of obligations primarily affects a large number of foreign companies that are building processes of protection and management of intellectual property in the Russian Federation. The lack of regulation of a significant number of issues arising in practice for business representatives creates inequality between Russian and foreign rightholders, while international standards in intellectual property proceed from the equal granting of rights to the participants of circulation regardless of their country of origin.

A number of legislative initiatives that could introduce a new regulation in relation to the intellectual property of foreign rightholders deserve special attention.

Under Draft Law No. 92282-8 on anti-sanction amendments[2] proposed to establish a prohibition on unilateral amendment or termination of agreements related to the exercise and protection of intellectual property rights as well as to extend agreements by virtue of which Russian legal entities or individuals had the right to use intellectual property for the duration of sanctions against Russian individuals and legal entities. The provisions of the draft law were proposed to apply to legal relations arising after February 24, 2022, as well as to obligations that are due after February 23.

At the present time, the said Draft Law, introduced in March 2022 to the State Duma, continues to be considered in the first reading. We believe that the probability of its adoption is rather low; however, serious concerns are raised by the vague wording of the proposed Draft Law in terms of its effect on the circle of persons and in relation to individual agreements providing for the disposal of intellectual property.

In accordance with Draft Law No. 184016-8[3] it is proposed to introduce a mechanism of compulsory licensing of copyright and related rights owned by a foreign rightholder in case of termination of the license agreement at their initiative or any actions that hinder the use of intellectual property under the license agreement. The Draft Law also provides a compulsory license if the object of copyright or related rights has not been used in the Russian Federation.

At the time of preparation of this article the mentioned draft law has been at the initial stage of consideration. However, the extension of the opportunities for compulsory licensing of intellectual property has caused mixed public reaction, including the critical one on the part of some state authorities.

The mechanism of compulsory licensing proposed in the draft law contradicts the provisions of the Civil Code of the Russian Federation (as it essentially places an unreasonable restriction on copyrights and related rights) and international treaties of the Russian Federation in the field of copyright and related rights (as such compulsory licensing is not provided by such treaties). Furthermore, this Draft Law also does not take into account the current practice and the interests of market participants, who already have contracts for the use of licensed products and may lead to an imbalance or even detriment in certain sectors of the economy associated with the use of copyright and related rights. Moreover, the lack of certainty in the draft law regarding the procedures for obtaining compulsory licenses is of serious concern as the current ambiguity could lead to the abuse of this right.

It is important to note that the institute of compulsory licensing is an exclusive instrument of influence on the market monopoly of the owner of intellectual property and has a very limited range of application in the world practice. Compulsory licensing of objects of copyright and related rights is recognized by a few national legal orders and does not meet the world standards of legal protection of these objects of intellectual property.

RECOMMENDATIONS

The AEB Intellectual Property Committee believes that due to various regulatory measures taken by individual state authorities, it can be stated that the turnover of intellectual property in the Russian Federation is stabilized, and the adoption of additional measures may be excessive.

In this regard, the Committee opposes the introduction of a mechanism for compulsory licensing of copyright and related rights and other legislative initiatives aimed at restricting the freedom to dispose of intellectual property rights and creating inequality between Russian and foreign rightholders. In our opinion, the introduction of compulsory licensing of objects of copyright and related rights in the form in which it is proposed to do so is contrary to both the Russian legal framework and international treaties of the Russian Federation.

[2] https://sozd.duma.gov.ru/bill/92282-8

[3] https://sozd.duma.gov.ru/bill/184016-8

Earlier, the Committee, on behalf of the AEB member companies, sent requests to the Ministry of Economic Development to clarify certain provisions of Decree No. 322. Nevertheless, the existing clarifications prepared by the Ministry do not satisfy a number of questions arising for representatives of the European business community. With this in mind, the Committee proposes the continued active cooperation between business representatives and the government so that clarifications may be obtained on the practice of the application of Decree No. 322 both from the state authorities and authorized banks involved in the execution of monetary obligations to certain rightholders.

If the clarifications received cannot ensure the transparency of the regulation of relations on the circulation of intellectual property of foreign rightholders in the Russian Federation, it is recommended that a consolidated position of the AEB member companies be prepared on the amendments to Decree No. 322.

ISSUES IN THE AREA OF INFORMATION TECHNOLOGIES AND TELECOMMUNICATIONS

TELECOM ISSUES

In November 2020 and in August 2022, the State Commission on Radio Frequencies made decisions according to which all 4G and 5G networks, starting from 2023, should be built on domestic equipment included in the register of the Ministry of Industry and Trade of Russia. The decision on 4G networks is of particular concern because this is the type of connection that we all use now.

It remains unclear how telecom networks will be built in the actual absence of mass production of Russian equipment.

Back in early 2022, telecom operators significantly upgraded their network equipment, as well as imported equipment to stock their warehouses, hoping to overcome the sanctions pressure. But in order to install and put into operation previously imported equipment, special activation codes are needed. The codes are provided by the manufacturers of the equipment. It is likely that after the end of 2022, foreign manufacturers will not be providing such codes. The same applies to equipment imported under parallel importation. Unauthorized hacking of activation codes is difficult to implement on the scale of large batches, and also leads to malfunctioning of the equipment.

After the supply of new equipment stopped in February 2022, mobile operators began to redistribute equipment from places with lower load to places with higher load on the network. But when operators install equipment in a new location, even if the equipment itself is not new, they still need to carry out a formal procedure with Roskomnadzor for putting the equipment into operation, indicating all the serial numbers. And in any case, if the decision of the State Committee on Radio Frequencies comes into force in 2023, it will be impossible to install imported equipment on the towers.

Given that Russian-made telecom equipment is not available in the required volumes, the situation looks quite alarming both for telecom operators and for all end users. AEB appealed to the Ministry of Industry and Trade and the Ministry of Digital Development with a request to at least postpone the date of entry into force of the decision from 2023 to a later time. Other market players are also drawing the authorities' attention to the problem, and thanks to these joint efforts there is an expectation the appropriate decisions to stabilize the situation will be made at the end of 2022.

Another problematic issue is the export of a number of goods from the Russian Federation: Decree of the Russian Government of 09.03.2022 No. 312 (edited on 06.10.2022) "On the introduction on a temporary basis of a permissive procedure for the export of certain types of goods outside the territory of the Russian Federation" actually prohibits the export of certain types of equipment, including telecom equipment (Customs code 8517) until the end of 2022, and probably the regime will be extended for the whole of 2023. Everything included in the list under this Decree can be exported only if there is a special permit from the Ministry of Digital Development and only to the EAEU countries. For manufacturers and telecom operators, this means that all the broken equipment can no longer be taken out of Russia for repair. At the same time, there are no service centers on the territory of Russia and the EAEU. The export procedure determines that it is also impossible to export equipment to European countries through the EAEU countries. Companies can carry out minor repairs on their own, but more complex equipment repairs have now stopped.

The issue of temporary importation of equipment, for example, for demonstration purposes or for testing, also remains unresolved. It is possible to extend the temporary import permit, but not longer than for up to two years from the date of import. For some equipment, this time has already been running out. At the same time, the legislation of the Customs Union requires that temporarily imported equipment should be exported in due time, and the Russian legislation now factually prohibits such export.

The issue of allocating frequencies for the deployment of 5G communication networks remains relevant. The most common frequency range for the introduction of 5G networks worldwide is the 3400-3800 MHz band. The wide availability of this range in many countries makes it a priority when developing user devices: first of all, smartphones. In the Russian Federation, the 3400-3800 MHz band is occupied mainly by military and satellite communication systems, which are not planned to be transferred to other frequencies in near future. The 4800-4990 MHz band, which is being discussed in Russia and in some other countries, is still much less popular and, accordingly, there are fewer developments of the relevant equipment, not to mention its mass production. Therefore, the cost of such equipment will be significantly higher than for equipment in the 3.5 GHz band, which is more common in the world for 5G networks.

ACCREDITATION OF IT COMPANIES IN RUSSIA IN 2022: NEW RULES

Accreditation of an IT company is a key condition for obtaining different support measures for the IT industry, including tax benefits, grant support, social benefits for employees, and other measures.

On September 30, 2022, the Russian Government approved new rules and criteria for state accreditation of IT companies[1]. Previously, the accreditation procedure[2] for IT companies in Russia was quite simple and swift, only the relevant OKVED (a type of economic activity) in the field of information technology was required to apply via the "Gosuslugi" (online state services portal).

However, the regulator, the Ministry of Digital Development, Communications and Mass Media ("The Ministry of Digital Development"), made a decision to review the existing rules for state accreditation of IT companies.

The current procedure encompasses a differentiated approach to defining the rules for state accreditation of IT companies. The general criteria for IT accreditation include the following:

- The appropriate OKVED code in information technology.
- The average salary of the company's employees should be the same or higher than the average for the country or Russian region.
- The share of income from IT activities should not be less than 30% of the gross income of the company.
- The company's website should contain information about activities in the field of IT and IT products created.
- It is required to consent for disclosure of tax secrecy to the Ministry of Digital Development.

The new approach narrows the range of accredited IT companies only to those organizations where one of the main revenue-generating activities belongs to the IT sector. At the same time, in larger companies, where the income from IT activities does not exceed 30%, it is not ruled out to establish a separate subsidiary company specializing in IT. According to representatives of the Ministry of Digital Development, such an organizational solution does not contradict the current rules for state accreditation of IT companies.

[1] Decree of the Government of the Russian Federation No. 1729 of 30.09.2022 on "Approval of the Regulation on state accreditation of Russian organizations carrying out activities in the field of information technologies"

[2] Under the rules for IT accreditation, there is no requirement for Russian participants to have mandatory shares in IT companies, which allows Russian subsidiaries of foreign IT companies to receive such accreditation.

The smaller IT companies that are unwilling or unable to meet certain general criteria for state accreditation, including the requirement for a minimum share of income from IT activities and the requirement for an average monthly salary of employees may use additional specific criteria for IT accreditation.

For instance, a company is not required to ensure that the average monthly wage of employees complies with Russian or regional standards if the company is a rightholder of software or databases included in the Unified Register of Russian Computer Programs and Databases, and the company generates revenue from the commercialization of rights to such software and databases during the year preceding the year of application for state accreditation[3].

Special criteria are also presented for IT startups. Such companies are exempt from the requirement to confirm the minimum share of income in the IT field if the company was established less than 3 years before the date of submission of the application for state accreditation, its income from the moment of its creation does not exceed 1,000,000 roubles, and such a company is included in the regional register of start-ups.

Thus, companies should pay more attention to preparing for the state IT accreditation, including a preliminary assessment of compliance with the new criteria and the preparation of documents confirming a minimum income share in IT, employee salaries as well as information to be posted on such an IT company's website.

RUSSIA CHANGES PERSONAL DATA PROCESSING RULES

Russia has enacted the most ambitious changes to the Personal Data Law since 2015, when the data localization requirements were introduced. Most of the amendments came into force from 1 September 2022. A new procedure for cross-border transfer and certain other provisions come into force from 1 March 2023.

Below we briefly overview the most important changes.

