

# Doing business in a new customs regulatory environment



**With AEB updates on: recent changes in the  
customs regulations of the Eurasian Economic Union**



**Dear readers,**

With genuine pleasure let me present the Summer 2018 Business Quarterly to you!

The present issue will primarily cover recent changes in the regulations of the Customs Code of the Eurasian Economic Union which entered into force on 1 January 2018.

In particular, legal and technical aspects of the requirements related to the marking of goods are analysed. The procedure for paying the import customs duties and taxes for equipment is described in detail. A separate article reviews the customs representatives' services.

A general overview of Special Investment Contracts as a tool attractive for investors is provided. One of the authors explores amendments concerning regulatory requirements for recycling discarded products, which will affect Russian importers and manufacturers.

Digitalization and multimodality as inseparable parts of transport development are addressed in the magazine. One article deals with the current practice of weighing goods in sea port terminals. Finally, trends in Russian warehouse market are scrutinized.

I would like to express my sincere gratitude to the Federal Customs Service of the Russian Federation, and its Head, Mr. Vladimir Bulavin, for the fruitful cooperation and joint activities which provide a platform for information exchange. We are grateful that AEB member companies have an opportunity to share their proposals and initiatives at joint meetings and conferences organised on a regular basis.

I would also like to extend special thanks to the Eurasian Economic Commission and Mr. Mukai Kadyrkulov, Member of the Board – Minister in charge of Customs Cooperation, for strong cooperation with the AEB on the topics related to customs regulation. We appreciate the open and mutually-beneficial dialogue aimed at improving the regulatory environment for doing business in the Eurasian Economic Union.

Let me cordially thank the members of the AEB Customs & Transport Committee for their substantial contribution to the edition and for all other activities within the Committee.

In the publication you will traditionally find information about AEB most recent accomplishments and updates provided by member companies. Likewise, brief description of new members is presented.

Enjoy your reading!

**Frank Schauff**

Chief Executive Officer,  
Association of European Businesses

**Dear colleagues and friends!**

The Federal Customs Service of the Russian Federation and the Association of European Businesses are linked by long-term ties of productive cooperation in creating comfortable conditions for foreign economic activity. The management of the FCS of Russia is satisfied with the level of trust and openness that has developed in relations with the AEB. Regular consultations are held at management level of the FCS of Russia and the AEB. Issues of customs administration and regulation of foreign economic activity are constructively discussed at working meetings among representatives of customs bodies and member companies of the Association.

There is a constant dialogue between the FCS of Russia and the AEB. Customs officers participate in the discussion of issues held by the AEB Customs & Transport Committee, as well as at events organised by the AEB. In turn, the AEB is a member of the Expert Advisory Council for the implementation of customs policy under the FCS of Russia. The Association member companies are stakeholders in the meetings of the foreign trade operators advisory councils under the regional customs authorities. The AEB is a permanent participant of the International Customs Forum (Customs Exhibition) held annually in Moscow in October.

At present, the FCS of Russia is working on establishment of a unified network of electronic customs offices and eCustoms centres. The customs service needs to become truly electronic by providing the process of declaring goods entirely in electronic form. By 2020, eCustoms centres will process at least 95% of all electronic goods declarations. Nowadays, thanks to the experiment on centralization of customs declarations launched in 2015, more than 80% of all goods declarations are already processed in the Mineralovodsk, Vladimir, Yekaterinburg and a number of other eCustoms centres.

The creation of electronic customs offices and the concentration of goods declarations in eCustoms centres provide phased implementation of automatic declaration dispatching technology. This technology allows the information system to choose the customs body for declaration processing regardless of the declarant's preferences. By 2020, all goods declaration processing will be centralized. The FCS of Russia plans to automate all customs operations, and develop technologies for automatic registration of declarations and automatic release of goods.

Carrying out the largest reform in the field of national customs administration over the past decades, the FCS of Russia counts on the assistance and support from the Russian and foreign business community along with the Association of European Businesses, which has earned its status as a reliable partner of customs authorities.

**Vladimir Bulavin**

Head of the Federal Customs Service of the Russian Federation

**Dear readers,**

It is a great honour for me to greet you from the pages of the professional edition of the Association of European Businesses.

The fourth anniversary of the signing of the Agreement on the Eurasian Economic Union, which united Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia in a new regional integrative union, was 29 May 2018.

Today, the Eurasian Economic Union (EAEU) is a market of more than 182 billion consumers formed on the principles of the free movement of goods, services, capital and labour.

Our citizens can already be hired in any country in the Union on the same terms as residents. Entrepreneurs have free access to 52 sectors of the service market. Producers can offer their goods without barriers throughout the territory of the EAEU, while importers have access to a common market of five countries operating as a single customs territory.

The Customs Code of the Eurasian Economic Union (CC EAEU) entered into force on the 1<sup>st</sup> of January 2018. This is one of the core documents of the EAEU that sets the rules for international trade throughout the territory of the Union.

The EAEU Customs Code unifies all procedures related to the introducing of goods into the common union market. Economic operators in international trade obtain absolutely identical rules and terms for the access of goods to the EAEU market, irrespective of which Party they choose to enter it from.

For our trading partners, this means that now—when working with business entities from different EAEU countries—they no longer need to study the nuances of national customs legislation. The rules imposed by the customs services of, for example, Russia should be identical to the requirements of the customs offices of other EAEU countries.

Furthermore, the new customs rules of the EAEU are focused on automating processes, minimizing the “human factor”, eliminating direct contact between foreign trade participants and state officials, and completely eliminating hard-copy paperwork.

The introduction of all the progressive provisions in the Customs Code of EAEU into law enforcement practice should result in a comprehensive electronic system for regulating external economic activity. It will be simple and user-friendly, and users can interact remotely with it and without middle-men, if desired.

We expect that this customs legislation will promote the serious economic development of our countries, improve the business environment, and enhance the transit and investment attractiveness of the Eurasian Economic Union.

**Mukai Kadyrkulov**

Member of the Board – Minister in charge of Customs Cooperation,  
Eurasian Economic Commission

**Dear readers,**

The Customs & Transport Committee of the Association of European Businesses in the Russian Federation (AEB) was established in 1996, and since then has brought together the most competent, experienced and recognised experts from among AEB members.

The Committee works to lobby for the interests of member companies through dialogue with the Federal Customs Service and other governmental bodies of the Russian Federation and to promote the application of harmonised industry standards in accordance with the best international business practices and trade facilitation principles.

We offer AEB members an effective platform for sharing quality information on developments in customs regulations and facilitating focused business networking.

The AEB Customs & Transport Committee has a history of effective professional collaboration with the Federal Customs Service, the Ministry of Transport, the Ministry of Economic Development, the Ministry of Justice, the Eurasian Economic Commission and other competent authorities of the Russian Federation and the Eurasian Economic Union.

The adoption and entry into force of the EAEU Customs Code was the culmination of a long period of preparation and hard work of customs authorities and experts from the business communities of member states.

The new Customs Code gave an impetus to the further optimization and deployment of advanced technologies and streamlined customs administration that should effectively create favourable conditions for doing business. The experts of the AEB Customs & Transport Committee provided meaningful intellectual input and had an important role to play in drafting proposals for the simplification and improvement of customs clearance procedures.

Acting as an intermediary in a constructive dialogue between the relevant authorities and the business community, the Committee will continue its support and promotion of initiatives of the Federal Customs Service aimed at improving and modernizing customs administration and instilling a positive atmosphere of trust.

The Committee's experts are committed to continuing the deep analysis of new draft laws, as well as the current statutes and norms that regulate activities in the sphere of customs, in order to provide professional recommendations for reducing the risks of doing business and creating a favorable investment climate for legitimate businesses and good-faith participants in foreign trade.

**Dmitry Cheltsov**

Chairman of the AEB Customs & Transport Committee,  
General Delegate to the IRU Permanent Delegation to Eurasia



## AEB BUSINESS QUARTERLY, Summer 2018

### Doing business in a new customs regulatory environment

#### Customs control over conformity of goods to requirements of the technical regulations regarding the marking of goods

SERGEI GUSEV, Deputy Chairman of the AEB  
Customs & Transport Committee, GR  
and Technical Regulation Manager, Electrolux

#### Import regulations for disassembled machinery and equipment

ANNA LITOVCHENKO, Customs Expert, Noerr

#### Use of customs representatives' services

LUSINE ATAYAN, Head of Account Management Group,  
FM Logistic Global Supply Chain

#### Changes to Special Investment Contract regulation

WILHELMINA SHAVSHINA, Deputy Chairperson  
of the AEB Customs & Transport Committee,  
Head of Customs and Foreign Trade  
Regulation Practice, DLA Piper  
KSENIA SIZOVA, Lawyer, DLA Piper

#### Recycling requirements and environmental fee for local manufacturers and importers

ALEXEY ARONOV, Legal Director –  
Customs and Regulatory, DLA Piper

#### Synchronising transportation industry expectations with regards to digitalization and multimodality

DMITRY CHELTSOV, Chairman of the AEB Customs &  
Transport Committee, General Delegate  
to the IRU Permanent Delegation to Eurasia



p. 12

6 SPICs: What are the advantages for investors?



p. 14

8  
10  
12  
How were the requirements for recycling discarded products amended?



p. 17

14  
17  
Digitalization and multimodality as inseparable parts of transport development

## Applicability, practice and essence of weighing goods in sea port terminals

ARTHUR YAMALOV, General Director, TL GROUP

19

## Features of warehousing in Russia

ANNA POPOVA, Marketing manager, Tablogix

22

## AEB updates

AEB news

26

AEB Committees updates

38

Member news

51

Appointments

53

New members

55



AEB took part in the Krasnoyarsk Economic Forum



AEB Annual General Meeting 2018



AEB organised the Ninth Northern Dimension Forum



AEB participated in St. Petersburg International Economic Forum

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# Customs control over conformity of goods to requirements of the technical regulations regarding the marking of goods



**SERGEI GUSEV**

Deputy Chairman of the AEB  
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**T**raditionally, one of the main functions of customs authorities is ensuring that prohibitions and limitations are observed, including ensuring that technical regulations are complied with. These functions of customs authorities are fixed by Sub-clause 3, Clause 2, Article 351 of the Customs Code of the Eurasian Economic Union (previously Sub-clause 5, Clause 1, Article 5 of the Customs Code of the Customs Union), as well as by Sub-clause 6, Part 1, Article 12 of Federal Law No. 311-

FL 'On Customs Regulations' in the Russian Federation dated 27.11.2010.

The law of the Eurasian Economic Union and the laws of the Russian Federation on technical regulations (primarily, the Union and Russian technical regulations) contain requirements as to the marking of goods and their packaging, including marking with conformity marks.

Thus, one of the functions of customs authorities is to ensure that the requirements for the marking of goods moved across the customs border, set forth by the technical regulations, are observed.

