

June 20, 2016

## Protection for Business in Russia Discussed at SPIEF

On June 16, 2016, St Petersburg International Economic Forum (SPIEF) hosted a panel discussion entitled *Russian and Foreign Jurisdictions: Protection for Business*. Yury Chayka and Boris Titov were the keynote speakers. The panel was moderated by Dimitry Afanasiev, Chairman of Egorov Puginsky Afanasiev & Partners.

When opening the discussion, **Dimitry Afanasiev** reminded the panel of the President's words on the need to expand the freedom of enterprise in response to external challenges. He mentioned the positive steps to that end and referred to the statistical data of the World Bank, which has rated Russia well above the other BRICS countries in terms of the entrepreneurial environment.

According to Mr Afanasiev, the SPIEF speech made by Russian General Prosecutor **Yury Chayka** for the first time in his 10-year tenure shows the state's increased focus on the protection of entrepreneurs' rights.

Mr Chayka covered certain progress made by the prosecutor's authorities. Specifically, following the development of the 2016 aggregate audit plan the business community has been saved from more than 300 thousand auditor's visits. A proposal to extend the scope of bases, on which random audits are to be agreed with prosecutors, was submitted to the President. It was announced that entrepreneurs will be able to contact the General Prosecutor directly at [businesspravo@genproc.gov.ru](mailto:businesspravo@genproc.gov.ru). Mr Chayka will exercise personal control over the incoming messages.

**Boris Titov**, the Russian Presidential Commissioner for Entrepreneurs' Rights, talked about the extensive progress achieved over the last few years. Commissioners operate in more than 80 Russian regions and enjoy assistance of more than 2000 public officials and pro bono assistance of more than 60 law firms. This allows to process dozens of thousands of applications and helps many businessmen. He also noted the fruitful cooperation between his institute and the prosecution authorities and suggested this cooperation should be extended. A number of helpful suggestions were made, including the one to for the prosecution authorities to check whether there is a good reason behind the inspection authorities' visits to businessmen.

Co-Chair of Delovaya Rossiya **Andrey Nazarov** has developed the point raised by Boris Titov and referred to shocking figures: only 10% of entrepreneurs manage to keep their businesses where criminal cases are initiated against them, and 200 thousand of such cases are initiated annually, only a third of them coming to trial. Mr Nazarov also suggested an effort that could make the capital amnesty program more appealing: putting in place a special procedure for initiation of criminal proceedings against those who declared their capital, namely requiring the General Prosecutor's warrant for doing so.

Further contribution came from the business representatives: **Jean-Francois Decaux**, the Chairman of the Executive Board of JCDecaux, the world's largest outdoor advertising operator, **Alexander Chuvaev**, the Director General of the Russia Division of Finland's Fortum, **Thomas Kim** of Thomson Reuters и **Michael Harms**, the Executive Director of Committee on Eastern European Economic Relations. They covered the challenges their respective companies face while operating in Russia.

The discussion was concluded by **Vladimir Gruzdev**, a member of the Presidium of the Russian Association of Lawyers, who is no stranger to the situation in the regions and to the enforcement problems, namely, as a former governor of the Tula Region. He put forward an initiative of launching BRICS courts, in response to often unfair and politically charged judgements of certain foreign courts among other things.



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Egorov Puginsky Afanasiev & Partners is the leading national law firm in the CIS with offices in Moscow, St Petersburg, Kyiv, Minsk and associated offices in London and Washington, D.C. Founded in 1993, the firm combines extensive emerging markets experience with international professional standards. It provides the full spectrum of legal services to national and international businesses, government agencies, international organisations and financial institutions all over the CIS.

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