EXTRATERRITORIAL APPLICATION

The amendments significantly expand the applicability of the Personal Data Law.

Previously, the Personal Data Law had no express extraterritorial effect, but under the approach taken in practice by Roskomnadzor (a Russian government agency supervising communications, IT and mass media) the Personal Data Law applied to foreign companies in connection with their Internet services aimed at individuals located in Russia.

Now, the Personal Data Law expressly applies to the processing of Russian nationals' data by foreign entities carried out under (i) the agreement with data subject, or (ii) the data subject's consent.

We recommend that non-Russian companies processing the personal data of Russian citizens reassess whether they are subject to the Personal Data Law.

CROSS-BORDER TRANSFERS

From March 1, 2023, data controllers will be obliged to notify Roskomnadzor of planned cross-border data transfers. Importantly, data controllers must submit notices about their current (ongoing) cross-border transfers by March 1, 2023.

Prior to submitting a notice, the data controller must conduct a transfer impact assessment. To conduct such assessment, the data controller must obtain information from the foreign data recipients on (i) data protection measures they implement; (ii) the regulatory environment in the country of the data recipient (in case of transfer to a country that doesn't ensure adequate protection of personal data[4]).

Controllers will not have to submit the results of the risk assessment to Roskomnadzor (only the date of the assessment must be indicated in the notification). However, in certain circumstances Roskomnadzor can request the assessment report when considering the notice.

Roskomnadzor generally considers cross-border transfer notices within 10 business days. Data controllers can transfer data to countries that ensure adequate protection of personal data immediately after the notification is submitted. Transfers to countries that do not ensure adequate protection are prohibited until the expiry of the 10-day term (with few exceptions).

Roskomnadzor can fully prohibit or partly restrict transfers if it finds this necessary to protect the morals, health, rights, and legal interests of individuals. In addition, Roskomnadzor may prohibit or restrict cross-border transfers for other reasons at the request of other Russian authorities.

If Roskomnadzor prohibits or restricts a cross-border transfer and the data has already been transferred, the data controller will have to ensure that the foreign data recipient ceases processing and deletes all received data.

[3] These special criteria for obtaining IT accreditation will not be suitable for subsidiaries of foreign IT companies due to the impossibility of including the software in the Unified Register of Russian Computer Programs and Databases.

[4] The list of countries that ensure adequate protection is officially published and includes (i) countries that are parties to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (CETS No. 108) and (ii) countries additionally approved by Roskomnadzor.

Data controllers transferring personal data outside Russia are recommended to:

- audit their ongoing cross-border transfers;
- develop a procedure for cross-border transfer impact assessment;
- update the templates of data-transfer/data-processing agreements to reflect the obligations of the recipients to provide information and to delete personal data if Roskomnadzor prohibits transfer;
- file a notification with Roskomnadzor.

DATA BREACHES

A two-step data breach notification procedure has been introduced.

Within 24 hours after detecting the data breach the data controller must provide Roskomnadzor with preliminary information on the data breach (suspected reasons, assessment of damage, remedial actions taken, etc.).

Within 72 hours after detecting the data breach the controller must file a second notification with additional information on the breach (including the results of the internal investigation).

Also, data controllers have to communicate with the state system for control over computer attacks on information resources (GOSSOPKA) to enable notification of the authorities about detected data breaches. The applicable procedures are being developed by the Federal Security Service.

Data controllers may wish to develop incident response procedures (or update existing ones) to reflect the new procedure.

DATA PROTECTION POLICIES AND DATA PROCESSING AGREEMENTS

The amendments significantly toughened the requirements for the content and structure of a company's regulations on personal data processing. Importantly, Roskomnadzor recently commented that these requirements also apply to 'online' privacy policies.

Also, the amendments supplement the list of mandatory clauses of data processing agreements.

Companies may want to review and, if necessary, revise their privacy policies and regulations, as well as data processing agreement templates.

Roskomnadzor can fully prohibit or partly restrict transfers if it finds this necessary to protect the morals, health, rights, and legal interests of individuals. In addition, Roskomnadzor may prohibit or restrict cross-border transfers for other reasons at the request of other Russian authorities.

CONSUMER PROTECTION: WHAT BUSINESS IS FACING IN RUSSIA

Consumer protection is now a hot topic discussed at the state level and in business. Over the years, the responsibility of business has increased, which was facilitated by both introduction of amendments to the Law of the Russian Federation on the Protection of Consumer Rights, law enforcement practice, and consumer behavior.

It is known that in recent years business has seen an increase in such behavior of consumers and public associations, which is aimed not at protecting consumer rights and interests, but at obtaining certain benefits and income. In this case, the legal mechanisms laid down in the Law are used, for example, 1% of the penalty per day of the price of the goods. This phenomenon is called "consumer extremism". While the phenomenon is an exception rather than a rule, even a small percentage of consumers who abuse their rights may cause significant business losses, especially in areas where the cost of goods is high.

In the situation of currently introduced restrictive measures all over the world, the problem of abuse of rights by consumers has acquired a new dimension. In addition, although not in full force, the mechanism for filing class actions against companies has been launched. Public organizations have also become more active with the filing of lawsuits in defense of an indefinite number of consumers.

We can single out the following main "pain points" in the interaction of business with consumers and the law enforcement system.

NON-TRANSFER OF GOODS FOR QUALITY CHECK AT THE PRE-TRIAL STAGE, NON-RETURN OF GOODS AFTER FILING A CLAIM AND EVEN AFTER A COURT DECISION

The Law on the Protection of Consumer Rights does not provide for a pre-trial dispute resolution procedure, but does establish a company's right to conduct a quality check, sometimes referred to as an expert review. As part of such a check, the validity of the buyer's claims regarding the quality of the goods is established, the nature of the claimed defect is studied, etc. This measure was introduced to ensure that as many consumer claims as possible are resolved by companies out of court, thereby reducing the burden on the judiciary. However, the absence of the obligation to present the goods for quality check leads to the fact that the dispute is immediately referred to the court.

At the same time, during the trial, the consumer can use the "low-quality" goods, unless appropriate interim measures are imposed. Such measures are rarely imposed by the courts, which can lead to the loss of goods and the subsequent resumption of litigation.

SIGNIFICANT AMOUNTS OF PENALTIES LEVIED AND FORFEIT FOR THE FUTURE

It is the significant amounts of penalties levied, which include a penalty and a fine, that are attractive to consumers. According to the Law on the Protection of Consumer Rights, the consumer is awarded a penalty of 1% per day of the price of the goods for the entire period of delay in satisfying the consumer's claims and a fine of 50% of the amount awarded in favor of the consumer. If a public organization is involved in the defense of the consumer, it receives 25% of the fine amount imposed in favor of the consumer.

At the request of the company, the court may reduce the amount of the penalty and the fine if it recognizes such a request as justified but only in exceptional cases. In practice, the amounts of the penalty and the fine awarded in favor of consumers in relation to low-quality goods, even after their reduction by the court, can be 300-400% of the original price of the goods.

The court may award a penalty in the amount of 1% per day of the price of the goods from the date the decision comes into force until the date the decision is enforced — the so-called "forfeit for the future". In this case, the amount to be paid increases manifold. After all, neither the bailiff nor the bank has the right to reduce the amount of the penalty, as the court can do, but calculates it at the rate provided for by the Law.

As a result, this leads to the fact that unscrupulous consumers deliberately delay the provision of their bank details for as long as possible since they are entitled to receive a writ of execution within 3 years from the date the decision comes into force and, as a result, receive a much larger amount than the amount awarded by the court.

At the same time, it is important that the penalty is imposed based on the price of the goods, not the one the consumer paid for the goods, but taking into account the difference in price between the goods purchased by them and the price of the new relevant goods. This issue will be discussed below.

PRICE DIFFERENCE

In the current version, paragraph 4 of Article 24 of the Law on Protection of Consumer Rights provides that when returning goods of improper quality, the consumer has the right to demand compensation for the difference between the contractual price of the goods and the price of the relevant goods at the time of voluntary satisfaction of such a claim or at the time of the court decision. In other words, if the consumer bought the goods for 1 million roubles, by the time the decision was made in their favor, the cost of the goods had increased to 1.5 million roubles, then the compensation awarded in favor of the consumer amounted to 1 million roubles + 0.5 million roubles = 1.5 million roubles.

However, the Law does not contain clarification of what exactly a "relevant product" is and how its price is determined. In particular, there are no clear criteria for determining what kind of product is considered to be relevant for the product purchased by a consumer, which was originally in use. In practice, this issue is resolved by the appointment of a forensic examination, but this does not lead to a more precise application of the provision. Rather, on the contrary. In a situation of limited product choice and increasing prices for all goods, the expert, at their own discretion, chooses a "relevant" product, which may have improved characteristics, a different configuration, be of a different model range, etc., and accordingly, cost much more. As a result, huge amounts of difference in price are collected from the business.

INTEREST ON A LOAN

According to paragraph 6 of Article 24 of the Law, in the event of return of goods of improper quality purchased by the consumer at the expense of a consumer credit (loan), the seller is obliged to return to the consumer the amount of money paid for the goods, as well as to reimburse the interest paid by the consumer and other payments under the consumer credit (loan) agreement.

This rule has been applied quite consistently in relation to the seller as the subject of liability. At the same time, according to the position of the Supreme Court of the Russian Federation, set out in the Review of Judicial Practice in Consumer Protection Cases (approved by the Presidium of the Supreme Court of the Russian Federation on October 19, 2022), this rule may also be applicable to the manufacturer. Businesses should take this provision into account when assessing potential losses.

We believe that the existing Law needs a qualitative study. It should become the basis for equal relations between business representatives and consumers in order to respect the rights and interests of both parties.

We believe that the existing Law needs a qualitative study. It should become the basis for equal relations between business representatives and consumers in order to respect the rights and interests of both parties.

STATE REGULATION OF PRICES AND TRADING MARGINS

It may be noted with regret that state regulation of prices and trade margins has become a fix topic on the political and legislative agenda.

Against the backdrop of the pandemic, the Russian Government in December 2020 significantly lowered the threshold for possible state regulation of retail prices for socially important goods. In parallel with this, in 2020-2021, an attempt was made to limit selling factory and retail prices for granulated sugar and sunflower oil through pseudo-voluntary agreements of relevant ministries with manufacturers of these products and trade enterprises.

In 2020, several legislative initiatives appeared in the State Duma (mainly aimed at amending the Federal Law "On the Basic Principles of State Regulation of Trade Activities in the Russian Federation" from December 28, 2009, No. 381-FZ). Another draft law was introduced on February 25, 2022. At present, three initiatives (Nos. 942566-7, 942591-7, 77579-8) remain in legislative plans of the Parliament, although two of them already got a negative response from the Government of the Russian Federation.

The reasons for such initiatives of state bodies and political parties are obvious. It is the desire to ensure availability of food in the context of the observed decline in real incomes and the purchasing power of the population, first in the context of a pandemic, and now under sanction pressure.