Paragraph 1, Clause 6 of the Protocol on Technical Regulations within the Eurasian Economic Union (Appendix No. 9 to the Treaty on the Eurasian Economic Union) has set forth that products complying with the requirements of the Union's technical regulations covering those products and having passed the compliance verification procedures shall be subject to marking with a single market circulation mark.

According to Paragraph 2, Clause 2 of the Procedure for Application of a

Single Market Circulation Mark in the Eurasian Economic Union approved by Resolution of the Customs Union Commission No. 711 'About Single Market Circulation Mark of the Eurasian Economic Union and Procedure for its Application' dated 15.07.2011, marking with a single market circulation mark shall be carried out prior to placing products on the market of the Eurasian Economic Union.

Paragraph 4, Clause 2 of the Protocol on Technical Regulations states that 'placing goods for circulation' shall mean the supply or import of products (including shipments from a manufacturer's warehouse or shipments without warehousing) for the purposes of distribution in the territory of the Union in the course of commercial activities or without consideration.

According to Paragraph 3, Clause 6 of the Protocol on Technical Regulations, any other marks must be present on goods when placing goods on the market in the territory of the Union.

Thus, products imported into the Russian Federation must fully comply with the marking requirements set forth by the law of the Eurasian





Eurasian Economic Union and by the laws of the Russian Federation on technical regulations at the time when they are imported into the territory of the Eurasian Economic Union.

Such rigid requirements seem excessive, therefore it is reasonable for regulatory authorities to clarify the definition of the term 'placing goods for circulation' or to introduce changes in the Procedure for Application of a Single Market Circulation Mark with regard to the timing of the marking of products with a single market circulation mark, as well as to allow customs authorities to conventionally place those products for circulation which have passed the verification procedure for compliance with the requirements, but do not fully comply with the marking requirements under the customs applicant's (importer's) obligation to bring the marking of such

The law of the Eurasian Economic Union and the laws of Russia on technical regulations contain requirements as to the marking of goods and their packaging, including marking with conformity marks.

products into full compliance with the requirements set forth.

Prior to introducing relevant changes into the law of the Eurasian Economic Union and the rules of customs clearance, Russian importers should maintain thorough and strict control over the compliance of products with the marking requirements by virtue of communication with manufacturers, sellers and shippers of goods shipped for export to the Russian Federation, maintain remote control over actual

compliance with the requirements set forth and, in some complicated cases, even carry out pre-shipment inspections of goods before they are shipped to the Russian Federation.

The absence of the mark on goods, the presence of which is set forth in the technical regulations applicable to these goods (products), shall constitute an administrative offence, the responsibility for which is provided by Article 14.43 of the Code of Administrative Offences of the Russian Federation. |

# Import regulations for disassembled machinery and equipment



**ANNA LITOVCHENKO**  
Customs Expert, Noerr

**T**he Customs Code of the Eurasian Economic Union (“**CC EAEU**”) enacted on 1 January 2018 for the first time has established the import procedure for disassembled and incomplete machinery and equipment during a period exceeding 4 months from the date that the first batch of equipment components (“**Equipment**”) is placed into temporary storage at the level of supranational law. The list of the Equipment covered by the procedure was determined by Decision of the Eurasian Economic Commission No. 45 dated 3 April 2018. It includes:

- Nuclear reactors and piles, turbines, engines, furnaces, as well as the other machines listed in Section XVI of the Foreign Economic Activ-

ity Commodity Nomenclature of the Eurasian Economic Union (“**FEACN EAEU**”).

- Instrumentation: measurement and inspection tools (groups 84, 85, 90 of FEACN EAEU), iron-and-steel structures (bridges, their sections, towers), various iron-and-steel tanks with a capacity over 300 litres, pre-engineered building systems (headings 7308, 7309 00, 9406 of FEACN EAEU) normally delivered as parts of the Equipment.
- Industrial transport facilities, groups 86-89 of FEACN EAEU: vessels, boats, and floating structures, aircraft and spacecraft, railroad engines, trams, and other rolling stock.

The newly established procedure (“**Procedure**”) differs from the one in effect in Russia since 2001.

The procedure for paying the import customs duties and taxes at the rates applied to the assembled and complete Equipment, as well as for the uniform prohibitions and restrictions thereto is as follows:

1. Obtain the Equipment classification decision (“**Decision**”). The procedure, timeframe, and form of the Decision are set forth in the Federal Law “On Customs Regulation in the Russian Federation” (“**Customs Regulation Law**”). At present, the Decision is made by the Federal Customs Service of the Russian Federation. The Decision contains

a schedule that lists each component of the Equipment corresponding to its FEACN EAEU code.

**The classification Decision for the machinery and Equipment delivered disassembled is applicable within the Eurasian Economic Union member state making the Decision.**

2. Notify the customs authority where the Equipment is supposed to be declared on the deliveries in the proper form and manner as set forth in the Customs Regulation Law.

3. Specify the classification code in the transit entry in accordance with the Decision made (if the Equipment components travel through the territory of another EAEU member state on their way).

4. Declare the components listed in the Decision.

**The import customs duty and tax rates along with the prohibitions and restrictions are applicable as of the date when the customs authority registers the component declaration.**

5. Submit the declaration for the last component before the overall deadline for submitting the final declaration for the goods—within six years from the date when the conditional release request for the first batch was registered. Prior to requesting the Decision, be



aware of the fact that the Procedure is subject to meeting a combination of requirements as follows:

- the Declarant of the Equipment components is the recipient of the Decision;
- the Equipment components imported to the customs area of EAEU will be delivered to a single recipient;
- all components are declared to a single customs authority.

In addition to the above requirements, the EAEU member state's law may prescribe the importation of the goods under a single transaction.

### Transition period

Companies obtaining the Decision prior to 1 January 2018 and importing the first component:

- Prior to 1 January 2018—may import the Equipment components after 1 January using the conditional release requests subject to securing the payment of customs duties and taxes<sup>1</sup>.

- After 1 January 2018—the Equipment components shall be imported in accordance with the procedure set forth above, i.e. involving the submission of the customs declaration and payment of customs duties and taxes.

### Additional requirement suggested by the draft Federal Law "On Customs Regulation"

Part 3, Article 105 of the draft Federal Law "On Customs Regulation in the Russian Federation" submitted to the State Duma of the Russian Federation Federal Assembly on 28 April 2018 introduces an additional requirement to the declaration Procedure: *"The component of the good must be imported to the Russian Federation under a foreign economic transaction. The declaration for the goods as it regards the last component of a complete or finished good may contain the details of the good imported under a single foreign economic transaction or under multiple foreign*

*economic transactions, but under a single agreement (contract)".*

When the Equipment is procured from two or more manufacturers, this requirement forces the buyers to switch to indirect supplies and perform transactions through foreign consolidators. Otherwise, it is impossible to use a uniform classification code of FEACN EAEU for the Equipment resulting in the payment of import customs duties and taxes for a part of the Equipment delivered under each individual foreign economic transaction.

The experts of the AEB Customs & Transport Committee have submitted their objections to draft Article 105 in its current form and voiced them at the discussion of the draft law by the working team for the consideration of the draft Federal Law "On Customs Regulation in the Russian Federation" of the State Duma of the Russian Federation Federal Assembly within the Budget and Taxation Committee. |

<sup>1</sup> Pursuant to Article 215 of Federal Law No. 311-FZ dated 27.11.2010 "On Customs Regulation in the Russian Federation".

# Use of customs representatives' services



**LUSINE ATAYAN**

Head of Account Management Group,  
FM Logistic Global Supply Chain

**T**he use of services of a customs representative in the post-Soviet period is in no greater demand anywhere else in the world! In an environment of constant change and optimization in the sphere of regulatory acts and the development of the Customs Union, customs legislation has undergone tremendous changes. Most of them are aimed at "whitewashing" the market, increasing the traceability of the flows of imports and exports, and increasing the collection of funds to the budget, which is recently lacking a large portion of revenue due to currency instability and the economic crisis. The continuing sanctions imposed on Russia also create significant adjustments.

Changes to customs legislation force the participants of foreign trade activities to change their regular delivery routes and schemes, change the type of transportation used, and find ways to consolidate and search for greater optimization of their logistics costs. The Federal Customs Service pays very close attention not only to regulation-based tariffs (duties, VAT and fees) but also to non-tariffs. Certification and licensing of products imported into Russia are now subject to inspections. In 2017, there was mass closure of laboratories which conducted tests only on paper without actual samples involved and which simply issued permission documents. We face greater post-clearance customs control at the importer's sites and requests for additional evidence of importation from tax authorities (this measure can be performed within three years after the release of goods by customs).

Logistics in Russia today is a dynamic, developing, but quite unstable and unpredictable organism. The total number of Customs Declarations filed per year in Russia exceeds 4 million, more than 60% of which are submitted by customs representatives. In 2017, as a result of control of the customs value, customs authorities additionally collected more than RUB 25.1 billion, which is 30% higher than the additional collected payments on the results of adjustments to the customs value of goods in 2016. The Federal Customs

Service returns 60% less fees and duties paid after fighting complaints from the business in court. At the same time, importers are faced with innovations from the customs authorities, such as marking, chipping high-value goods with RFID tags, QR codes, and so on.

The customs representative is called upon to become a guide for the foreign economic activity participant on this uneasy path by advising, warning and informing him of the possible risks and upcoming changes. The role of an intermediary who only submits declarations on behalf of the client has long been obsolete. Competition in the logistics market forces customs representatives to fight for their client, providing him with comprehensive services while remaining within the law. This is a specific type of activity whose implementation requires a staff of highly qualified specialists (certified declarants, customs engineers, translators, lawyers, etc.). This way of conducting business is not always possible for the importer, primarily because it is often unprofitable to develop its own customs clearance department.

Only a company included in the Register of Customs Representatives has the right to carry out customs clearance activities on behalf of a participant of foreign trade activities. The joint responsibility of the customs representative with the declarant has been determined legislatively.





The entry into force of the EAEU Customs Code on 1 January 2018 determined that the size of the bank guarantee the licensed customs representative must hold be in an amount equivalent to EUR 500,000 (the details are set forth in the Customs Code of EAEU, Section VIII: Activities in the field of customs clearance; Chapter 55: The Customs Representative. Articles 401-405). The amount of security provided was thus reduced from EUR 1 million to EUR 500,000. This decision increased the number of players in the market and, it would seem, should have increased the level of "carelessness" of customs representatives. However, we see quite the opposite: competition in

the market is growing, customs representatives are forced to lower rates for their services, and the price for any mistake they make is growing higher. The new code provides for serious administrative and financial responsibility, and the first to be called upon for this responsibility by regulatory institutions will be the customs representative and not the participant of foreign economic activity. What does this mean? If customs regulations are violated, the company providing mediation services is burdened with an obligation to pay taxes and duties. By their size, the penalties are equal to those imposed on the foreign trade participant. The customs representative should collect

all the data from the importer/exporter as accurately as possible in order not to make a mistake in determining the customs value and classification of goods. In fact, the client delegates its responsibility for providing the correctness of information and the amount of money paid to the budget to the customs representative, while dictating the KPI for the lead time of customs clearance to be 24 hours or less, 7 days a week.

