



Pepeliaev Group LLC
12, Krasnopresnenskaya Nab.,
Entrance 7, World Trade Center-II
Moscow 123610, Russia

E: info@pgplaw.ru
T: +7 (495) 967 00 07
F: +7 (495) 967 00 08
www.pgplaw.ru

Pepeliaev Group at the IV St Petersburg International Legal Forum

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Pepeliaev Group's specialists were actively involved in the IV St Petersburg International Legal Forum, which took place between 18 and 21 June in Russia's 'northern capital'.

On the first day of the Forum, Pepeliaev Group's managing partner Sergey Pepeliaev took part in a panel discussion of the topic: "The Russian legal industry at 20 years old: outcomes and prospects". This event was organised by RBC and the journal Legal Insight. The view of those was that the volume of work for Russian firms will soon increase, with the market expected to grow over the next two years.

Mr Pepeliaev noted that the current political situation could change the way resources are spread across the legal services market: for several years, the Russian legal industry has developed hand in hand with the advent of in-house legal departments within companies and the expansion of foreign law firms, but this could all now change.

On 18 June, the head of the Supreme State Commercial ('Arbitration') Court Anton Ivanov chaired a debate about importing legal institutions, at which the idea was discussed of allowing foreign businessmen to take into a country where they are doing business elements of the legal system they are familiar with. In relation to this, Mr Pepeliaev commented that borrowing legal institutions does not depend only on the desire or opportunity of the recipient country but also on the efforts of the exporter country.

"Anglo-Saxon law is fairly popular in Russia, not least because here there are a large number of American and British companies who shout from the rooftops about it. What is there of value in Russian public and private law that you could recommend for foreign countries?" he enquired of Mr Ivanov. In responding to this question, the head of the Court pointed to the fact that the Russian Civil Code provides comprehensive regulation of intellectual property rights and exclusive rights. He considered that there was plenty of cause to bang the drum for the Russian approach to this issue.

On 18 June, Pepeliaev Group's head of employment and migration law Julia Borozdna took part in a roundtable "The employee in a multinational company: hiring foreign staff in conditions of globalisation". This featured a discussion of the prospects for and most topical current trends in the development of the legislation of various countries in terms of regulating hires of foreign labour. Ms Borozdna has played a prominent legislative drafting role on many Russian labour law initiatives, and she outlined for those taking part in the discussion the key provisions of the draft law on seconded labour.

On 19 June, during a discussion on "Russia's industrial policy in the context of the WTO: risks and opportunities", Sergey Pepeliaev put forward the view that the lack of an effective and workable system of punishments for illegally trading in tobacco products could accelerate the growth of the grey market. "Today in Russia, there are practically no serious deterrents to hold back the flow of counterfeit and illegally imported tobacco goods," he commented. "We do actually have in existence such measures of liability as restriction of freedom, seizing goods, and imprisonment for infringing rights to a trademark causing extensive damage. However, these are virtually never applied."

Mr Pepeliaev considers that the growth of the grey market in particular could become one of the principal reasons behind the 2013 shortfall in the tobacco excise duty take as compared to the Government's projected figures. "The RUB 19 billion shortfall in the tobacco excise duty collected last year represents a greater amount than the Russian state budget's entire spending on in-patient medical care," he said.

Mr Pepeliaev put forward a range of measures, most notably: cutting from the current RUB 1.5 million to RUB 500,000 the threshold amount for what counts as 'extensive damage' for the purposes of article 180 of the Criminal Code; abolishing the requirement that there must be the aim of selling the goods for an offence to take place; and enabling illegally imported goods to be confiscated.

PEPELIAEV GROUP is a leading Russian law firm offering the full range of legal services in all regions of Russia, most former Soviet countries, and abroad. Over 160 lawyers in three offices (Moscow, St Petersburg and Krasnoyarsk) provide legal support to more than 1,500 companies from a range of industries across the economy. 60% of our clients are international corporations which are making strategic long-term investments within Russia.

For more information, please contact Alexandra Starostina, PR Manager at Pepeliaev Group:

e-mail: a.starostina@pgplaw.ru

tel.: +7 (495) 967-00-07