But at the same time, it is also obvious that the administrative intervention of the state in business activities, including pricing, as a rule, leads to undesirable results, for example, to shortages of regulated goods. The use of state regulation of prices and/or trade margins to solve the problem of curbing inflation in the Russian consumer market is fundamentally wrong and counterproductive because it:

- violates market pricing mechanisms in trade based on supplier prices and ignores the real cost of trade services;
- significantly complicates the interaction between suppliers and retailers, raising the degree of conflict in these relations;
- leads to less price promotions in trade, which is not in the interests of consumers;
- increases price competition between big trade companies and small enterprises, negatively affecting SMEs;
- can give only a short-term effect, in any case, since it does not affect the root causes of inflationary processes that are based on domestic and international market development.

We are sure that stabilization at the consumer market is only possible when market mechanisms work. Therefore it is necessary to abandon state regulation of consumer prices and trade margins (and the quasi-market price agreements also need to be rejected). In this regard, we welcome repeated statements by the country's top leadership of its commitment to the market self-regulation approach. Fair cooperation of businesses supported by a clear and predictable trade policy is also a must.

The solution to inflation-driven social problems is necessary and possible through state support of free and fair competition both among suppliers and in retail, as well as through targeted measures to increase solvent consumer demand, for example, through assistance to low-income population groups.

Further increase of state support for food producers and suppliers helping to reduce their selling prices could be an additional tool.

ENSURING THE AVAILABILITY OF MEDICINES FOR PATIENTS: ANTI-CRISIS MEASURES TO SUPPORT THE PHARMACEUTICAL INDUSTRY

In 2022, the European and international pharmaceutical companies, as well as suppliers and distributors, faced an unprecedentedly difficult geopolitical situation that had an extremely negative impact on the supply of raw materials, logistics, and international payments under foreign trade contracts: a sharp exchange rate volatility, complication and rising costs of logistics and manufacturing, unstable supply of imported components, raw and other materials, additional registration procedures, as well as a feverish demand among patients.

Pharmaceutical companies continue to make every effort to ensure uninterrupted production and supply of medicines and keep them available for Russian patients. Despite the bilateral sanctions pressure, international companies involved in the healthcare sector reaffirm their commitment to patients in Russia.

The active position of the pharmaceutical industry — AEB member companies' active work, systematic interaction with government officials, and the involvement of key entities — allowed minimizing the risks associated with limiting the availability of medicines for Russian patients.

To adapt pharmaceutical companies to the turbulent conditions of the Russian economy, a complex of improvements was required in a number of areas. The key ones were the implementation of an accelerated mechanism for registering medicines, improving pricing mechanisms for medicines from the Essential Medicines List (EML), and working on intellectual property issues in the pharmaceutical industry.

DETERMINATION OF A SHORTAGE OF A MEDICINAL PRODUCT. RE-REGISTRATION OF A MEDICINAL PRODUCT

In order to minimize the consequences due to restrictions on the export of raw materials, components, and auxiliary substances from the EU to Russia (sanctions packages 5 and 6), as well as due to the refusal of a number of international suppliers to provide materials for production in Russia, determination of a shortage of a medicinal product has become extremely important. It enables making changes to the registration dossier of the medicinal product under an accelerated procedure.

The Russian Government issued a resolution No. 440 dated March 23, 2022 "On approval of the specifics of making changes to the documents contained in the registration dossier for a registered medicinal product for medical use in the event of a shortage or the risk of a shortage of medicinal products due to the introduction of economic restrictive measures against the Russian Federation", which provides

for amendments to the documents contained in the registration dossier for registered medicines for medical use, in the event of a shortage or the risk of a shortage of medicines due to the introduction of economic restrictive measures against Russia.

Government Decree No. 440 dated March 23, 2022, provides for amendments to the registration dossier of medicinal products for medical use, in the event of a shortage or the risk of a shortage of medicinal products without an examination, in terms of changes associated with the replacement of various suppliers of equipment, substances used in the manufacture of a pharmaceutical substance or medicines, changes associated with an increase in the size of the batch, changes in the constituent components of the package, as well as the inclusion of a pharmaceutical substance manufacturer, provided that such a manufacturer is included in the State Register of Medicines.

In addition, the Russian Government issued Decree No. 593 dated May 5, 2022 "On the peculiarities of the circulation of medicinal products for medical use in the event of a shortage or the risk of a shortage in connection with the introduction of economic restrictive measures against the Russian Federation".

RECOMMENDATIONS

In addition to existing measures:

- to ensure that the representative of the manufacturer or importer of a medicine which is considered to be in short supply participates at the commission meeting, for an objective consideration of the issue;
- to introduce a system of consultation with holders of registration certificates for medicines at risk of a shortage in order to find a solution to eliminate a shortage at an early stage without the need to involve other mechanisms and in preparation for the interdepartmental commission meetings;
- to publish the results of the commission's meetings on the Ministry of Health of Russia's website without indicating specific INNs, trade names, or participating representatives of manufacturers, if any were invited;
- to extend the mechanism of action of Decree No. 593 for 2023 with the possibility of further extension, if necessary.

PRICING. PRICE RE-REGISTRATION

In 2022, pricing remains a key issue for both patients and pharmaceutical companies. On the one hand, rising prices for medicines lead to decreased availability, which causes social tension. On the other hand, due to the existing restrictions on the increase in prices for medicines included in the EML, the current registered prices do not cover the production and logistics costs of pharmaceutical companies, and, ultimately, lead to physical inventory shortages.

Government Decree No. 441 dated March 23, 2022, introduced significant changes to the procedure for re-registration of maximum selling prices in the event of a shortage or the risk of a shortage of medicines due to their pricing.

Another important change was a decreased deviation index of medicine introduction into civil circulation from 30% to 5% (10%). This change allowed for more sensitive evaluation of the plan for medicine introduction into civil circulation, as well as of any deviations leading to shortage risks.

Government Decree No. 556 dated April 8, 2021 "On amendments to certain acts of the Government of the Russian Federation on state regulation of manufacturers' maximum selling prices for medicines included in the List of Essential Medicines" amended the specifics of state regulation of manufacturers' maximum selling prices for medicines included in the EML, approved by Decree of the Government of the Russian Federation No. 1771 of October 31, 2020 "On approval of the features of state regulation of manufacturers' maximum selling prices for medicines included in the List of Essential Medicines, and amendments to certain acts of the Government of the Russian Federation", which expanded the possibilities for re-registration of the maximum selling price for a medicine.

RECOMMENDATIONS

- Due to the inability to significantly index prices, foreign manufacturers are forced to accumulate the actual inflation level and then try to raise prices under Governmental Decree No. 1771 or withdraw medicines from the market.
- The proposal is to allow foreign manufacturers to annually index medicine prices to the inflation level without reference to changes in the exchange rate, but not higher than the price level in Russia's reference countries.
- To increase the stability of the Russian Federation's domestic medicine market, adapt the current price indexation mechanism, taking into account not the weighted average sales price of the medicine for the period but the maximum selling price of the registered medicine in the EML. This would help to reduce the risk of a shortage of a medicine.

PROTECTION OF PATENT RIGHTS OF PHARMACEUTICAL MANUFACTURERS

The pharmaceutical business requires technology and innovation; the industry needs measures aimed at preserving investment in intellectual property. Issues of compliance with patent rights are the key to further investment in Russia, the guarantor of the emergence of innovative medicines that are the healthcare development driver.

In the first quarter of 2022, an important issue was the discussion of the possibility of legalizing parallel imports. Since the beginning of March, this discussion has moved into practice: Federal Law No. 46-FZ of 3/8/2022, Decree of the Government of Russia No. 506 of 3/29/2022, and Order of the Ministry of Industry and Trade of Russia No. 1532 dated

April 19, 2022 (registered in the Ministry of Justice on May 6, 2022; since then, the order has undergone several interpretations). Medicines were systematically not included in the list of goods allowed for parallel imports, primarily due to the presence of specific sectoral regulation that mediates the procedures for goods import and sale. However, some medicines were included in the updated version of the Order of the Ministry of Industry and Trade of Russia that allows parallel imports.

The industry supports the regulator's approach that does not include medicines in this mechanism.

Companies are also concerned due to an increasing discussion regarding the patent rights that can be leveled in order to localize medicine production.

RECOMMENDATIONS

- To keep the current approach to medicines — no parallel import mechanism. To apply parallel import only in an inevitable situation.
- To adhere to a balanced approach to the issue of compulsory licensing — it applies in exceptional cases.
- To continue work on the registry of active substances with pharmacological activity, protected by patents for the invention.

LOGISTICS OF MEDICINES

Along with other industries, companies in the pharmaceutical industry, albeit to a lesser extent, also faced the need for a more thorough organization of the logistics of raw materials, materials, components for the production of medicines to the territory of the Russian Federation.

It is vital to take into account the peculiarities of the transportation of medicines. In particular, the Rules of Good Distribution Practice within the Eurasian Economic Union establish requirements for the transportation and storage of medicines (substances and preparations). Thus, reloading is possible only in specially equipped and certified warehouses. The transfer would take a certain time, which would increase the delivery time of medicines, as well as their cost due to additional logistics operations. At the same time, recoupling is often impossible due to the types of vehicles used in the transportation of medicines.

In addition, it should be taken into account that a significant number of essential medicines require special conditions of transportation, for example, compliance with a special temperature regime and sanitary conditions throughout the journey.

The industry welcomed the publication of Decree of the Government of Belarus No. 837 dated 07.12.2022 "On amendments to the Decree of the Council of Ministers of the Republic of Belarus dated April 22, 2022 No. 247 "On the movement of vehicles", according to which the list of exceptions was supplemented by the State Register of Medicines of the Russian Federation.

In addition, the exclusion of pharmaceutical products from the restrictions of the Decree of the Government of the Russian Federation of September 30, 2022 No. 1728 "On measures to implement the Decree of the President of the Russian Federation of September 29, 2022 No. 681 "On some issues of international road transport of goods" has become an important step to support the industry.

RECOMMENDATIONS

- In order to minimize the health risks of Russian citizens, it is necessary to adhere to the current approach that excludes pharmaceutical products from goods subject to repackaging or other changes in transportation, potentially entailing a violation of the requirements for transportation and storage of medicines.

INNOVATION CONTRACTS

The current regulation of medicine immersion in government programs is more focused on price competition, which works effectively in the so-called "mature medicines" segment, in which there are two or more medicine analogs for each INN medicine. However, such an approach, for example, does not take into account the peculiarities of innovative medicines that have therapeutic advantages compared to those available to the healthcare system.

The Russian Government has the right to establish the features of individual purchases. A long-term approach to planning the procurement of innovative medicines should include the consolidation of special procurement models of the procedure for negotiating them within the framework of Federal Law No. 44-FZ — such as long-term contracts that are already being implemented, but in insufficient volume, or providing for risk-sharing and cost-sharing, allowing to increase the availability of innovative types of therapy for patients and optimize public budgetary spending on medicine provision.

RECOMMENDATIONS

- The implementation of these innovative models requires the introduction of a special mechanism for procurement procedures. Among other things, such a mechanism may include a negotiation procedure between the manufacturer and the state customer with the possibility of using more flexible procedures for submitting price proposals. This measure will make it possible to achieve a reduction in the cost of therapy with innovative medicines by providing unique price offers.