The perfect match for any foreign trade member is a single logistics representative that provides a full range of logistics services, linking customs clearance with other supply chain services, thereby making "door to door" smooth and unified. |

# Changes to Special Investment Contract regulation



**WILHELMINA SHAVSHINA**

Deputy Chairperson of the AEB Customs & Transport Committee, Head of Customs and Foreign Trade Regulation Practice, DLA Piper



**KSENIA SIZOVA**

Lawyer, DLA Piper

At present Russia is implementing an import substitution policy, in which Special Investment Contracts (SPICs) concluded between the state and investors play an important role.

SPICs give a number of significant advantages to investors, including simplified access to public procurement, a simplified procedure for obtaining "Made in Russia" status in respect of goods produced, the opportunity to receive tax incentives and subsidies, and guarantees of the non-application of changes to tax/budget legislation that would worsen the investor's condition and guarantees that the total tax burden will not increase.

In June 2018 the legislation regulating SPICs will undergo a number of changes that will bring more clarity to the provisions already in force and, in some respects, will even make the mechanism of SPICs more appealing for business. The changes will be as follows:

- **SPICs will cover future and current investment periods.** This change means that SPICs can be concluded in relation to:
  - **a future investment project** to be implemented subsequent to the execution of the SPIC;
  - **an investment project that was launched** in the calendar year in which the investor filed an application;

- **a new phase of an investment project** to be launched before the execution of the SPIC, subject to the following conditions: (i) implementation of the new phase will commence following the execution of the SPIC or in the calendar year in which the investor filed an application, (ii) there is a separate business plan for the new phase and this business plan provides for investment in the new phase in the amount of at least 750 million roubles, and (iii) the amount of investment in the new phase makes up at least 50% of the total amount of investment in the project.

- **More specific requirements for investors will be introduced.** More particularly, the investor is defined as an entity that has been entered in the Unified State Register of Legal Entities or has been established in accordance with the legislation of a foreign state; however, a foreign investor may not be registered in an offshore zone. The investor must not be in the process of restructuring or liquidation or show any signs of bankruptcy or be in arrears on taxes. The obligation of the investor with respect to making an investment remains at the same level of at least 750 million roubles (net of VAT).
- **The terms "Investor" and "Engaged Parties" have been separated.** The changes have introduced a "One SPIC—One Investor" rule. But even so, SPICs may be multilateral



and may be signed by engaged parties, which are entities carrying out production or performing the functions of an engineering centre, a distributor or a financial centre.

- **SPIC execution time has been defined.** The date from which the SPIC validity period begins to run is the date of the execution of the SPIC by the Russian Ministry of Industry and Trade. The expiry date of the SPIC is 31 December of the year that is determined by adding five years to the time when the investment project starts earning operating profit or 31 December of the tenth year.
- **The deadline for reporting has been set.** The changes in this respect suggest two possible options: Option 1—if the SPIC is concluded on or before 30 June, then reports are to be filed in the current year and Option 2—if the SPIC is concluded after 30 June, then reports are to be filed the following year.
- **Documents that may confirm the investor's ability to invest have**

**been defined.** Such documents include: a credit agreement (or a preliminary credit agreement), a loan agreement, a shareholders agreement, a resolution of the investor's general shareholders meeting/board of directors, account statements and accounting data, an investment agreement between the investor and engaged parties, and other documents.

- **The list of documents and data to be provided in the course of filing an application for the execution of a SPIC has been expanded.** Now the investor is obliged to produce, as part of the documents, an investment project (annual) timeline indicating the key milestones of the investment project and responsible contacts, an investment schedule (showing expenditures for all or some specific activities), data on the minimum amount of taxes inclusive and exclusive of incentive measures, and data on the structure of the parties to the investment project (including key suppliers of materials and customers).

- **Detailed requirements have been introduced for the business plan and the Financial Model.** It is worth noting that earlier such requirements were established as recommendations and were not binding on investors.

It should also be noted separately that the Russian Ministry of Finance has prepared a draft Federal Law entitled *On Special Investment Contracts and Amendments to Certain Legislative Acts of the Russian Federation*. This law will apply only to future SPICs. The Law generally provides for a wide range of parties to SPICs, allows the consolidation of funds for investors and the consolidation of investors into SPVs, establishes new requirements for parties to SPICs (successful experience and satisfactory financial condition confirmed by a Russian Government agent), and clarifies the validity period of SPICs (project payback period (at least seven years) plus the period for achieving an estimated rate of return on investment). |



# Recycling requirements and environmental fee for local manufacturers and importers



**ALEXEY ARONOV**

Legal Director – Customs and Regulatory, DLA Piper

In the final days of 2017, the regulatory requirements for recycling discarded products were significantly amended. The amendments affect nearly all local manufacturers and importers of a wide range of products. Owing to the seasonal holidays that followed, the amendments were left unattended by many lawyers and managers, who have only begun to analyse their impact now, when the time has come to submit reports.

## What is actually required?

The key elements of the recycling obligations placed on Russian importers and manufacturers include the requirements either (i) to ensure the collection and recycling of discarded prod-

ucts similar to those which have been imported or produced by them, or (ii) to pay an environmental fee to the state in order to fund the development of recycling infrastructure in Russia.

## What has occurred?

The requirements were introduced three years ago, although they only applied to certain specific product categories. However, at the end of December 2017, the Russian government dramatically increased the list of covered goods, so now the new list comprises 46 categories of products and eight categories of packaging. The new list includes apparel, clothing, various plastic products, glass products, electronics, batteries, wires, major appliances, engine filters, electric tools and many other products. The eight categories of packaging are specified separately: even if you produce or import unlisted goods packed in listed packaging materials, you must still ensure compliance with the recycling obligations for such packaging materials. In parallel, on 31 December 2017, significant changes were made to the Federal Law "On Industrial and Consumption Waste".

## Who is responsible?

The law does not impose any obligations on consumers, wholesalers or retailers. All responsibility (and legal liability) is on local manufacturers and importers—entities which typically place

the listed products into public turnover in Russia. The requirements apply to importers and manufacturers in the same way.

## How many discarded products must be collected and recycled?

The statutory minimum numbers are established as a percentage based on the total amount of produced or imported products. The percentage is set differently for various categories of products, and includes a gradual increase from year to year. The currently effective figures adopted for the next three years (2018-2020) in most cases vary from 5% to 30%, although there are exemptions for certain specific categories of goods and packaging. There is a general understanding that the figures will gradually increase further, at least within the next few years.

## What if I am not able or willing to meet the minimum recycling requirements?

An importer or manufacturer that fails to fulfil the minimum recycling requirements must pay an environmental fee at the rates established by the Russian government. The rates vary from approximately RUB 2,500 per tonne to RUB 33,500 per tonne, depending on the product category. The amount of the environmental fee must be calculated



by the manufacturer or importer itself and be paid before 15 April of the year following the reporting year.

### What are the reporting requirements?

A manufacturer or an importer of listed goods must submit the following reporting documents to the regulator:

- a declaration on the quantity of the listed products placed for public consumption in Russia. The declaration must be submitted before 1 April of the year following the reporting year;
- a report on the fulfilment of the minimum recycling requirements. The report must contain figures for each category of the listed products and separately for each category of the

listed packaging. The report must also be submitted before 1 April of the year following the reporting year;

- an environmental fee calculation form prepared in accordance with the applicable template. The form must be filed before 15 April of the year following the reporting year. The same deadline is established for paying the environmental fee.

### What is the liability?

Currently, the manufacturer's or importer's failure to submit a report or declaration on time will result in an administrative fine of up to RUB 80,000. Failure to pay the environmental fee on time will result in a late fine. Liability will soon be increased, as we

are aware of draft amendments to the Russian Administrative Offences Code so that either failure to pay on time or failure to provide the report on time could result in a fine of up to RUB 150,000 for each separate violation.

### How would the regulator know about me?

An integral state information system for control of waste recycling and disposal is being created. The customs authorities will upload into the system data on the volumes of imported products and packaging, so that the environmental regulator will be able to check whether the information declared by the applicant is accurate and correct.

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Реклама



### **Should I do the recycling myself, outsource it to someone else or just do nothing and pay the environmental fee?**

The answer to this question largely depends on the volumes and specifics of your business operations in Russia. At a glance, for insignificant volumes, just paying the environmental fee may be the simplest solution, at least in the short term. However, it is expected that the rates and the minimum recycling requirements will increase from year to year, and therefore such solution will sooner or later become unreasonably expensive. Getting your company involved in all related activities itself leads to obtaining the necessary licences to collect, store and recycle discarded products, as well as creating significant infrastructure, and therefore can only be recommended for major manufacturers. Therefore, most middle-scale businesses at some

The law does not impose any obligations on consumers, wholesalers or retailers. All responsibility is on local manufacturers and importers—entities which typically place the listed products into public turnover in Russia.

stage may wish to hire a licensed operator for this purpose or outsource everything (including the reporting function) to a professional association which manages recycling issues for its members.

### **Why would I need a lawyer for all these issues?**

An experienced law firm will help you identify and minimise risks, especially in a situation where reporting is not

submitted and the statutory requirements are not fulfilled, in order to develop the right strategy for the future (for instance, a gradual transition from paying the environmental fee to fulfilling the recycling requirements) and to prepare the necessary agreements with operators, retailers, professional associations and other parties involved. Our lawyers have extensive experience in this area and will be happy to advise on various aspects of applicable regulations. |

# Synchronising transportation industry expectations with regards to digitalization and multimodality



**DMITRY CHELTSOV**

Chairman of the AEB Customs & Transport Committee, General Delegate to the IRU Permanent Delegation to Eurasia

**E**urasia, as the bridge between Europe and China, is a strategic crossroads for global trade. Road transport is crucial for the region's economies, and the continuing digitalisation of road transport, transit and logistics offers huge opportunities to help export markets grow.

That is the reason why most of the countries in the region have developed their digital economy programmes. In particular, the "Digital Economy of the Russian Federation" programme was adopted by Governmental Order No.1632-r as of 28.07.2017.

The digitalization and streamlining of customs procedures based on the ratification and implementation of key UN multilateral trade and road transport facilitation instruments, in particular the TIR, CMR and Harmonization Conventions, is extremely important for international transport.

The implementation of the TIR system in China, as well as the launch of the first TIR operation already in May 2018, offers great opportunities for the Russian Federation.

