

Parties and arbitrators guilty of corruption in arbitration proceedings will face criminal liability in Russia

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In October 2020, a law* was adopted to introduce a new article to the Russian Criminal Code: article 200⁷ "Bribery of an arbitrator".

This change was made in compliance with Russia's international obligations in connection with its accession to the Council of Europe Criminal Law Convention on Corruption (27 January 1999), the additional protocol to the convention and, in particular, the GRECO recommendations for the criminalisation of bribery of national and foreign arbitrators.

According to the amendments, criminal liability is established both for bribing an arbitrator and for an arbitrator illegally receiving money, valuables and services:

- If an individual is caught giving a large bribe to an arbitrator (i.e. a bribe of RUB 1m (EUR 10,922) or more), this individual will receive up to eight years in prison and could be fined of up to 40 times the amount of the bribe.
- If an arbitrator is caught accepting a large bribe, he will be sentenced to up 12 years in prison and could be fined up to 50 times the amount of bribe.

Since receiving illegal remuneration for arbitrations did not until now entail criminal liability, there was an increased risk of corrupt practices by arbitrators, and this situation hindered the development of the institution of arbitration dispute resolution in Russia.

As a result of this development, arbitrators should be more independent from the parties to arbitration proceedings and more impartial in their decisions. This should, in turn, also raise the quality of the arbitration process, and enhance the image and popularity of arbitration in the country.

For more information on this eAlert, please contact CMS Russia experts Sergey Yuryev, Mikhail Ivannikov or your regular contact at CMS Russia.

* In Russian

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