EXPORT RESTRICTIONS ON FOREIGN-MADE MEDICAL DEVICES

In 2022, European and global medical devices companies faced remarkable geopolitical challenges that affected their operations highly adversely. Supply chains were restructured, logistics rerouted, business faced exchange rate volatility, international trade settlements suffered severe interruption.

The business export capacity was significantly restricted due to the unprecedented geopolitical situation in February 2022.

With the adoption of Government Decree No. 311 dated March 9, 2022 "On measures to implement Decree of the President of the Russian Federation No. 100 dated March 8, 2022 ("On the application of special economic measures in the area of foreign economic activities to ensure the security of the Russian Federation")" export of medical devices, defective and spare parts, components for medical devices became a very complicated task for international manufacturers of medical devices.

THE FOLLOWING ISSUES TOPPED THE AGENDA:

- export of defective parts for medical devices outside the Russian Federation;
- export of whole (intact) medical devices, disassembly of which requires special conditions provided by the manufacturer, spare parts/components of medical devices and tools necessary for maintenance of medical devices outside the Russian Federation for their warranty/post-warranty maintenance, including repair;
- export of spare parts of medical devices outside the Russian Federation for warranty/post-warranty maintenance, including repair of medical devices located in the EAEU countries;
- export of samples of medical devices imported for registration purposes after testing outside the Russian Federation;
- export of medical devices outside the Russian Federation for the purposes of conducting investigations on adverse events associated with the medical device.

The listed issues are important for the timely updating of the installed base of manufacturers and the uninterrupted provision of high-quality medical services to the Russian population.

The ban on the export of the above-mentioned goods applies to a huge number of positions according to the HS codes of the EAEU.

STAGES OF LIBERALIZATION OF DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 311 DATED MARCH 9, 2022

While solving the urgent task on the agenda of international manufacturers of medical devices to normalize the current situation, lots of efforts were made to come up with a viable mechanism that could meet the needs of all interested parties, by amending the above Decree of the Russian Government. Meetings were held with key governmental officials. Companies confirmed their intention to continue business in Russia.

Since March 2022, Decree of the Government of the Russian Federation No. 311 has undergone several revisions, the list has been liberalized, and the restrictions on some items in the HS code list have been removed.

A significant step towards manufacturing companies was made by Decree of the Government of the Russian Federation No. 850 dated May 11, 2022, which provided for a licensing procedure for goods exported from the Russian Federation in order to complete the customs procedures of temporary importation, which after several months of absence has become extremely important for international companies. The temporary admission regime was extended to a maximum of 2 years. The further presence of the said products on the territory of the Russian Federation violates the customs legislation on the application of the temporary import regime and entails administrative and other unpleasant consequences.

Government Decree No. 850 dated May 11, 2022 "On amendments to certain acts of the Government of the Russian Federation" lifted the restrictions "for goods exported from the Russian Federation in order to complete the customs procedures of temporary import (admission), placed under the customs procedures of re-export, when these goods were temporarily imported into the Russian Federation for the state scientific metrological institutes of the Federal Agency for Technical Regulation and Metrology to carry out technical research work on transferring the size of units from the state standards of the Russian Federation, calibration and (or) verification of foreign and (or) Russian measuring instruments, conducting scientific research on standard samples (measuring instruments), conducting international comparisons, and provided that these goals are confirmed by a foreign trade contract indicating the identification numbers of goods, and the goods can be identified both upon import into the Russian Federation and re-export, if the intended use is confirmed by the Ministry of Industry and Trade of the Russian Federation."

At the same time, it should be noted that the conditions of the temporary import regime proposed by Government Decree No. 850 dated May 11, 2022, did not allow the manufacturers and suppliers to fully extend the existing temporary import regime without re-export.

As part of the first approach to organize the licensing procedure of export of medical devices, their spare parts and components, Decree of the Government of the Russian Federation of March 17, 2022 No. 390 established that "by the decision of the Government of the Russian Federation, based on proposals from federal executive authorities, agreed with the Ministry of Industry and Trade of the Russian Federation and the Ministry of Economic Development of the Russian Federation, temporary permits may be granted for the export of certain goods included in the list provided for in the annex hereto." The first small batch of applications from foreign manufacturers under this mechanism was tested in August 2022.

To obtain a permit from the Government of the Russian Federation, companies provided detailed documentation on a very wide list of documents, which was supplemented at the request of the federal authorities during the review of the company's application.

In order to simplify the extremely lengthy procedure and reduce the administrative burden on federal authorities and the Office of the Government of the Russian Federation, in October 2022, the permit procedure underwent some changes again. Now, with the continued large number of documents that companies submit for review and the continued number of approvals, in accordance with Decree of the Government of the Russian Federation No. 1775 dated October 6, 2022 "On amending certain acts of the Government of the Russian Federation", temporary export permits may be granted "by decision of the Chairman of the Government of the Russian Federation, or First Deputy Chairman of the Government of the Russian Federation, or Deputy Chairman of the Government of the Russian Federation, or the Deputy Chairman of the Government of the Russian Federation — Minister of Industry and Trade of the Russian Federation (in accordance with the distribution of duties) on the basis of proposals from federal executive bodies agreed with the Ministry of Industry and Trade of the Russian Federation, the Ministry of Economic Development of the Russian Federation and the Federal Customs Service, as well as, if necessary, with other federal executive bodies responsible for the development of state policy and legal regulation in the relevant area."

Decree of the Government of the Russian Federation No. 1959 dated November 2, 2022 "On amendments to certain acts of the Government of the Russian Federation" has extended the temporary ban on the export of certain goods and equipment from Russia, including medical devices, their spare parts and components, for another year — until December 31, 2023 inclusive. Due to the extension of temporary restrictions, companies will continue their efforts to bring the existing permitting procedure to standardization and speed up the receipt of permits.

RECOMMENDATIONS

Despite the open dialogue and involvement of representatives of the Department of the Radioelectronic Industry and the Department of International Licensing, the current procedure for applying to the Ministry of Industry and Trade of Russia for a permit to export medical devices, their spare parts and components related to radioelectronic products is extremely long and currently does not have the desired results that guarantee the most effective participation of international medical devices manufacturers in ensuring the sustainability of the Russian healthcare system.

Since the pool of companies that continue to operate in the Russian Federation has been identified, manufacturers and regulators have done a great deal of joint work during 2022 to develop in practice the mechanism approved by the Government of the Russian Federation for obtaining export permits for the above products, it seems highly appropriate to standardize this procedure (officially approve the list of documents, determine specific/maximum timeframe for reviewing of manufacturers' applications) in order to create a more transparent and straightforward licensing procedure.

REFORM OF THE MECHANISM OF EXTENDED PRODUCER RESPONSIBILITY IN RUSSIA

Reform of extended producer responsibility (EPR) legislation has been ongoing for the past few years. The versions of amendments to Federal Law of 24.06.1998 No. 89-FZ "On Production and Consumption Waste" under discussion include several fundamental innovations that require a balanced approach in their implementation and close discussion with the business community.

There are plans to introduce "base rates" of the environmental fee and increasing coefficients for packaging. The EPR concept approved by the Deputy Prime Minister of the Russian Federation V.V. Abramchenko on December 28, 2020 No. 12888p-P1 (hereinafter referred to as the EPR Concept) does not envisage the introduction of such a concept as a "base rate" of the ecological fee. The rates of the ecological fee on various materials should be determined taking into account both the costs of collection, transportation, treatment and disposal of waste and the possibility of obtaining secondary material resources and secondary raw materials. The more valuable is the secondary material resource and raw material obtained, the lower is the rate of the environmental fee. In addition, the basic ecological fee rate is already set taking into account the average costs of collecting, transporting, processing and disposing of waste from the use of goods, i.e. it essentially includes all costs associated with handling waste from goods of any environmental characteristics, so applying additional increasing coefficients is unjustified.

Increase in recycling rates for packaging to 100% from 2025. Certainly, as the EPR system evolves, recycling rates should increase, but introducing 100% recycling rates at one time will have a negative impact on both the cost of the end product and the recycling system itself, as the only way to meet recycling rates with the current recycling capacity will be to pay an environmental fee. A 10% annual increase in recycling rates for packaging is a sensible alternative to phased reforming and development of recycling legislation.

Introduction of control mechanisms for recyclers. The legislative reform will establish a register of bona fide recyclers and make them legally liable for recycling results, which will undoubtedly increase the transparency of recycling services. It is worth noting that the rules for inclusion in the register must not be discriminatory, and the service itself must be provided within a reasonable time, and not contain conditions that would prevent small and medium-sized businesses from accessing the recycling market.

Recyclers will pay an environmental fee if cases of unfair recycling are identified. It is planned that if inaccurate information is identified in the recycling records provided to Rosprirodnadzor, the recycler will be fined the amount of the environmental fee, but there are no rules on whether in such situations the EPR entity that ordered the recycling service will also have to pay the environmental fee (apart from the recycler), and whether the EPR entity in this case may be subject to administrative liability under current articles of Administrative Offences Code 8. 5.1 and 8.41.1. If in addition to the disposer in these situations the subject of EPR will also be liable, it seems inappropriate because of double liability.

For importers from outside the EAEU a procedure is introduced for paying the eco-fee when importing goods into Russia, and in the case of plans to perform the EPR independently, a bank guarantee must be provided and a surety agreement entered with the recycler. There are no such restrictions for EAEU producers, or when importing products from EAEU countries. These additional

administrative and financial restrictions on importers from non-EAEU countries create unreasonable barriers that could lead to a reduction in imports of goods and an increase in prices, additional burden on government supervisory bodies. We believe it would be advisable to introduce uniform procedures for local producers and importers, and it would be unreasonable to introduce a bank guarantee mechanism.

Consideration of the costs of creating your own waste collection and disposal infrastructure when calculating the environmental fee. A procedure should be envisaged for reducing the environmental fee if a manufacturer (importer) takes measures to create infrastructure for the collection, accumulation, treatment and disposal of waste from the use of goods in accordance with which costs can be deducted from the environmental fee. This approach will stimulate the creation of waste collection points and the development of recycling facilities.

The Association of European Businesses continues to work closely with the authorities and other associations to ensure an ongoing dialogue and consider the industry's position in a changing recycling legislation.

THE GLOBAL ENERGY CRISIS AND ITS IMPACT ON THE EU GREEN DEAL AND RUSSIA'S DECARBONIZATION PROGRAM

In 2019-2021, we all witnessed the explosive growth of the green agenda. After the adoption of the EU Green Deal, many countries and international corporations have begun to actively update existing *low-carbon development strategies* and adopt new, more daring ones.

Reducing greenhouse gas (GHG) emissions has become as important as financial performance and operations in many corporate strategies. The major industries responsible for the lion's share of GHG emissions have started discussing *how to reduce emissions not only in Scope 1 but also in Scope 2 and 3*. This approach has had a cumulative effect, becoming a driver of greenhouse gas involvement not only for the major companies in their respective sectors but also for small and medium-sized businesses throughout the supply chain.