The Ministry of Finance of the Russian Federation in acknowledgment of the high demand of carriers to use the TIR system, adopted Order No.159n as of 24.10.2017. This added three Russian border-crossing points (Nekhoteevka, Troebortnoe, Brusnichnoe) where TIR Carnets are applicable, thus increasing the total number of border-crossing points for TIR up to 48.

The interest of carriers in a reliable and sustainable system of customs transit is also proved by statistics which show a 6% growth in transport operations completed within the territory of Russia under the TIR procedure in 2017, in comparison with 2016.

Figures reflecting crossings of Russian border points with TIR carnets are

even higher: growth of 22% in 2017 vs. 2016.

After years of development, IRU has launched new innovative digital transit and transport services, such as eTIR (a digitised global customs transit system), and e-CMR (a digital consignment note), highlighting the benefits of transparency, as well as accurate and faster data exchange.

In October 2017, following the successful eTIR pilots between Iran and Turkey, IRU and UNECE entered into a long-term agreement allowing continued joint work on the digitalization of the TIR procedure.

While the legal basis for the ubiquitous digital TIR application is under consideration by the working bodies of the TIR Convention, digital TIR pilots can already be launched today. This will enable contracting parties to benefit from an even faster, more secure and more efficient transit tool.

The e-CMR is another instrument which in the near future will significantly improve and facilitate transport. The additional protocol to the CMR Convention, which allows electronic management of CMR, entered into force in 2011. To date 17 countries have acceded,





including Bulgaria, Czech Republic, Denmark, Estonia, France, Iran, Latvia, Lithuania, Luxembourg, the Netherlands, Moldova, Russia, Slovakia, Slovenia, Spain, Switzerland and Turkey.

The e-CMR was officially launched in January 2017. The first ever border crossing to use electronic consignment notes was between Spain and France, proving that the system works and is simple to implement and use. Today the Ministry of Transport of the Russian Federation is working together with IRU to accomplish an e-CMR pilot with one of the adjacent countries.

The use of e-CMR has certain benefits for all stakeholders. The advantages for the regulatory authorities are related to the accuracy of the information transmitted, data transparency and the trackability of any changes made, as well as real-time access to information.

The advantages of e-CMR for business are: simplified workflow of documents needed for transportation; reduction of administrative costs; and the prevention of uncontrolled data changes from the moment of e-CMR issuance until the delivery of cargo to the recipient.

The emerging transport corridors, particularly connecting East and West via the Silk road, are predominantly intermodal. IRU is currently working on the development and promotion of the use of TIR in intermodal transport with a particular focus on the transport of containers.

In November 2017, an intermodal TIR operation, involving road, sea and rail along a corridor between Slovenia and Iran was organised together in cooperation with Iranian customs. The use of intermodal TIR resulted in a saving of 5 days delivery time, in comparison to use of rail only.

Today, a number of intermodal corridors can potentially be used with TIR to the benefit of the countries involved. They can be defined as follows: intermodal corridor Ukraine-Georgia-Azerbaijan-Kazakhstan; international North-South Transport Corridor, connecting India and Russia via Iran and Azerbaijan; and the intermodal corridors connecting China and Europe via Russia, in particular along Silk Road routes.

Today, when we have reached a tipping point in transport, and when digitalization and multimodality are inseparable parts of transport development, Russia can take an important step towards the realisation of the "Digital Economy of the Russian Federation" programme by implementing the innovative digital tools, prescribed by UN Conventions, such as TIR and CMR. |



# Applicability, practice and essence of weighing goods in sea port terminals



**ARTHUR YAMALOV**  
General Director, TL GROUP

Within the framework of customs inspections of goods at the terminals of the seaport "Bolshoy port of St. Petersburg", the weight values of the inspected goods are often determined both with unloading from the container and without unloading from the means of transportation, i.e. weighing of goods together with the container in which they are transported. I suppose no one will contest both the applicability and necessity of determining the actual volume of goods based on weight. With the existing technical equipment at the examination places and the categories of inspected goods carried by sea transport in the containers, in order to speed up customs inspections, which are very strictly regulated by customs legislation con-

cerning time frames, weighing a container together with cargo is probably a simpler and shorter operation with respect to time. In order to determine the weight of a loaded container, the customs port terminals of the Baltic customs house use either portal or areal weights like "Magistral" with a 60 tonne load capacity, so a normative error up to 30 kilograms per weighing is very doubtful.

Regardless of the means of weighing equipment and the methods of further determining the weight, everything is performed by the officials without regulating the method for weight calculation, rounding of the weighing results and, in some cases, excluding the utilised measuring equipment's technical errors and other circumstances. Today, the customs authorities have no current valid and approved method for weighing goods. When weighing the goods without unloading, depending on the extent of their examination, both further unloading and determination of the quantity of goods to the declared categories are carried out. Everything seems to be clear, coherent and logical in practice, but only when, based on the results of the measurements and determination of the number of goods, you file a Certificate of Customs Inspection (CCI) it is stated that there were no discrepancies with the declared goods in the course of the inspection.

Now let us get down to the essentials and to the analysis of the main problems faced by a declarant, when, according to the results of the customs inspection, a mismatch on weight (gross, net) is given in the CCI, but under the categories (shipping items, packaging, stock numbers, etc.) the goods fully correspond with the reported bill of entry (BOE). Going forward, I would like to consider only the situation when you do not declare goods sold by weight, but goods in packaging for retail sale, i.e. goods sold by the piece, which are not charged the particular rate of import customs duties. At the Baltic customs house, under the existing practice if you identify any inconsistencies during the customs inspection, the Customs Authority initiates a case on an administrative violation (AV) under part 1 of article 16.2 of the Administrative Offences Code of the Russian Federation (AOC RF). The customs authorities do not take into account the circumstances that the information on the goods stated in the BOE fully comply with both the terms of the foreign trade contract and the content of the shipping documents under the nomenclature, and the weight can differ from the declared one due to various objective factors. The customs declarant's reasoning about the fact that the customs charges are to be paid not based on the weight of goods (vegetables, fruits, meat,



etc.), but for the goods packed for retail sale (cheese, olives, cucumbers, etc.) is not taken into consideration either. The analysis of detected items or inconsistencies by weight (tens or even hundreds of kilograms) shows that by carrying out weight control on "rough" weighing equipment (portal or areal weights) often in the presence of strong "Baltic" winds and without a properly approved method for weighing goods, the customs authorities are the only ones who di-

The existence of the weighing method has vital importance for all interested parties—customs house, business, supervisory and regulatory bodies, and judicial authorities.

rectly benefit from this situation. The benefit involves enhancing the efficiency of customs control at the expense of cases on AV initiated based on these facts. On the contrary, the

customs declarants are not satisfied with the existing practice, and they try to prove the opposite. The first thing is that when determining the result of weighing goods on any

weighing equipment, it is necessary to take into account the inaccuracy of the weighing equipment, and, in case of portal weights, also the load due to wind pressure on a specific date at a specific maritime terminal. The second option is to use another method of weighing, when one consecutively determines the weight of packages, the goods in the primary packaging and pallets, and then you multiply the weight of primary packaging together with the goods for their quantity, and then add the obtained weight to the weight of both pallets and container. But this weighing option takes more time and most likely would, in some cases, give a positive result to the customs declarant, but not to the customs house. And settlement of this issue, in the view of many business figures, which is also supported by customs authorities figures, is plain and simple: there must be a method for weighing goods when conducting customs inspections. It is obvious that this method has to be developed and approved by competent and authorized bodies or institutions. In this method, you must take into account all the necessary features:

- type of transport;
- requirements for means of weight control and responsibility for accounting of errors in the results of the weighing;
- both assessment and recording of weather conditions in case of outdoor weighing;
- standards of sampling different categories of goods (vegetables, fruits, packed goods, etc.);
- rounding result methods of weighing and other circumstances and factors which can have an effect on the quality of the weighing outcome.

Subsequently, the weighing method must be mandatory for all customs authorities in the Russian Federation.

As of today, the existence of the weighing method has vital importance for all interested parties—customs house, business, supervisory and regulatory bodies, and judicial authorities. Business figures' initiative to resolve the matter in collaboration with the Russian Chamber of Commerce and Industry, but without the support of government agencies, has not shown any positive result yet. However, there has already been formed a judicial practice that is negative for the customs authorities (Decision of the Commercial Court No. A56-5261/2017 and No. A56-5263/2017), which most likely will have its positive continuation for business). But no one wants to go through the long process of court cases, and there are no benefits in it for anybody. Not only business entities but also the customs house will bear the expenses. The burden on the judicial bodies increases. In the above cases, which were considered by the Commercial Court, by the initiation of cases on AV, the goods were not withdrawn, and this is a positive circumstance for business. Both an illogical and absurd situation may occur. In the framework of a case on AV, goods declared in the BOE, for which one has already made customs payments to the federal budget (FB), are withdrawn by weight which did not correspond to the one declared by the customs declarant as a result of inspection. Afterward, one corrects the BOE, and the charges already paid by the customs declarant are returned from the FB. It turns out that on formal grounds due to weight difference, which, in most cases, does

not affect the amount of customs duties paid when declaring goods sold by the piece, the goods are practically withdrawn from circulation. On top of this, according to the result of consideration of the cases on AV concerning these facts and, as a matter of principle, on technicalities, the declarant is slapped with serious fines in the amount of tens or hundreds of thousands of roubles.

In conclusion, one ought to note that most likely, in parallel with the development and assertion of a method for weighing goods, it is necessary to also consider the presence of further explanations on the classification of the declarant's actions in similar situations in accordance with part 1 of article 16.2 of the AOC RF. That is, in cases when discrepancies in weight do not affect the amount due to the payment of customs duties on declared goods. Both gross weight and net weight are unquestionably significant information for making a decision within the framework of customs control, but in some circumstances the weight of the goods is in principle only statistical information which does not affect the size of payment of customs duties. Consequently, in some cases, weight parameters may be corrected in the BOE without causing a loss to the budget of the Russian Federation. I believe that the business community should contact the Federal Customs Service of Russia concerning the issue on early appearance of a method for weighing goods in the practical work of the customs authorities, as well as request to change the approach in the classification of actions of the customs declarants under part 1 of article 16.2 of the AOC RF taking into account the aforementioned circumstances. ■

# Features of warehousing in Russia



**ANNA POPOVA**

Marketing manager, Tablogix

While increasing trade and developing infrastructure in Russia, foreign companies face challenges establishing a distribution centre. In some cases, they consult with a real estate agency or directly contact the owner of a logistics park. For small inventories, the developer redirects the firm to a logistics provider that operates on its premises. Rental rates vary depending on the location, area of leased space, lease term and other commercial conditions. In other cases, companies plan the construction or purchase of a warehouse.