This trend persisted not only in the European Union but also in other leading countries in terms of carbon dioxide emissions. Russia was no exception. For 2020-2021 the country prepared the necessary legislative framework for the green economy development, adopted a taxonomy of climate projects and the strategy of low-carbon development, and established the basis of a regional carbon units exchange system.

That said, the year *2022 became a test for the global green agenda*. As early as the fall of 2021, rising prices on energy markets began to provoke a return to less environmentally friendly energy sources. According to the Global Carbon Project, *carbon dioxide emissions in 2022 will reach a record annual level due to increased consumption of coal, oil, and gas, as well as due to the recovery of the world economy after the pandemic.*

Today, Europe is deploying enormous financial resources to support people and industry against the backdrop of rising energy prices. The EU has already estimated these costs at EUR 0.5 trillion in 2022. It's no secret that some of these funds could be used to promote a sustainable transition. But the volatility in the conventional fuel and energy market and the unpredictability of the further scenario certainly have an impact. *Government subsidies* in the early days of green technology development provided the impetus for its growth. *Investment in the energy transition* in 2021 rose to USD 755 billion, up 27 percent from 2020. Renewable energy sources (RES) sector was a major one in terms of green investment (USD 366 billion in 2021). But it is important to remember that many energy market experts believe that *underinvestment in oil and gas exploration and production,* amid record growth in investment into renewables, was one of the reasons for the energy crisis that we are experiencing today.

Of course, the global push for decarbonization of the economy and sustainable development is understandable and justified. With the adoption of the *Paris Agreement*, the world is firmly on the path to combating global climate change and reducing the carbon footprint of our economies. And even despite the difficulties, none of the countries of the world that have made climate commitments have abandoned them.

According to BloombergNEF, *global investment in renewables and "related" sectors in the first six months of 2022 totaled USD 226 billion, an all-time high for the first half of the year* (11% higher than in the same period in 2021).

In the U.S., the "boom" of renewable energy projects under the models of *corporate power purchase agreements* continues, including the use of energy storage units. A key incentive for investing in such projects is the right of investors in RES to receive *investment tax credits and production tax credits*. In August 2022, the Inflation Reduction Act was passed in the United States. This law, among other things, would expand the scope of such deductions for hydrogen projects, which should encourage additional investment in this industry[1].

Of course, the energy crisis and geopolitical trends have their effect, including on the cost of green projects. Over the past year, the world has seen a dramatic rise in the prices of steel, copper, aluminum, and other metals. Many of the components needed to build solar panels, batteries, and wind farms are becoming significantly more expensive, having an economic impact on the implementation of renewable energy projects.

With rising inflation and the additional burden on the budgets of some countries, the *sustainable bonds* (including green bonds) sector is also under pressure in 2022. While last year their global issuance broke another record and exceeded USD 1.1 trillion, the *first half of 2022 did not exceed USD 417 billion (-27% compared to the same period in 2021)*. The EU, China, and Germany remain the leaders in issuing green bonds.

The issues of climate and sustainable development are global challenges and require a collaborative approach. In this context, *it is difficult to imagine achieving global carbon neutrality in 2050-2060 when one or more key greenhouse gas emitters do not have access to advanced climate technologies and alliances.*

Nowadays Russia, China, India, the Middle East, and many others, similar to European countries, are the most active participants in the climate agenda.

For example, in March 2022, installed solar capacity in China was 318 GW, while wind power capacity reached 337 GW. The total installed capacity of RES was 1,088 GW, which is several times the total installed capacity of the Russian power industry. Some experts note that China will reach ahead of the goal of 1,200 MW of renewable energy, originally set by 2030[2].

In a landmark event, the Saudi Arabian Sovereign Fund announced the auction of 1.4 million tons of carbon units in the Middle East's first carbon offset auction. According to consulting firm McKinsey, *the market for carbon units could be as much as USD 50 billion by 2030* depending on different price scenarios.

In 2021, Russia adopted a number of regulations and strategic planning documents in the field of carbon regulation, RES, hydrogen energy, electric transport, and green finance.

In 2022, Russia continued to work on these areas despite the difficult foreign policy and macroeconomic conditions. In particular, to date, key regulations have been adopted for (i) the implementation of climate projects with registration in the Russian registry of carbon units at the federal level and (ii) the launch of the system of emissions quotas and turnover of compliance units in the Sakhalin region — with the prospect of scaling the Sakhalin experiment to other regions of the Russian Federation.

There is a vast variety of projects that can be structured as climate ones. For example, there are projects aimed at modernizing production facilities and infrastructure, reclaiming landfills, switching from coal to gas or renewables, and electrifying the corporate vehicle fleet.

[1] https://insightplus.bakermckenzie.com/bm/environment-climate-change_1/united-states-the-clean-hydrogen-strategy-and-roadmap

[2] https://renen.ru/kitaj-dobavil-25-4-gvt-moshhnostej-vie-v-pervom-kvartale-2022-g/

The implementation of climate projects in Russia can contribute to the achievement of national development goals and other strategic goals of Russia, such as the modernization and expansion of rail and maritime infrastructure, the implementation of so-called "beacon projects" and "pull production", if such projects lead to the prevention or reduction of emissions.

The participation of European and other international companies in such projects in Russia is complicated by restrictive measures taken in the EU, the UK, Switzerland, the US, and other jurisdictions, primarily in terms of restrictions on new investments, provision of certain technologies, management, and technical advice.

At the same time, the development of large and complex projects takes considerable time. International businesses can explore options for structuring and implementing certain types of projects based on current conditions and with the prospect of easing current restrictions.

In the face of the global fight against climate change, key international cooperation issues were addressed at the 27th session under the United Nations Framework Convention on Climate Change (UNFCCC) held in Egypt on November 6-20 (must have ended on November 18, but was extended). The Sharm el-Sheikh conference did not result in such breakthrough outcomes as the previous session in Glasgow. Nevertheless, the participants, including the Russian delegation, have demonstrated their commitment to the green agenda and reached a long-overdue decision to create a "loss and damage" fund to assist vulnerable countries in recovering from the climate change. In addition, we consider the parties' willingness to continue the dialogue on the carbon trading mechanisms under Article 6 crucial for the global carbon market growth.

CONFORMITY ASSESSMENT IN THE CONTEXT OF RESTRICTIONS

CONTINUITY OF CONFORMITY DOCUMENTS

Due to objective circumstances, some Russian legal entities are planning changes in their names, including those accompanied by a reorganization. Such legal entities are often authorized foreign manufacturers and/or importers and act as applicants within the procedures of conformity assessment of serially produced products launched in the market of the Russian Federation.

At present, the EAEU law contains no requirements to replace the documents certifying conformity of products with mandatory requirements (conformity certificates, declarations of conformity, state registration certificates, etc.) in the case of a change in the applicant's name. Such a requirement is established only in Russian regulatory acts and only with regard to declarations of conformity. In addition, a change in the applicant's name is not defined in the EAEU law and Russian regulatory acts as a ground for invalidating such documents, as well as for suspending or terminating their validity.

At the same time, after changing the applicant's name, its new name will not coincide with its former name specified in the documents that certify conformity of products with mandatory requirements. From our point of view, there is a risk that such a situation could be incorrectly interpreted during customs clearance of imported products as "revealing false information about the applicant", which, in its turn, on a formal, incorrectly interpreted basis, could lead to a decision to decline the submitted conformity certificates covering the imported products, or to terminate such conformity certificates.

Regarding the issue of the need to replace conformity certificates in case of a change in the applicant's name, there are information letters from the Ministry of Economic Development and the Eurasian Economic Commission, which believe that in such a case new conformity certificates may be issued according to the established procedure, which does not currently provide for a simplified procedure. At the same time, both the Ministry of Economic Development and the Eurasian Economic Commission expressed their willingness to consider proposals of market participants and to improve the legislative framework, including in terms of provisions concerning the change in the applicant's name.

In order to improve legal regulation in the field of product conformity verification (assessment), as well as to facilitate the activities of Russian economic entities in the crisis conditions, it is proposed to amend some regulatory acts of the Russian Federation and the EAEU, including:

- to supplement the Rules for suspension, renewal and termination of conformity certificates and recognition of their invalidity approved by Resolution No. 936 of the Government of the Russian Federation on June 19, 2021, with a list of cases where a conformity certificate should not be recognized invalid, in particular, in case of a change in the applicant's name;
- to amend the Standard Conformity Assessment Schemes approved by Resolution No. 44 of the Eurasian Economic Commission on April 18, 2018, to introduce a simplified procedure for issuing a conformity certificate in case of a change in the applicant's name.

ACTIVITIES IN THE CONTEXT OF MOVEMENT RESTRICTIONS

The rules of confirming serially produced products provide for the audit of production facilities, sample testing in accredited testing laboratories and annual inspection control, which can be implemented in the form of the audit of production facilities and/or verification tests, which applies to many types of products. The Federal State Information System (FSIS) of the Federal Accreditation Service is the primary source of information on the documents in the field of conformity assessment, and contains the mechanism of control over the conformity assessment procedures, including, but not limited to, format-logic control, automatic control over the inspection and checking the uniqueness of test results for each product conformity assessment project.

The pandemic regime has had a significant impact on the ability of bona fide market participants to perform mandatory conformity assessment procedures in the face of the restrictions for expert auditors to cross borders. To ensure business continuity, the Temporary Measures for Certification of Serial Production under the Conditions of Adverse Epidemiological Situation Associated with the Spread of the New Coronavirus Infection (COVID-19) approved by Resolution No. 127 of the Eurasian Economic Commission Council on December 23, 2020 were introduced, which provide for new possibilities to remotely audit the stability of production facilities by accredited expert organizations. In 2022, in the context of the imposition of sanctions by several states on market participants, the transport and logistics industry, as well as citizens of the Russian Federation, the implementation of mandatory conformity assessment procedures for serial products has become significantly more difficult, which, among other things, affected availability of many types of products in the market of the Russian Federation. Market participants are facing difficult tasks of maintaining validity of conformity certificates, ensuring the possibility of introducing new products to the market in the context of inaccessibility of samples for testing and foreign production facilities for audit. In addition, organizations that perform the functions of foreign manufacturers face difficulties in meeting the requirements of the law on the protection of consumer rights, providing in certain cases for the replacement of products with identified significant defects, as well as warranty and post-warranty repairs using imported spare parts.

The following proposals could help to reduce administrative barriers for market participants:

- Creating a procedure for remote audit of production facilities using videoconferencing, which would take into account the confidentiality of the information collected and transmitted through communication channels, the rules of audio and video recording at the facilities under audit, and would be technically feasible. In practice, this means the possibility of demonstrating production areas, which would not lead to disclosure of the manufacturer's trade secrets, with the requirement of continuous video broadcasting adapted to the technical capabilities of transmission and storage systems.
- The difficulties associated with disruptions in the work of international courier services and shipping companies could be leveled in terms of the conformity assessment procedures by a possibility to consider the results of tests conducted by recognized international organizations that participate in international agreements on the recognition of test results, such as the IECEE, on an equal basis with Russian institutions.

REGISTER OF ENTITIES AUTHORIZED BY THE MANUFACTURER

A draft EEC Resolution "On the procedure for including persons authorized by manufacturers in the EAEU Unified Register of Entities Authorized by Manufacturers, as well as its formation and maintenance" (hereinafter referred to as the "Procedure") has been currently under active discussion. Market participants express concern about the risks of restrictions in the certification of serially produced products, which may arise in case of incorrect interpretation or formal adherence to regulatory provisions, as well as insufficient verification of the authority of persons claiming as being authorized by foreign manufacturers. In our view, when developing the regulatory framework of the EAEU Unified Register of Entities Authorized by Manufacturers, the following provisions should be included:

- a significant transitional period due to the need to bring current contracts with foreign manufacturers, the content of which has not previously been regulated, into compliance with the Procedure;
- a possibility of registering and performing simultaneous activities in each EAEU member by several persons authorized by the same manufacturer;
- a mechanism to confirm the authority of persons authorized by a foreign manufacturer in order to prevent inclusion in the register of organizations not related to the foreign manufacturer but pretending to be authorized thereby;
- exclusion of responsibility of the persons authorized by foreign manufacturers for the products of foreign manufacturers put into circulation in the EAEU by other importing organizations, since the status of a person authorized by the manufacturer provides for both the duties of a foreign manufacturer and introduction of products into circulation.

Market participants express concern about the risks of restrictions in the certification of serially produced products, which may arise in case of incorrect interpretation or formal adherence to regulatory provisions, as well as insufficient verification of the authority of persons claiming as being authorized by foreign manufacturers.

ANNEX 1.

REGULATORY CHANGES IN 2022

DECREE OF THE CHIEF STATE SANITARY DOCTOR OF THE RUSSIAN FEDERATION NO. 2 OF 21.01.2022

- the period of quarantine is reduced from 14 to 7 days for persons who have been in contact with persons infected with COVID-19.

GOVERNMENT RESOLUTION NO. 42 OF 25.01.2022

- the results of the rapid test for COVID-19 antigen will be available in the personal office of an individual on the single portal of state services in the form of a QR code;
- organizations conducting tests for antibodies to COVID-19 pathogen (by any of the methods) will transmit information on positive results of laboratory tests to Rospotrebnadzor without the consent of person.

RESOLUTION NO. 65 OF THE GOVERNMENT OF THE RUSSIAN FEDERATION OF 28.01.2022 "ON THE PROCEDURE FOR THE FUNCTIONING OF THE INFORMATION SYSTEM "ONE WINDOW" IN THE FIELD OF FOREIGN TRADE ACTIVITIES"

- establishes the procedure for interaction of participants of foreign trade activities via the "One window" system with government authorities, currency control authorities and agents and other entities in electronic form;
- the structure, operation of the system, the procedure for access to the system, the rights and obligations of its users, and the list, terms and procedure for the provision of documents and information by participants in foreign trade activities through the system have been established.

RECOMMENDATION NO. 5 OF THE BOARD OF THE EURASIAN ECONOMIC COMMISSION OF 08.02.2022 "ON APPROACHES TO DEFINING THE CONCEPT OF "QUALITY OF GOODS (WORKS, SERVICES)" IN THE AREA OF CONSUMER PROTECTION"

- the "quality of goods (works, services)" means a set of characteristics that ensures compliance of goods (works, services) to the requirements of the acts of the EAEU bodies; to the requirements of the laws of the EAEU states; to the terms of the contract, and in the absence of such a contract — to the purposes for which the goods (works, services) are normally used; to the information about characteristics, including compliance with standards, duly provided or stated in advertising, packaging, and labeling.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 249-R OF 15.02.2022

- the list of advanced technologies for special investment contracts was expanded;
- the updated list includes, among other things, technology for production of synthetic liquid fuel from non-oil feedstock, technology for production of linear low-density and high-density polyethylene, technology for production of backhoe loaders with real-time remote monitoring and machine control functions, technology for production of welded oil grade pipes, and technology for production of chipboard.

FEDERAL LAW NO. 11-FZ OF 16.02.2022 "ON AMENDMENTS TO THE FEDERAL LAW "ON PROTECTION OF COMPETITION" AND ARTICLE 1 OF THE FEDERAL LAW "ON FUNDAMENTALS OF STATE REGULATION OF TRADE ACTIVITIES IN THE RUSSIAN FEDERATION"

- small businesses are exempt from a number of antitrust rules;
- if a company's revenues in the last calendar year amounted to a maximum of RUB 800 million, the anti-monopoly authority will not be able to recognize its position as dominant.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 302 OF 06.03.2022 "ON INTRODUCTION OF A TEMPORARY BAN ON EXPORT OUTSIDE THE RUSSIAN FEDERATION OF MEDICAL DEVICES PREVIOUSLY IMPORTED INTO THE RUSSIAN FEDERATION FROM FOREIGN COUNTRIES WHICH HAVE DECIDED TO IMPOSE RESTRICTIVE ECONOMIC MEASURES AGAINST THE RUSSIAN FEDERATION"

- concerns medical devices that were delivered from the states that have joined the sanctions and are now in importers' warehouses or undergoing customs procedures;
- procedure for procuring medical devices has been simplified, which will help avoid shortages;
- medical organizations will be able to procure even more such items under a simplified scheme — through electronic request for quotations, which will significantly reduce the procurement period.

FEDERAL LAW NO. 57-FZ OF 14.03.2022 "ON AMENDMENTS TO ARTICLE 2 OF THE FEDERAL LAW "ON AMENDMENTS TO FEDERAL LAW "ON INDUSTRIAL POLICY IN THE RUSSIAN FEDERATION" IN TERMS OF SPECIAL INVESTMENT CONTRACTS REGULATION"

- the maximum duration of special investment contracts (SPIC 1.0) for investors covered by the restrictive measures was extended to 12 years;
- the Government of the Russian Federation is empowered in 2022 to set additional specifics of amendment and termination of special investment contracts concluded before adoption of Federal Law No. 290-FZ of 2 August 2019 "On amendments to Federal Law "On industrial policy in the Russian Federation" (SPIC 1.0).

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 355 OF 14.03.2022 "ON CRITERIA FOR CLASSIFYING LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS AS REGULATED ENTITIES"

- large industrial enterprises with greenhouse gas emissions equivalent to more than 150 thousand tons of carbon dioxide per year are considered regulated entities and must provide carbon reporting.

EEC COUNCIL DECISION NO. 37 OF 17.03.2022

- certain goods imported for the purpose of measures aimed to improve sustainability of the economies of the EAEU member states are exempted from import customs duty;
- lists of food products and goods used for production and sale of food products, pharmaceutical products, electronic products, goods used for development of digital technologies and other types are given;
- tariff concession is granted subject to the submission to the customs authority of a confirmation of the intended use of the imported goods, which is issued by the authorized executive body of the member state.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 506 OF 29.03.2022 "ON GOODS (GROUPS OF GOODS) IN RELATION TO WHICH CERTAIN PROVISIONS OF THE CIVIL CODE OF THE RUSSIAN FEDERATION FOR THE PROTECTION OF EXCLUSIVE RIGHTS TO THE RESULTS OF INTELLECTUAL ACTIVITY, EXPRESSED IN SUCH GOODS, AND MEANS OF INDIVIDUALIZATION BY WHICH SUCH GOODS ARE MARKED CANNOT BE APPLIED"

- the government has legalized parallel imports to meet the demand for imported foreign goods;
- the list of original goods will be formed by the Ministry of Industry and Trade on the basis of proposals from federal agencies.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 511 OF 30.03.2022 "ON PECULIARITIES OF LEGAL REGULATION OF LABOUR RELATIONS AND OTHER DIRECTLY RELATED RELATIONS IN 2022"

- companies that have suspended operations will be able to temporarily transfer their employees to other organizations;
- transfer may be carried out by the employer with the written consent of the employee;
- the employee may conclude a fixed-term employment contract with another employer, with the possibility to extend it by agreement between the parties, at the latest by 31 December 2022;
- the regulation is valid until 31 December 2022.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 183 OF 04.04.2022 "ON RECIPROCAL MEASURES OF VISA NATURE IN CONNECTION WITH UNFRIENDLY ACTS OF FOREIGN COUNTRIES"

- some clauses of agreements on simplified procedure for issuing visas with the European Union, Norway, Denmark, Iceland, Switzerland and Lichtenstein (concerning members of official delegations and journalists, members of national and regional governments and parliaments, constitutional and supreme courts) are suspended;
- the Russian Ministry of Foreign Affairs was instructed to introduce personal restrictions on entry to and stay in Russia for foreign nationals and stateless persons committing unfriendly acts, in co-operation with the federal executive authorities.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 629 OF 09.04.2022 "ON PECULIARITIES OF REGULATION OF LAND RELATIONS IN THE RUSSIAN FEDERATION IN 2022"

- state or municipally owned land plots will be granted on lease to citizens of Russia or Russian legal entities without tenders in order to carry out activities for the production of products required to ensure import substitution in the context of restrictive measures imposed by foreign states and international organizations.

DECISION OF THE EEC COUNCIL NO. 50 OF 15.04.2022

- the date of entry into force of technical regulation TR EEC 048/2019 "On requirements for energy efficiency of energy consuming devices" was postponed from September 1, 2022, to September 1, 2025;
- technical regulation 048 refers to "electrical" acts and provides for permits to be issued for the products listed in Annex 1 (in particular, refrigerators, washing machines, electric lamps and computers).

ORDER OF THE MINISTRY OF INDUSTRY AND TRADE OF THE RUSSIAN FEDERATION NO. 1532 OF 19.04.2022 "ON APPROVAL OF THE LIST OF GOODS (GROUPS OF GOODS), IN RELATION TO WHICH THE PROVISIONS OF SUBPARAGRAPH 6 OF ARTICLE 1359 AND ARTICLE 1487 OF THE CIVIL CODE OF THE RUSSIAN FEDERATION ARE NOT APPLICABLE, IN CASE THAT THESE GOODS (GROUPS OF GOODS) ARE PUT INTO CIRCULATION OUTSIDE THE TERRITORY OF THE RUSSIAN FEDERATION BY THE RIGHTHOLDERS (PATENT HOLDERS) OR WITH THEIR CONSENT"

- the list of goods (groups of goods) in relation to which parallel import is legalized;
- the list of goods includes products both necessary for the operation of production facilities and a wide range of consumer goods.

FEDERAL LAW NO. 125-FZ OF 01.05.2022 "ON AMENDMENTS TO THE FEDERAL LAW "ON COUNTERACTING UNFRIENDLY ACTIONS BY THE UNITED STATES OF AMERICA AND OTHER FOREIGN STATES"

- credit institutions are not allowed to provide the information requested by the authorities of foreign countries (including courts) on clients and their transactions, on representatives of clients, beneficiaries and beneficial owners, except for the cases stipulated by separate laws;
- credit institution must notify the Bank of Russia of the receipt of requests, which will then forward the information to the authorized body to determine whether the requests can be fulfilled.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 871 OF 13.05.2022

- domestic automotive enterprises that have signed a special investment contract will be able to obtain a deferral of the recycling fee;
- previously, this privilege was granted only to Russian automobile concerns with the staff of more than 5,000 employees.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 322 OF 27.05.2022 "ON TEMPORARY PROCEDURE FOR PERFORMANCE OF OBLIGATIONS TO CERTAIN RIGHTHOLDERS"

- the Decree concerns the fulfilment of obligations through the rouble special account of the type "O" for the use of intellectual property of the rightholders who are, in particular, related to unfriendly countries, publicly supported foreign sanctions, forbade for non-economic reasons to use such property in Russia after February 23, 2022;
- the rightholder may agree in writing to the transfer of money through an "O" account. Until that the debtor has the right not to pay. In such a case, they will not be deemed to be in default, including forfeits and other financial penalties.