The warehouse market in Russia is highly developed. According to Knight Frank market research, the total quality warehouse stock in Russia reached about 23 million sq m in 2017, where 58% (13.4 million sq m) were located in the Moscow region, 14% (3.2

million sq m) in St. Petersburg and the Leningrad region, and 28% (6.4 million sq m) in the other regions of Russia. More than 350,000 sq m of quality warehouse space were put into operation in the Russian regions in 2017 (excluding the Moscow region, St. Petersburg and the Leningrad region), which was 27.7% higher than the delivery rate for 2016. Retailers historically formed the largest demand for warehouse space in Russia. Second place is occupied by the logistics operators segment.

According to forecasts by Knight Frank analysts, the volume of new construction in the regions in 2018 will exceed that of 2017. In 2018, the average Class A rental rates in the regions of Russia will be RUB 3,500/sq m per year, excluding VAT, operating expenses and utility payments. It should be noted that the construction cost of a built-to-suit warehouse complex for sale with an area of less than 10,000 sq m was RUB 35,000-40,000/sq m, excluding VAT.

570,000 sq m were delivered to the warehouse real estate market of the Moscow region in 2017, which is 20% less than in 2016. The total supply area reached 13.4 million sq m. At year end of 2017, the average rental rate for quality Class A warehouse space was RUB 3,700/sq m per year, excluding VAT, operating expenses and utility payments. The highest rates were

recorded in the western, northwestern and southern areas, and the lowest in the eastern and southeastern areas of the Moscow region. In 2017, the selling price of a built-to-suit project from 10,000 sq m was in the range of RUB 30,000-35,000/sq m.

In practice, many foreign companies outsource warehousing to a third party logistics provider instead of owning warehouse space in Russia and managing a distribution centre on their own. Choice between outsourcing and insourcing depends on a company strategy and differentiates by market. Some uses 100% in-house warehousing or minor outsourcing, others—major outsourcing. Generally companies develop their own warehousing on mature markets while outsourcing on small and emergency markets. Outsourcing warehouse operations they avoid many risks associated with low warehouse utilization and downtime, or the need to quickly increase the warehouse space. As a result, foreign companies benefit of one hand service, flexibility and space adjustment in line to the demand. They do not have headcount responsibility, non-core assets and equipment ownership.

The task of the third party logistics provider is to ensure uninterrupted shipments and high quality of service regardless of an increase or decrease in the customer's warehouse stocks.





Using internal reserves, the provider can quickly adapt to changes in the volume of the customer's products in order to provide the logistics service to meet their needs. In an unstable economic situation, outsourcing of warehouse logistics reduces risks and saves resources. This is very important for companies with seasonable business.

It is recommended to study the third party logistics market in Russia in order to find a professional and reliable logistics partner. Until the 2000s, foreign brands preferred to collaborate with a provider whose headquarter was located in the brand's country. This was due to the low quality of warehouse services in Russia. Today, the situation has changed dramatically. Logistics services market in Russia

Many foreign companies outsource warehousing to a third party logistics provider instead of owning warehouse space in Russia and managing a distribution centre on their own.

is characterized by a strong competition. Logistics operators have implemented European quality standards and adopted the best warehousing practices. There are large, medium and small-sized logistics companies on the Russian market. Some own warehouses in different Russian regions, others operate on the leased warehouse area. Large logistics companies provide a full range of services for all

industries, while small ones specialize on a limited range of services with particular kinds of goods.

The difficult 1990s in Russia left a negative impact on the logistics services market as well. There are still many firms that violate the legislative norms regarding taxation, labour laws, fire safety, etc. It is recommended to verify the company's constituent



documents, balance sheet, financial status, prompt submission of reports to the tax authorities, liability insurance coverage, etc.

Today, logistics providers in Russia use similar progressive technologies as their colleagues in developed countries, increasing the efficiency and improving quality of warehouse operations. They focus on increase in labour productivity, maximum utilization of warehouse space, and improving business processes. They implement software tools, install new warehouse equipment, broadly use lean manufacturing methods, expand the functionality of the warehouse management system, etc. As a result, logistics companies in Russia propose competitive commercial conditions. Furthermore, while collaborating with foreign customers they follow company's policies and Code of Conduct, work in company's IT system, fulfill company's Quality Standards, work on efficiency of projects, adopt and share best practices, fulfill agreed targets.

The project management team plays a special role in managing multi-client warehouses. It launches the operations of new customers, analyses the possibilities of automation and new equipment, and develops a description of work processes, storage and replenishment technologies. Large logistics companies in Russia have an internal department for software development. This makes it possible to quickly introduce IT tools and improve efficiency of business processes at all stages.

A convenient tool for requesting proposals of potential logistics partners is IT platforms such as Ticontact, Ariba, etc. The cargo owner downloads tender documentation, which is available to the selected list of candidates. On the first stage of the selection procedure called Request for Information (RFI) a candidate provides detailed information about a company: resources, warehouse space, location of facilities, work experience, references, required documents, etc. At the next stage, Request for Quo-

tation (RFQ), the candidate forms a tariff proposal in accordance with the specifics of the client's business. At this stage, it is extremely important to provide candidates with the most complete and detailed requirements for the warehouse, planned turnover of goods, particulars of processing, seasonal fluctuations, and characteristics of the goods. It allows the partner to plan his resources properly, form a competitive tariff proposal, and avoid the risk of disruption of operations during seasonal fluctuations. Oftentimes the cargo owner announces several rounds of RFQ. The last stage is personal meetings and visits to warehouses. Selection procedure of logistics partner is different for companies with small or medium stocks. Instead of using global IT platforms they address directly to logistics providers.

It is recommended to clarify a partner's expertise in storage and handling of similar products. The value of this factor increases if the goods are complex in terms of storage and shipping or require special permits and licenses. For example, parts, clothes, shoes, oversized equipment, fresh food, etc. There are a lot of peculiarities in the logistics operations for online stores as well. It is also recommended to find out which goods will be stored close to yours. Sometimes storage near a competitor's products or the strong smell of other goods is considered a negative factor.

A logistics company provides the client with a full range of services, as well as value added services. But usually cargo owners use services of several providers at the same time. Value added services include: delivery of products to retailers, information support for the sales network on



warehouse issues, handling returns, disposal of defective goods, packaging/repackaging, printing labels and labeling, preparation and promotion kits, assembly of goods, and pre-sale preparation. In the warehouse, a cargo owner can organise an exhibition or service centre, as well as additional production processes.

The key to the successful operation of the warehouse is uninterrupted data exchange with the customer's ERP system. In some cases, the logistics provider maintains accounting in its automated warehouse management system, which simultaneously transfers information to the customer's system via the data exchange interface. The client is also provided with a set of reports on his stock, balances, inventory results, etc. But usually when working with a large foreign client, the provider works directly with the client's ERP system.

When looking for a warehouse in Russia, special attention should be paid to security issues such as the security of the facility, the presence of video surveillance systems, fire safety systems, compliance with legislative standards in occupational safety and health, fire insurance, and a high level of information security.

In recent years, in addition to commercial conditions and quality, security requirements, global companies assess candidates based on such criteria as ISO 9001 certification and developed corporate social responsibility. Unlike developed countries, Russian firms often do not pay much attention to environmental aspects of activities. The provider's responsible approach to the environment is expressed in the transfer of waste for recycling only to licensed



firms, implementation of a plan to reduce waste volumes, raising the level of environmental culture of its personnel, and separate collection of production waste.

Warehouses use a lot of packaging. Tonnes of packaging material, cartons, wooden panels, and pallets get scrapped. Tablogix takes a non-typical packaging approach in the Russian market, reusing inbound packing material by making durable containers. Tablogix develops its own joinery and packaging production from used wooden and carton materials. It reduces the packaging cost and negative impact on the environment.

In recent years, warehouse facilities meeting high green construction standards have been built in Russia. They have been constructed in accordance with BREEAM or LEED international systems for environmental assessment of buildings. New facilities are characterised by high energy effi-

ciency and a healthier environment for staff. Foreign companies are usually among the investors or the tenants of this type of construction.

Despite some challenging political and economic conditions Russia remains a promising market for foreign companies. Development of logistics infrastructure is the priority of the government for the coming years. Market of quality warehousing in the country is relatively new and has specific features. Based on the strategy foreign companies establish their own distribution centres or outsource warehousing to the third party logistics provider. Outsourcing warehouse operations consider not only commercial conditions and priority location but also security issues, experience, technical equipment and advanced business processes. International quality standards, innovation technologies, lean engineering methods and ongoing improvements make warehousing in Russia an efficient part of a company's supply chain. ■

# AEB News

## Newly elected: AEB Board Chairman and Deputies



**Johan Vanderplaetse**, Chairman of the AEB Board, Senior Vice President, President for Russia and CIS, Schneider Electric.

On 21 May 2018, the AEB Board elected Johan Vanderplaetse, Senior Vice President, President for Russia and CIS, Schneider Electric, as Chairman of the Board.

Philippe Pegorier, President, Alstom Russia Ltd, and Thomas Staertzel, Managing Director/CEO, Porsche Russland/Porsche Centre Moscow, were elected as Deputy Chairmen. Paul Bruck, Main shareholder, OOO Most Service, was

elected as Deputy Chairman in charge of SMEs.

The current members of the AEB Board are:

- Olga Bantsekina (Chief Representative, Coleman Services UK Ltd);

- Paul Bruck (Main Shareholder, OOO Most Service);
- Jussi Kuutsa (CEO, Itella Russia);
- Alexander Liberov (CFO, Siemens LLC);
- Antonio Linares (Managing Director, Roca in Russia & CIS);
- Stuart Lawson (Partner, EY);
- Philippe Pegorier (President, Alstom Russia Ltd);
- Thomas Staertzel (Managing Director/CEO, Porsche Russland, Porsche Centre Moscow);
- Johan Vanderplaetse (Senior Vice President, President for Russia and CIS, Schneider Electric).

The AEB expresses genuine gratitude to Dr. Thomas Staertzel for his strong engagement in the capacity of Chairman of the Board throughout the past two years.

## Re-elected: AEB CNR Chairman and Deputies



**Lodewijk Schlingemann**, Chairman of the AEB CNR, Juralink Legal Consultancy (the Netherlands).

On 15 May 2018, the Council of National Representation (CNR) re-elected Lodewijk Schlingemann, Juralink Legal Consultancy (the Netherlands), as CNR Chairman at the first meeting after the AEB Annual General Meeting.

Daniel Ruzicka (Czech Republic) from Mikenopa, and Fredrik Svensson (Sweden) from Mannheimer Swartling were re-elected as CNR

Deputy Chairmen.