FEDERAL LAW NO. 213-FZ OF 28.06.2022 "ON AMENDMENTS TO ARTICLE 18 OF THE FEDERAL LAW "ON AMENDMENTS TO CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION"

- the use of the results of intellectual activity expressed in the goods specified in the list of goods allowed for parallel imports, and means of individualization with which such goods are marked, will not be considered as an infringement.

FEDERAL LAW NO. 255-FZ OF 14.07.2022 "ON THE CONTROL OF ACTIVITIES OF PERSONS UNDER FOREIGN INFLUENCE"

- summarizes the current provisions of the Russian legislation on foreign agents, and introduces new provisions;
- comes into force on 1 December 2022;
- any person (apart from the limited list of persons specified in the law) who has received support or is otherwise under foreign influence and carries out political activities, purposefully collects information in the field of military, military and technical activities of the Russian Federation or distributes messages and materials intended for an unlimited number of persons shall be considered as a foreign agent;
- a unified register of individuals affiliated with foreign agents is established.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1267 OF 14.07.2022

- starting from July 15, 2022 restrictions on land border crossings in Russia established in connection with the spread of the coronavirus (the Government Decree No. 635-r dated 16.03.2020, which imposed restrictions on entry into Russia for foreign citizens and stateless persons and suspended the issuance of visas and invitations, ceased to be valid) is cancelled.

FEDERAL LAW NO. 357-FZ OF 14.07.2022 "ON AMENDMENTS TO THE FEDERAL LAW "ON THE LEGAL STATUS OF FOREIGN CITIZENS IN THE RUSSIAN FEDERATION" AND CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION"

- the terms of the repeated medical examination for foreign citizens have been specified (foreign citizens do not have to undergo a medical examination every year, only when the work permit is extended).

FEDERAL LAW NO. 251-FZ OF 14.07.2022

- foreign citizens from January 1, 2023 can obtain a compulsory medical insurance policy;
- foreign citizens temporarily residing in the country as well as highly qualified specialists from abroad permanently residing in Russia will be considered insured under the compulsory medical insurance programme.

FEDERAL LAW NO. 328-FZ OF 14.07.2022

- concerns taxation of profits of the participants in special investment contracts;
- constituent entities of the Russian Federation will be able to establish a reduced tax rate for profits tax independently;
- regions of Russia will acquire the right to establish a reduced tax rate from January 1, 2026.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1269 OF 15.07.2022 "ON AMENDMENTS TO THE RULES FOR APPLICATION OF MANDATORY REQUIREMENTS FOR CERTAIN WHEELED VEHICLES AND CONFORMITY ASSESSMENT THEREOF"

- simplification of import of cars into Russia by parallel import;
- previously, to import vehicles from abroad, legal entities had to obtain a vehicle type approval, which was issued by certification authorities only with the permission of the rightholder.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1351 OF 29.07.2022

- changes in the rules of the labeling of light industry goods;
- enters into force from March 1, 2023;
- the changes affected the conceptual apparatus, peculiarities of the procedures of import, transfer and introduction into circulation of the goods.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 520 OF 05.08.2022 "ON APPLICATION OF SPECIAL ECONOMIC MEASURES IN THE FINANCIAL AND FUEL AND ENERGY SECTORS DUE TO UNFRIENDLY ACTIONS OF SOME FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS"

- until December 31, 2022 transactions with securities of Russian legal entities and shares in Russian legal entities owned by foreign persons related to unfriendly countries are prohibited;
- this prohibition shall also apply to transactions involving shares in joint stock companies included in the list of strategic enterprises, shares in companies that are participants in the Sakhalin-1 Production Sharing Agreement, and shares in companies that manufacture equipment for fuel and energy companies.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 529 OF 08.08.2022 "ON TEMPORARY PROCEDURE FOR PERFORMANCE OF OBLIGATIONS UNDER BANK ACCOUNT (DEPOSIT) AGREEMENTS DENOMINATED IN FOREIGN CURRENCY AND OBLIGATIONS UNDER BONDS ISSUED BY FOREIGN ENTITIES"

- banks which foreign currency funds have been frozen abroad can suspend transactions with businesses in that currency;
- in case sanctions are imposed, companies may open special "D" type accounts to fulfil obligations to non-residents under Eurobonds.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1522 OF 31.08.2022

- simplified procedure for confirmation of conformity of the products imported from abroad or put into circulation on the territory of the country is extended until September 2023.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1570 OF 06.09.2022 "ON APPROVAL OF THE RULES FOR GRANTING SUBSIDIES FROM THE FEDERAL BUDGET TO RUSSIAN CREDIT INSTITUTIONS FOR REIMBURSEMENT OF THE LOST INCOME UNDER CREDITS GRANTED TO RUSSIAN ENTITIES AND (OR) INDIVIDUAL ENTREPRENEURS FOR THE PURCHASE OF REAL ESTATE FOR THE PURPOSE OF ACTIVITIES IN THE INDUSTRIAL SECTOR"

- the conditions for industrial mortgages have been established;
- the support involves granting a loan at a preferential interest rate for the acquisition of immovable property for industrial production.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 618 OF 08.09.2022 "ON THE SPECIAL PROCEDURE FOR PERFORMANCE (EXECUTION) OF CERTAIN TYPES OF TRANSACTIONS (OPERATIONS) BETWEEN CERTAIN PERSONS"

- decree allowing sanctioned Russian banks to execute in roubles obligations on foreign currency deposits of Russian companies;
- companies from unfriendly countries may carry out transactions that change the size of a shareholding in a Russian company only with the consent of the Government Commission for the Control of Foreign Investment in the Russian Federation.

PRESIDENTIAL DECREE NO. 647 OF 21.09.2022 "ON DECLARING PARTIAL MOBILIZATION IN THE RUSSIAN FEDERATION"

- on September 21, 2022 partial mobilization was declared in the country, and citizens of the Russian Federation have been called up for military service;
- the Ministry of Defense determines for each region the number of conscripts and the dates of conscription;
- employees of organizations of the defense industry are granted deferral of conscription on mobilization.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1670 OF 22.09.2022 "ON PECULIARITIES OF STATE CONTROL (SUPERVISION) OVER INTERNATIONAL HAULAGE AT CHECKPOINTS ON THE STATE BORDER OF THE RUSSIAN FEDERATION"

- temporary abolishment of weight and dimensions control for trucks importing medicine, foodstuffs and other essential goods is prolonged till February 1, 2023.

PRESIDENTIAL DECREE NO. 681 OF 29.09.2022 "ON CERTAIN ISSUES OF INTERNATIONAL ROAD TRANSPORT OF GOODS"

- the Government is granted the right to impose a ban on cargo transportation to Russia by companies from unfriendly countries.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1728 OF 30.09.2022

- bans the transportation of freight to Russia by companies from countries that have imposed transportation restrictions against Russia (EU countries, the UK, Norway and Ukraine);
- the ban applies to bilateral, transit shipments, as well as shipments from or to a third country.

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1743 OF 01.10.2022

- in 2023 no planned inspections will be carried out in respect of enterprises and organizations which activities are not classified as extremely high and high risk, and which facilities are not hazardous production facilities.

FEDERAL LAW NO. 382-FZ OF 07.10.2022 "ON AMENDMENTS TO THE CRIMINAL PROCEDURE CODE OF THE RUSSIAN FEDERATION"

- customs authorities shall be entitled to carry out preliminary investigation of crimes related to transfer of capital abroad.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 725 OF 11.10.2022 "ON EXTENSION OF THE EFFECT OF CERTAIN SPECIAL ECONOMIC MEASURES IN ORDER TO ENSURE SECURITY OF THE RUSSIAN FEDERATION"

- the food embargo was extended until December 31, 2023.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 737 OF 15.10.2022 "ON CERTAIN ISSUES OF EXECUTION OF CERTAIN TRANSACTIONS (OPERATIONS)"

- restrictions are imposed on transactions (operations) involving persons from unfriendly countries which directly and (or) indirectly establish, change or terminate the right to own, use and (or) dispose of more than 1% of the shares, stocks (contributions) comprising the charter capital of Russian credit or insurance companies, non-government pension fund, microfinance company or management company of a joint stock investment fund, mutual fund or non-state pension fund, or more than 1% of the votes attributable to such shares, stocks (contributions);
- permission from the Government Commission for the Control of Foreign Investments is required;
- the CBR is authorized to issue permits for the export from Russia of cash currency and/or monetary instruments in foreign currency in an amount exceeding the equivalent of USD 10,000.

DECREE OF THE CHIEF STATE SANITARY DOCTOR OF THE RUSSIAN FEDERATION NO. 22 OF 17.10.2022

- as of October 21, 2022 PCR tests for unvaccinated and undiagnosed with COVID-19 Russians returning to the country are abolished;
- the obligation to submit a negative PCR test for foreign nationals and stateless persons arriving in the Russian Federation is also abolished;
- selective testing (for epidemiological indications, continuous testing from countries with a worsened epidemiological situation) for COVID-19 at border crossings, and not only at airports, is untroduced.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 773 OF 26.10.2022

- extends until the end of 2023 the ban and restrictions on imports to and exports from Russia of products and (or) raw materials according to relevant lists determined by the Government of the Russian Federation.

DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 372-RP OF 09.11.2022

- approves a list of 191 manufacturers of equipment and services for the fuel and energy complex which transactions with foreign shares become prohibited;
- the ban is introduced within the framework of Presidential Decree No. 520 of 05.08.2022.

ANNEX 2.

AEB COMMITTEES AND WORKING GROUPS

INDUSTRIAL COMMITTEES

AGRIBUSINESS COMMITTEE

CHAIRPERSON:

DIRK SEELIG, Chief Executive Officer, CLAAS Vostok

COMMITTEE PAGE >>

AIRLINES COMMITTEE

CHAIRPERSON:

ERIC ANCONETTI, Regional General Manager for Russia and CIS, Air France

COMMITTEE PAGE >>

AUTOMOBILE MANUFACTURERS COMMITTEE

CHAIRPERSON:

ALEXEY KALITSEV, Managing Director, Hyundai Motor CIS

DEPUTY CHAIRPERSON:

JAN EIKE WITT, Managing Director, Volkswagen Group Rus

COMMITTEE PAGE >>

AUTOMOTIVE SUPPLIER COMMITTEE

CHAIRPERSON:

ALEXEY BELYAEV, Strategic Projects Director, Smart Driving Labs

DEPUTY CHAIRPERSON:

ANDREY KOSSOV, Director of the branch, Johnson Matthey

COMMITTEE PAGE >>

BANKING COMMITTEE

CHAIRPERSON:

MIKHAIL CHAIKIN, General Director, ING BANK (EURASIA)

COMMITTEE PAGE >>

COMMERCIAL VEHICLES COMMITTEE

CHAIRPERSON:

JAN AICHINGER, Chief Executive Officer, MAN Truck & Bus RUS

COMMITTEE PAGE >>

CONSTRUCTION EQUIPMENT COMMITTEE

CHAIRPERSON:

DMITRY SERBIN, Project General Manager, Government Regulation Department, Komatsu CIS

COMMITTEE PAGE >>

CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

CHAIRPERSON:

VITALIY BOGACHENKO, Corporate Affairs and Sustainable Development Director, Holcim Russia

COMMITTEE PAGE >>

CROP PROTECTION COMMITTEE

CHAIRPERSON:

KONSTANTIN BELDYUSHKIN, CP BU Head Russia-KAZBEC, Syngenta

DEPUTY CHAIRPERSON:

PAVEL ZIBAREV, CEO, CROPEX

COMMITTEE PAGE >>

ENERGY COMMITTEE

CHAIRPERSON:

ERNESTO FERLENGHI, AEB Board Member, Chairman of the AEB "Green Initiative" Steering Committee

DEPUTY CHAIRPERSON:

ANDREAS BOELDT, Head of Representation office, OMV Russia, Upstream GmbH

COMMITTEE PAGE >>

FOOD PROCESSING COMMITTEE

CHAIRPERSON:

TATIANA TKACHENKO, Director of Public Affairs, Danone Russia

COMMITTEE PAGE >>

HEALTH & PHARMACEUTICALS COMMITTEE

CHAIRPERSON:

YANA KOTUKHOVA, Government Affairs and Communications Director in Russia and EAEU, Servier

COMMITTEE PAGE >>

HOME APPLIANCES MANUFACTURERS COMMITTEE

CHAIRPERSON:

HUBERT DE HAAN, General Director, BSH Bytowije Pribory

DEPUTY CHAIRPERSON:

PAVEL RUDYAKOV, Senior Technical Regulation Manager, Samsung Electronics

COMMITTEE PAGE >>

HOTELS & TOURISM COMMITTEE

COMMITTEE PAGE >>

INSURANCE & PENSIONS COMMITTEE

CHAIRPERSON:

ALEXANDER LORENZ, Advisor to CEO, NPF "Deserving FUTURE"

COMMITTEE PAGE >>

IT & TELECOM COMMITTEE

CHAIRPERSON:

MARIA OSTASHENKO, Partner, Alrud

DEPUTY CHAIRPERSONS:

ALMAZ KHISAMOV, Information Security Director, General Electric

ALEKSANDRA SHMIGIRILOVA, Head of the Department of Legal Regulation and Conformity Assessment, Ericsson

GLEB VERSHININ, GR Director, SAP

COMMITTEE PAGE >>

MACHINE BUILDING & ENGINEERING COMMITTEE

CHAIRPERSON:

VLADISLAV SHEPETOVSKI, Country Director for Russia, Head of Representation Office, VR Group Ltd (Finnish Railways)

COMMITTEE PAGE >>

RETAIL TRADE COMMITTEE

CHAIRPERSON:

ALEXEY GRIGORIEV, Corporate Public Policy Director, METRO Russia

COMMITTEE PAGE >>

SEED COMMITTEE

CHAIRPERSON:

VLADIMIR DRUZHINA, Regional Director of Corn and Oil Crops BU East Europe, KWS RUS

DEPUTY CHAIRPERSON:

DENIS ZHURAVSKIY, Head of GR Russia, Syngenta

COMMITTEE PAGE >>

CROSS-SECTORAL COMMITTEES

COMPLIANCE & ETHICS COMMITTEE

CHAIRPERSON:

POLINA PRESNYAKOVA, Legal Affairs Director and Compliance Officer, Russia & EAEU, Servier

COMMITTEE PAGE >>

CUSTOMS & TRANSPORT COMMITTEE

CHAIRPERSON:

WILHELMINA SHAVSHINA, Partner, Global Trade and Customs Leader, Tax & Law, B1

DEPUTY CHAIRPERSONS:

ALEXANDER PERROTE, Customs Project Manager, Leroy Merlin Vostok

VADIM ZAKHARENKO, IRU General Delegate to Eurasia

COMMITTEE PAGE >>

FINANCE & INVESTMENTS COMMITTEE

COMMITTEE PAGE >>

HUMAN RESOURCES COMMITTEE

CHAIRPERSON:

IRINA AKSENOVA, Deputy General Manager, Key Accounts, Coleman Group

COMMITTEE PAGE >>

INTELLECTUAL PROPERTY COMMITTEE

CHAIRPERSON:

ANTON BANKOVSKIY, Partner, SEAMLESS Legal

DEPUTY CHAIRPERSONS:

PAVEL SADOVSKY, Partner, EPAM

DMITRY SEMENOV, Associate, Melling, Voitishkin & Partners

COMMITTEE PAGE >>

LEGAL COMMITTEE

CHAIRPERSON:

ANNA KLIMOVA-ZEMLYANSKAYA, Head of Legal, Russia and CIS, Merck

COMMITTEE PAGE >>

MIGRATION COMMITTEE

CHAIRPERSON:

LUDMILA SHIRYAEVA, GR Director, Tax & Law, B1

DEPUTY CHAIRPERSONS:

ALEXEY FILIPENKOV, Partner, Visa Delight

KAZBEK SASIEV, Associate, Nextons

ANDREY SLEPOV, Partner, Advant Beiten

COMMITTEE PAGE >>

PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

CHAIRPERSON:

MARINA TATARSKAYA, Institutional Affairs and Corporate Communications Manager, Ferrero Russia, CIS-An Region

COMMITTEE PAGE >>

PRODUCT CONFORMITY ASSESSMENT COMMITTEE

CHAIRPERSON:

SERGEI GUSEV, GR & Technical Regulation Manager, E. Company

DEPUTY CHAIRPERSONS:

ALEXEJ SOLDATOW, Technical Regulation Manager, BSH Bytowije Pribory

VLADIMIR VYSOTSKIY, CIS Standards & Regulations Manager, Product Compliance & Support, Caterpillar Eurasia

COMMITTEE PAGE >>

REAL ESTATE COMMITTEE

DEPUTY CHAIRPERSON:

ANTON ALEKSEEV, Counsel, EPAM

COMMITTEE PAGE >>

SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

CHAIRPERSON:

VALERY KUCHEROV, Partner, Global Director, ERM

COMMITTEE PAGE >>

SMALL & MEDIUM-SIZED ENTERPRISES COMMITTEE

CHAIRPERSON:

ANDREAS BITZI, Managing Director, quality partners.

DEPUTY CHAIRPERSONS:

OKSANA BOGDANOVA, Adviser, TAXOLOGY

NIKITA NIKITIN, Client Partner, Maslov Agency

COMMITTEE PAGE >>

TAXATION COMMITTEE

CHAIRPERSON:

NINA GOULIS, Partner, Kept

DEPUTY CHAIRPERSONS:

KSENIA LITVINOVA, Partner, Pepeliaev Group

ALEXEY LYUDVIK, Chief Accountant, Volkswagen Group Rus

ANDREY WAKAR, Tax Manager, ZF Russia

COMMITTEE PAGE >>

WORKING GROUPS

COATINGS INDUSTRY WORKING GROUP

CHAIRPERSON:

ZAKHAR KARPIKOV, Managing Director, Hempel Russia and CIS

WORKING GROUP PAGE

HEATING SYSTEMS MANUFACTURERS WORKING GROUP

CHAIRPERSON:

ANDREY DASHUNIN, General Director, Vaillant Group Rus

WORKING GROUP PAGE

NON-FOOD FMCG WORKING GROUP

CHAIRPERSON:

NIKITA NIZKOUS, Head of GR, Henkel Russia

WORKING GROUP PAGE

TOBACCO PRODUCTS WORKING GROUP

CHAIRPERSON:

OLEG BARVIN, Head of Legal and External Affairs, Subregion Russia, Central Asia and Belarus, BAT

WORKING GROUP PAGE

WORKING GROUP ON LABELING AND TRACK & TRACE SYSTEM

CHAIRPERSON:

EKATERINA TCHEPOURINA, Deputy Director, Scientific and Regulatory Affairs – Zone Europe, L'Oreal

DEPUTY CHAIRPERSON:

ANASTASIA OSIPOVA, Responsible of Customs & Trade Compliance Department, Michelin

WORKING GROUP PAGE

WORKING GROUP ON MODERNIZATION & INNOVATIONS

CHAIRPERSON:

ARMEN BADALOV, First Deputy General Director for Sales and External Relations, Systeme Electric

DEPUTY CHAIRPERSON:

STANISLAS HENRION, CEO, Ksetek

WORKING GROUP PAGE >>

WORKING GROUP ON PARALLEL IMPORTS

CHAIRPERSON:

DENIS KHABAROV, Partner, "Intellectual property", "Technology, media, telecommunications", Melling, Voitishkin & Partners

WORKING GROUP PAGE >>

WORKING GROUP ON THE REGULATION OF CHEMICAL PRODUCTS

CHAIRPERSON:

EKATERINA SUCHALKO, Regulatory Affairs Manager & Trade Compliance Officer, Russia and CIS, Merck

WORKING GROUP PAGE >>

WORKING GROUP ON WASTE MANAGEMENT

CHAIRPERSON:

PAVEL RUDYAKOV, Senior Technical Regulation Manager, Samsung Electronics

WORKING GROUP PAGE >>

REGIONAL COMMITTEES

NORTH-WESTERN REGIONAL COMMITTEE

CHAIRPERSON:

ANTON RASSADIN, Head of Corporate Communications (RU/SM-CM), Bosch Group

DEPUTY CHAIRPERSONS:

ANDREAS BITZI, Managing Director, quality partners.

ELENA NOVOSELOVA, Deputy General Director, Regional Development, Russia & CIS, Coleman Group

WILHELMINA SHAVSHINA, Partner, Global Trade and Customs Leader, B1

COMMITTEE PAGE >>

SOUTHERN REGIONAL COMMITTEE

CHAIRPERSON:

OLEG ZHARKO, Corporate Affairs Director, Head of Business Service Center, Danone

DEPUTY CHAIRPERSON:

LUBOV POPOVA, Chairperson of the Krasnodar Regional Public Chamber, Advisor, Vegas Lex

COMMITTEE PAGE >>

AEB "GREEN INITIATIVE"

"GREEN INITIATIVE" STEERING COMMITTEE

CHAIRPERSON:

ERNESTO FERLENGHI, AEB Board Member

CHAIRPERSONS OF WORKSTREAMS:

ROMAN ISHMUKHAMETOV, Carbon Management Workstream; Senior Associate, Melling, Voitishkin & Partners

YURIY MANJILEVSKIY, Future of Energy Workstream; Climate Positive Program Manager, Ingka Rus

FLORIAN WILLERSHAUSEN, Green Finance Workstream; Chief Development Officer, Creon Capital S.a.r.l

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