The current members of the CNR are:

- AUSTRIA – Rudolf Lukavsky, Austrian Trade Commissioner;
- CROATIA – Jakov Despot, Croatian Chamber of Economy Representation to Russia;
- CZECH REPUBLIC – Daniel Ruzicka, Mikenopa;
- DENMARK – Aage V. Nielsen, Vitus Bering Management;
- ESTONIA – Meelis Milder, Baltika Group;
- FRANCE – David Lasfargue, Jeantet;
- FINLAND – Jari Jumpponen, East office of Finnish industries;

- GERMANY – Matthias Schepp, German-Russian Chamber of Commerce;
- HUNGARY – Tamas Endrenyi, EGIS Pharmaceuticals PLC in Russia;
- ICELAND – Ingolfur Skulason, Kleros LLC;
- IRELAND – Charles Mahon, individual member;
- ITALY – Carlo Palasciano, Enel Russia;
- MALTA – Patrick Catania, International Hotel Investments (Benelux) B.V. in St. Petersburg;
- MONTENEGRO – Luka Nikčević, Chamber of Economy of Montenegro in Moscow;
- THE NETHERLANDS – Lodewijk Schlingemann, Juralink Legal Consultancy;
- POLAND – Alexander Janeczek, Work Service;
- PORTUGAL – Jorge Azevedo Sousa, Rusgrape LLC;
- SERBIA – Sveta Vasiljevich, Chamber of Economy of Serbia in Russia;
- SLOVAKIA – Peter Shulek, Europeum;
- SLOVENIA – David Kokalj, Medico Vital;
- SWEDEN – Fredrik Svensson, Mannheimer Swartling;
- SWITZERLAND – Martial Rolland, Nestle Russia & Eurasia;
- UNITED KINGDOM – Roger Munnings, Russo-British Chamber of Commerce (RBCC).



## AEB participated in the 3<sup>rd</sup> Congress of Eurasian Waste Electrical Electronic Equipment Solutions

On 27 March 2018, the AEB CEO Frank Schauff took part in the 3<sup>rd</sup> Congress of Eurasian Waste Electrical Electronic Equipment Solutions (EWEEES) and spoke about the AEB activities in the waste management and recycling area. The EWEEES is an efficient key platform for opportunities, solutions and challenges in the EAEU, for maintaining and developing important economic contacts with authorities, producers, recyclers, scientists, associations, NGOs and media.



Frank Schauff, AEB CEO, and panelists of the Congress.



At the official opening of TIAF supported by Automechanika (L-R): **Michael Johannes**, Vice President, Messe Frankfurt GmbH, Brand Manager Automechanika; **Rustam Nigmatullin**, First Deputy Prime Minister of the Republic of Tatarstan; **Frank Schauff**, AEB CEO; **Eugen Alles**, General Director, Messe Frankfurt Rus.

## Tatarstan International Automotive Forum 2018

On 28-30 March 2018, the 4<sup>th</sup> Tatarstan International Automotive Forum (TIAF 2018) was held with the support of the brand Automechanika.

The Forum is the main event for the automotive components industry in the Volga region and includes an exhibition with achievements of car producers and suppliers of automotive components, business events and visiting production sites of the Republic of Tatarstan.

TIAF 2018 supported by Automechanika is one of the key points of the Memorandum of Understanding between the Ministry of Industry and Trade of the Republic of Tatarstan

and the AEB, and is aimed at increasing the localisation of automobile and auto-component manufacturing in the Republic of Tatarstan and the Volga region.

At TIAF 2018 the following events were organised: a conference on the outlook for the automotive industry, innovations in production, as well as localisation issues and procurement; an exposition of automobile manufacturers and producers of spare parts and components; B2B meetings with automakers; a visit to production facilities.

In the opening remarks, Frank Schauff, AEB CEO, noted, that the Forum would be a good platform for discussing the most important issues and establishing promising ties for all participants of the automotive market.



L-R: **Alexander Kozhukhov**, Chairman of the AEB Legal Committee; **Igor Artemiev**, Head of the Federal Antimonopoly Service of the Russian Federation; **Frank Schauff**, AEB CEO.

### Briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of Russia

On 29 March 2018, Igor Artemiev, Head of the Federal Antimonopoly Service of the Russian Federation, briefed AEB members on the topic "Federal Antimonopoly Service: current practice and prospects".

The event was co-chaired by Frank Schauff, AEB CEO, and Alexander Kozhukhov, Chairman of the AEB Legal Committee.

Like in the previous years, Mr. Artemiev provided comprehensive answers to the questions raised by AEB member companies. The questions touched important topics regarding the regulation of the pharmaceutical industry, price monitoring, parallel imports, antimonopoly compliance, the Federal Law "On Protection of Competition", etc.

In his speech Igor Artemiev pointed out that FAS did not plan to tighten control over foreign investment in strategic sectors.

### Presentation of the Krasnodar region in the Chamber of Commerce and Industry

On 29 March 2018, Frank Schauff, AEB CEO, spoke at the presentation of economic and investment potential of the Krasnodar region in the Chamber of Commerce and Industry of the Russian Federation in Moscow.

The presentation was opened with welcome speeches by the Governor of the Krasnodar region Veniamin Kondratyev and the President of the Chamber of Commerce and Industry of the Russian Federation Sergey Katyrin.

Vasily Shvets, Vice Governor of the Krasnodar region, spoke in details about the investment potential of the Krasnodar region and also observed key investment projects of the region. Frank Schauff, AEB CEO, Svetlana Chupsheva, General Director of the Agency of Strategic Initiatives, and Michael Ritter, General Director of CLAAS, shared their views on the investment climate in the Krasnodar region.



Participants of the meeting



## The Ninth Northern Dimension Forum

On 5 April 2018, the Ninth Northern Dimension Forum was organised in St. Petersburg. It was chaired by Alexey Mordashov, Chairman of the Board of Directors, PAO "Severstal", Co-Chairman of the Northern Dimension Business Council, and Rolf Jansson, President and CEO, VR Group, Co-Chairman of the Northern Dimension Business Council.

The event was attended by more than 250 participants from political and business communities, civil society and media, representing Russia and the Northern Dimension countries. This year the focus of the Forum was on the new economical mindset: innovative management models and business processes.

At the Forum presentations by senior representatives of European and Russian ministries and departments as well as companies' executives were made. They included: Esko Aho, Chairman, Business Team for Russia, Prime Minister of



L-R: **Rolf Jansson**, President and CEO, VR Group, Co-Chairman of the Northern Dimension Business Council; **Alexey Mordashov**, Chairman of the Board of Directors, PAO "Severstal", Co-Chairman of the Northern Dimension Business Council; **Sven-Olov Carlsson**, Deputy Head, EU Delegation to the Russian Federation; **Ruslan Kokarev**, AEB COO; **Markku Keinänen**, Under-Secretary of State, Ministry of Foreign Affairs of Finland.



L-R: **Paolo Falcioni**, Director General, APPLIA Home Appliance Europe; **Dominique Fache**, member of the Board of Directors, Sophia Antipolis Science Park, Chairman of the Board of Directors, Russian Technology Foundation; **Taras Demura**, CEO, TUI Russia.

Finland (1991–1995); Andrey Kelin, Director for European Cooperation, Member of the Collegium, Ministry of Foreign Affairs of Russia; Markku Keinänen, Under-Secretary of State, Ministry of Foreign Affairs of Finland; Sven-Olov Carlsson, Deputy Head, EU Delegation to the Russian Federation; Andrey Sharonov, President, Moscow Skolkovo Management School; Taras Demura, CEO, TUI Russia; Paolo Falcioni, Director General, APPLIA Home Appliance Europe, and others. The Forum was also attended by representatives of regional authorities, such as Dmitry Yalov, Deputy Chairman on economics and investments of the Leningrad region government, and Evgeniy Bogdanov, Deputy Chairman of the Novgorod region government.

Russian and international experts and executives from large companies exchanged their views on development prospects in the Northern Dimension countries.

## AEB and ROAD signed the Memorandum of Understanding

On 11 April 2018, the AEB and the Russian Automobile Dealers Association (ROAD) signed the Memorandum of Understanding aimed at creating fair, open and bona fide rules of competition on the Russian new car sales market.

The ceremony was held within the framework of the 6<sup>th</sup> ROAD Convention.

On behalf of the ROAD, the Memorandum was signed by Oleg Moseev, President, and Lola Sosnovskaya, Executive Director. As for the AEB side, the document was signed by Frank Schauff, AEB CEO, and Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee.

The Good Practices of automobile manufacturers/distributors combine provisions of the Code of Conduct and Recommendations for possible implementation of its conditions earlier approved by the FAS and joined by 21 members of the AEB Automobile Manufacturers Committee.



The ceremony of signing of the MoU (L-R): **Joerg Schreiber**, Chairman of the AEB Automobile Manufacturers Committee; **Frank Schauff**, AEB CEO; **Oleg Moseev**, ROAD President; **Lola Sosnovskaya**, ROAD Executive Director.

The Good Practices of official dealerships is a newly developed document which, like the Good Practices of automobile manufacturers/distributors, sets the minimum standards that respective participants of the Russian new car sales market should observe.



Participants and speakers of the Forum (front row), L-R: **Stepan Solzhenitsyn**, Senior Partner, McKinsey; **Arkady Dvorkovich**, Deputy Prime Minister of the Russian Federation; **Tatyana Bertova**, TechnoNICOL; **Frank Schauff**, AEB CEO.

## AEB took part in the Krasnoyarsk Economic Forum

On 13 April 2018, the AEB CEO Frank Schauff participated in the Krasnoyarsk Economic Forum as a speaker at the plenary session "Russia 2018-2024: implementing the potential". The session was moderated by Stepan Solzhenitsyn, Senior Partner, McKinsey. Among the speakers were: Deputy Prime Minister of the Russian Federation Arkady Dvorkovich, Deputy Prime Minister of the Republic of Belarus Vladimir Semashko, Russian Minister of Transport Maxim Sokolov, Deputy Chairman of the Vnesheconombank Board Petr Zolotarev. The participants discussed priorities of Russia's development for the next six years and the role of businesses and the state in achieving strategic goals.

In the framework of the Forum the AEB organised a round table "Partnership in digital technologies as a way of going green". The event was moderated by the AEB CEO Frank Schauff. Alexey Grigoriev, METRO AG, Vladislav Nigmatullin, Unipro, and Leonid Rakitin, Johnson Matthey, spoke about digitalization trends in various industries that contribute to ecologization of businesses.



L-R: **Vladislav Nigmatullin**, Unipro; **Leonid Rakitin**, Johnson Matthey; **Frank Schauff**, AEB CEO; **Alberto Groff**, Embassy of Switzerland in Russia; **Alexey Grigoriev**, METRO AG.



L-R: **Frank Schauff**, AEB CEO, and **Maxim Shereykin**, CEO of the Agency for Technological Development, signing the Memorandum of Cooperation.

Alberto Groff from the Embassy of Switzerland in Russia shared experience of Switzerland in digitalization and sustainable development.

The ceremony of signing the Memorandum of Cooperation between the AEB and the Agency for Technological Development also took place at the Forum. The document was signed by the AEB CEO Frank Schauff and the CEO of the Agency for Technological Development Maxim Shereykin.



L-R: **Andrey Romankov**, Deputy Head of the Department on Strategic Projects Development, Ministry of Telecom and Mass Communications; **Alexey Tikhnenko**, Head of Hospitality Division, Moskomport; **Nikolay Gulayev**, Minister of the Moscow City Government, Head of Moskomport; **Armin Eberhard**, AEB Hotels & Tourism Committee Chairman; **Andrey Pavlov**, Head of Planning Department, Local Organizing Committee; **Oxana Tubman**, Head of Accommodation Division, Local Organizing Committee.

## AEB Conference "Get Ready for the 2018 FIFA World Cup Russia!"

On 18 April 2018, the AEB organised a Conference entitled "Get Ready for the 2018 FIFA World Cup Russia!" at the Metropol Hotel Moscow.

The programme of the Conference comprised four sessions and covered practical aspects of economic activities of the AEB member companies in such areas as: hospitality and accommodation, migration registration of guests, intellectual property rights, customs and transport, retail trade, construction industry and building material suppliers, legal and others.

The plenary session was opened by Frank Schauff, AEB CEO, and moderated by Armin Eberhard, AEB Hotels & Tourism Committee Chairman, General Director of the Renaissance





L-R: **Ludmila Shiryayeva**, AEB Migration Committee Chairperson, Executive Director, EY; **Alexander Aksenov**, Deputy Head of Migration Directorate, Ministry of Internal Affairs of Russia; **Kirill Adzinov**, Head of Work Permit and Visa Department, General Migration Directorate, Ministry of Internal Affairs of Russia; **Alexey Filipenkov**, AEB Migration Committee Deputy Chairman, Partner, Visa-Delight.



L-R: **Rafael Zokhrabyan**, Legal and Public Affairs Director, Saint-Gobain CIS; **Pavel Khilchenko**, Head of Department on Passenger Transportation, Transport Directorate FIFA 2018; **Vitaliy Bogachenko**, AEB Construction Industry & Building Material Suppliers Committee Chairman, Corporate Affairs Director, Lafarge Holcim; **Dmitry Cheltsov**, AEB Customs & Transport Committee Chairman, General Delegate to the IRU Permanent Delegation to Eurasia; **Sergey Shklyayev**, Head of Directorate on Trade Restrictions, Currency and Export Control, the Federal Customs Service.



L-R: **Irina Shurmina**, Associate, IP/Digital, Bryan Cave Leighton Paisner; **Evgeny Oreshin**, Head of Group, IP/Digital & Litigation; **Artem Boyko**, Senior Associate, Rödl & Partner; **Alexey Grigoriev**, AEB Retail Trade Committee Chairman, Head of Representative Office, Vice-President Corporate Public Policy, METRO AG; **Anton Bankovskiy**, AEB Intellectual Property Committee Chairman, Partner, Head of Intellectual Property CMS Russia; **Nadezhda Zelenskaya**, Product Direction, Auchan Russia; **Anton Nakou**, Counsel, Castrén & Snellman International Ltd.

Moscow Monarch Centre Hotel. Nikolay Gulyaev, Minister of Moscow City Government, Head of Moskomspport, spoke about the preparation of the city for the World Cup. Andrey Romankov, Deputy Head of the Department on Strategic Projects Development, Ministry of Telecom and Mass Communications, presented an important IT project—FAN ID.

The second session, moderated by Ludmila Shiryayeva, AEB Migration Committee Chairperson, Executive Director, EY, was devoted to the migration registration of guests during the World Cup and the planned amendments to the Federal Law No. 109-FL "On migration registration on foreign employees in the Russian Federation". Alexey Filipenkov, AEB Migration Committee Deputy Chairman, Partner, Visa-Delight, made a presentation on practical experience of the migration registration procedure during the Confederations Cup 2017 and provided recommendations to the Conference participants.

At the third session the particularities of transport and logistics operations during WC FIFA-2018 were highlighted. Vitaliy Bogachenko, AEB Construction Industry & Building Material

Suppliers Committee Chairman, Corporate Affairs Director, Lafarge Holcim, and Dmitry Cheltsov, AEB Customs & Transport Committee Chairman, General Delegate to the IRU Permanent Delegation to Eurasia, moderated the session. Sergey Shklyayev, Head of Directorate on Trade Restrictions, Currency and Export Control, Federal Customs Service, informed the participants about the protection of the FIFA's IPR by the Customs bodies on the eve and during the World Cup.

The final session covered industrial features and legal matters, and was moderated by Anton Bankovskiy, AEB Intellectual Property Committee Chairman, Partner, Head of Intellectual Property CMS Russia, and Alexey Grigoriev, AEB Retail Trade Committee Chairman, Head of Representative Office, Vice-President Corporate Public Policy, METRO AG. Nadezhda Zelenskaya, Product Direction, Auchan Russia, shared joint methods of combating counterfeit products. Anton Nakou, Counsel, Castrén & Snellman International Ltd., made a presentation "World Cup and legal regulation of the hospitality industry: how do hotels not lose with a large score?"



L-R: **Gerald Sakuler**, AEB Board Member; **Philippe Pegorier**, AEB Board Member; **Paul Bruck**, AEB Board Member; **Cesare Biggiogera**, AEB Board Member; **Filippo Baldisserotto**, AEB Board Member; **Olga Bantsekina**, AEB Board Deputy Chairperson; **Thomas Staertzel**, AEB Board Chairman; **Alexander Liberov**, AEB Board First Deputy Chairman; **Teemu Helppolainen**, AEB Board Deputy Chairman; **Gerard Uijtendaal**, Chairman of the AC; **Frank Schauff**, AEB CEO; **Lodewijk Schlingemann**, Chairman of the CNR.

## AEB Annual General Meeting 2018

On 25 April 2018, the AEB Annual General Meeting (AGM) was organised at the Renaissance Moscow Monarch Centre Hotel.

The meeting was chaired by Lodewijk Schlingemann, Chairman of the Council of National Representation (CNR). The welcome speech was delivered by H.E. Markus Ederer, Ambassador of the European Union to the Russian Federation.

The following reports were presented during the meeting: AEB activities report (by Thomas Staertzel, AEB Board Chairman); AEB operations report (by Frank Schauff, AEB CEO); Report of the CNR (by Lodewijk Schlingemann, Chairman of the Council of National Representation); Report of the Auditing Commission (by Gerard Uijtendaal, Chairman of the AC). Through open voting, the members approved the AEB Annual and Financial Report 2017, budget for 2019, establishment

of the permanently acting Arbitration Institution and a new composition of the CNR.

New AEB Board and Auditing Commission members were elected by a secret ballot.

The new AEB Board members are: Olga Bantsekina (Chief Representative, Coleman Services UK Ltd); Paul Bruck (Main Shareholder, OOO Most Service); Jussi Kuutsa (CEO, ITEL Russia); Alexander Liberov (CFO, Siemens LLC); Antonio Linares (Managing Director, Roca in Russia & CIS); Stuart Lawson (Partner, EY); Philippe

Pegorier (President, Alstom Russia Ltd); Thomas Staertzel (Managing Director/CEO, Porsche Russland, Porsche Centre Moscow); Johan Vanderplaetse (Senior Vice President, President for Russia and CIS, Schneider Electric).

The new members of the Auditing Commission are: Igor Bruevich (General Director, KWS RUS LLC), and Alexander Chesnykh (Financial Director, FinExpertiza).



H.E. **Markus Ederer**, Ambassador of the European Union to the Russian Federation.



The AEB flag fluttering in the wind at the entrance of the Renaissance Moscow Monarch Centre Hotel.



The voting procedure



## Presentation of investment potential of the Novgorod region

On 16 May 2018, the presentation of the Novgorod region with participation of the Governor Andrey Nikitin took place at the AEB premises.

During the event moderated by the AEB CEO Frank Schauff, the overview of the investment and economic policy made by Mr. Nikitin was followed by the presentations of the touristic potential and a "one-window" service for investors by Vladimir Kuimov, Acting Minister of Investment Policy of the Novgorod region, and Alla Zavodina, Director of the Regional Agency for Development. The top managers from the Finnish company UPM Chudovo shared thirty years' successful experience of investing and operating in the region.



**Andrey Nikitin**, Governor of the Novgorod region, making a presentation on competitive advantages of the Novgorod region.



L-R: **Askar Kishkembayev**, Head of the Secretariat of Board Member (Minister) on economic and financial policy EEC; **Ivan Glushkov**, Deputy Director General of STADA CIS, External Affairs Director of Nizhpharm JSC; **Anton Litvinov**, Senior Legal Counsel, Continental Tires RU; **Wilhelmina Shavshina**, Head of Customs and Foreign Trade Regulation Practice, DLA Piper; **Frank Schauff**, AEB CEO; **Sergey Puzyrevskiy**, Deputy Head, Federal Antimonopoly Service of the Russian Federation; **Luis Portero**, Head of Economic and Trade Section, Delegation of the European Union to Russia; **Tagir Kalimullin**, Government Relations Director, M.Video; **Sergey Belov**, Dean of the Law Faculty, St. Petersburg State University; **Andrei Bushev**, Professor, Business Law Department, St. Petersburg State University, Judge ad Hoc in the European Court of Human Rights.

## AEB participated in St. Petersburg International Legal Forum

On 18 May 2018, the AEB organised a session "Parallel import: in search of a balance of interests" at the St. Petersburg International Legal Forum.

The AEB has been dealing with problems related to parallel imports for ten years and speakers found it very important to articulate their stance and to discuss this issue with Sergey Puzyrevskiy, Deputy Head, Federal Antimonopoly Service of the Russian Federation, Luis Portero, Head of Economic and Trade Section, Delegation of the European Union to Russia, Askar Kishkembayev, Head of the Secretariat of Board Member (Minister) on economic and financial policy (EEC), Sergey Belov, Dean of the Law Faculty of the St. Petersburg State University, and Andrei Bushev, Professor of Business Law Department of the St. Petersburg State University.

The opening speech was made by Frank Schauff, AEB CEO.

The position of the European companies (AEB members) was voiced by Tagir Kalimullin, Government Relations Director, M.Video; Anton Litvinov, Senior Legal Counsel, Continental Tires Rus; Ivan Glushkov, Deputy Director General of STADA CIS, External Affairs Director of Nizhpharm JSC; Wilhelmina Shavshina, Deputy Chairperson of the AEB Customs & Transport Committee, Head of Customs and Foreign Trade Regulation Practice, DLA Piper.

The session was organised by the AEB Intellectual Property Committee.

On the same day Frank Schauff took part in the session entitled "The correlation between intellectual property protection and antitrust law" organised by the Federal Antimonopoly Service of Russia.



L-R: **Alexander Demidov**, Managing Director, GfK Rus; **Stuart Lawson**, Member of the AEB Board, AEB Finance & Investments Committee Chairman, Senior Advisor EY; **Frank Schauff**, AEB CEO.

### Presentation of the results of the survey "Strategies and prospects for European companies in Russia"

On 22 May 2018, the AEB and the International Institute of Marketing and Social Research "GfK Rus" announced the results of the 11<sup>th</sup> AEB annual survey "Strategies and prospects for European companies in Russia". The survey analyses the comfort level for European business in Russia, evaluating the country's investment climate.

The opening remarks were delivered by Frank Schauff, AEB CEO, and Stuart Lawson, Member of the AEB Board, AEB Finance & Investments Committee Chairman, Senior Advisor, EY. Alexander Demidov, Managing Director of GfK Rus, presented the results of the survey.

The presentation was followed by a Q&A session.

We would like to thank the companies who contributed to the survey with their answers and hope that more members will be interested to participate in this project in the future.

### AEB took part in the meeting of the Russian State Duma Council on Legislation

On 23 May 2018, Frank Schauff, AEB CEO, and Maya Limonnikova, AEB Legal Advisor, took part in the meeting of the Russian State Duma Council on Legislation chaired by Vyacheslav Volodin, the State Duma Chairman, devoted to discussion of the draft law introducing criminal responsibility for complying to sanctions of foreign states.

Frank Schauff stated that adoption of the law would have a negative effect on investment climate and could lead to suspension or interruption of European companies' activities in Russia.



Participants of the meeting



## AEB participated in St. Petersburg International Economic Forum

On 24 May 2018, the AEB CEO Frank Schauff participated in the business breakfast organised by the Agency for Strategic Initiatives on the sidelines of the St. Petersburg International Economic Forum (SPIEF'18).

Dr. Schauff commented on the results of the AEB-GfK survey "Strategies and prospects for European companies in Russia" and on the impact of sanctions for European businesses in Russia.

He also met with the Governor of the Saratov region Valery Radaev and other representatives from political and business communities.

On the same day, Frank Schauff and Alexander Stuglev, Chairman of the Board and CEO of the Roscongress Foundation, signed the Agreement on Cooperation which aims at establishing efficient cooperation between expert and business



Shaking hands after the ceremony of signing the Agreement on Cooperation (L-R): **Frank Schauff**, AEB CEO; **Alexander Stuglev**, Chairman of the Board and CEO of the Roscongress Foundation.

Dr. Schauff delivered a report on the important issues in the waste management legislation.

Other panelists of the session were: Viktor Evtukhov, State Secretary, Deputy Minister of Industry and Trade of the Russian



**Frank Schauff**, AEB CEO, delivering a speech at the business breakfast.

communities of the Russian Federation and EU countries, and improving the Russian investment climate.

As Dr. Schauff pointed out, the document would become a reliable ground for further effective communications to strengthen mutual trust between representatives of Russian and European businesses.

On 25 May 2018, Frank Schauff participated in the panel session "Economic protectionism and global markets". The participants discussed major causes of current trade disputes, and steps that economic players could take to avoid a trade war.

The reports were made by Pavel Kadochnikov, President of the Centre for Strategic Research Foundation; Alexey Mordashov, Chairman of the Board of Directors, Severstal; Koh Poh Koon, Senior Minister of State, Ministry of Trade and Industry of the Republic of Singapore; Sergey Storchak, Deputy Finance Minister of the Russian Federation; Ksenia Yudaeva, First Deputy Governor of the Bank of Russia, and others.

The second panel session the AEB CEO attended was "Circular economy: the Russian model and foreign experience". It covered the endeavor of the most developed countries to reach sustainable development by means of "green" technologies including those applied for recycling industries.



L-R: **Alexey Mordashov**, Chairman of the Board of Directors, Severstal; **Pavel Kadochnikov**, President of the Centre for Strategic Research Foundation; **Koh Poh Koon**, Senior Minister of State, Ministry of Trade and Industry of the Republic of Singapore; **Charles Robertson**, Global Chief Economist, Renaissance Capital; **Frank Schauff**, AEB CEO; **Sergey Storchak**, Deputy Finance Minister of the Russian Federation; **Ksenia Yudaeva**, First Deputy Governor of the Bank of Russia; **Andy Xie**, Independent Economist.

Federation; Sergei Ivanov, Special Presidential Representative for Environmental Protection, Ecology and Transport; Murad Kerimov, Deputy Minister of Natural Resources and Environment of the Russian Federation; Andrey Pankov, General Director, Renault Russia; Pontus Erntell, General Director, IKEA Russia.



L-R: **Viktor Evtukhov**, State Secretary, Deputy Minister of Industry and Trade of the Russian Federation; **Cees't Hart**, President, CEO, Carlsberg; **Sergei Ivanov**, Special Presidential Representative for Environmental Protection, Ecology and Transport; **Maria Morgun**, Chief Editor, Live Planet TV; **Murad Kerimov**, Deputy Minister of Natural Resources and Environment of the Russian Federation; **Pontus Erntell**, General Director, IKEA Russia; **Frank Schauff**, AEB CEO; **Stefanos Vafeidis**, General Manager, Coca-Cola HBC Russia.

## AEB cultural event: presentation of the art exhibition

On 31 May 2018, the AEB organised a reception on the occasion of the exhibition of paintings and drawings by Jacques Ikhmalyan at the Niko Art Gallery. The exhibition is dedicated to the 95<sup>th</sup> anniversary of the artist.

The welcome speeches were delivered by Frank Schauff, AEB CEO, and Liliya Slavinskaya, artist and owner of the "Les Oréades" Gallery.

Ms. Slavinskaya also conducted a tour around the exposition and shared her professional vision about the artist's daring



L-R: **Frank Schauff**, AEB CEO, and **Liliya Slavinskaya**, artist and owner of the Gallery "Les Oréades", welcoming the guests of the reception.



**Liliya Slavinskaya**, artist and owner of the Gallery "Les Oréades", presenting the collection of paintings by Jacques Ikhmalyan.

style, unique technique and worldwide legacy. As once Jacques Ikhmalyan said: "I consider sincerity to be the basis of art. Any fantasy can become the truth of art only under one condition—if the artist is sincere."

Likewise, the attendees of the reception had a marvellous opportunity to enjoy the traditional Armenian music performed by duduk accompanied by the piano.

The "Les Oréades" Gallery is happy to invite everyone to the Central House of Artists (Hall 13), where a collection of pictures and sculptures "My summer garden" will be exposed in summer 2018.

## AEB mission to Pskov

On 1 June 2018, the AEB COO Ruslan Kokarev and the Chairman of the North-Western Regional Committee Andreas Bitzi undertook a fact-finding mission to Pskov in order to explore business opportunities in the region and discuss with the regional authorities possible joint activities in the framework of the International Hanseatic Days in Pskov in 2019.

The AEB representatives met with the Acting Governor of the Pskov region Mikhail Vedernikov, attended the Special Economic Zone Moglino and inspected the business and touristic infrastructure of the city of Pskov.

L-R: **Andrey Mikheev**, Head of the State Committee on Economic Development and Investment Policy of the Pskov region; **Andreas Bitzi**, Chairman of the AEB North-Western Regional Committee; **Ruslan Kokarev**, AEB COO; **Yury Podobed**, Director of the Pskov region Investment Development Agency.





## AEB co-organised "Construction equipment industry in transformation: drivers of success" Forum

On 5 June 2018, the AEB co-organised the Forum "Construction equipment industry in transformation: drivers of success" in the framework of the International Exhibition for Construction Equipment and Technologies bauma CTT RUSSIA 2018 at the Crocus Expo IEC in Moscow.

The plenary session was moderated by Yana Arzhanova, Public Affairs Director, Volvo Group Russia.

Frank Schauff, AEB CEO, and Andreas Lettl, General Director, CTT Expo, made welcoming remarks.

Riccardo Viaggi, Secretary General, CECE, and Andrey Komov, Chairman of the AEB Construction Equipment Committee, General Director, Volvo CE, provided the overview of trends on the construction equipment market in Russia and Europe.

Yuri Bogovitsky, Deputy Head of Section of Monitoring and Analysis of the Development of Industrial Complexes of the Single Economic Space Member States, EEC Industrial Policy Department, reported on the opportu-



L-R: **Yuri Bogovitsky**, Deputy Head of Section of Monitoring and Analysis of the Development of Industrial Complexes of the Single Economic Space Member States, EEC Industrial Policy Department; **Andrey Komov**, Chairman of the AEB Construction Equipment Committee, General Director, Volvo CE; **Riccardo Viaggi**, Secretary General, CECE; **Yana Arzhanova**, Public Affairs Director, Volvo Group Russia; **Frank Schauff**, AEB CEO.

nities and prospects for development of construction machinery on the common market of the Eurasian Economic Union.

During the Forum the key industry players discussed the development strategy of the construction equipment market.

The governmental representatives spoke about the existing and upcoming measures to support the industry, the potential of high-tech exports and promising areas of innovative solutions.

## AEB participated in the round table "Prospects for the EU-EAEU common economic space: challenges and opportunities for business"

On 6 June 2018, AEB CEO Frank Schauff took part in the round table "Prospects for the EU-EAEU common economic space: challenges and opportunities for business", organised by the Eurasian Economic Commission (EEC), the Russian Union of Industrialists and Entrepreneurs (RSPP) and the International Institute for Applied Systems Analysis (IIASA) at the headquarters of RSPP.

Alexander Shokhin, RSPP President, Chairman of the Presidium of the EAEC Business Council in 2018, opened the meeting with a welcome speech.

The round table brought together policy-makers, top-level business representatives and academia to discuss topical issues of economic cooperation in a wider European and Eurasian space. One of the key elements of the event was the presentation of the three Working Papers on harmoniz-



Participants of the round table

ing technical barriers to trade, foreign direct investment and transcontinental transport corridors and logistics by the IIASA leading scientists. This research was conducted by IIASA under the support of the Eurasian Development Bank.

# AEB COMMITTEES UPDATES

## Compliance & Ethics, Human Resources and IT & Telecom Committees



L-R: **Dmitry Litvinov**, Head of Analytics & Technology Centre of Excellence, SAP CIS; **Alexey Muntyan**, Personal Data Protection & IT Security Officer, DHL Express; **Julia Borozdna**, Deputy Chairperson of the AEB Labour Law Subcommittee, Partner, Head of Employment and Migration Law Practice, Pepeliaev Group.

On 13 April 2018, the AEB Compliance & Ethics Committee, Human Resources Committee and IT & Telecom Committee organised a joint meeting entitled “New EU General Data Protection Regulation and its adaptation to local realities”. The meeting provided a platform for the discussion of possible impact of the EU General Data Protection Regulation (GDPR), which was adopted in 2016 and will come into force on 25 May 2018.

Alexey Muntyan (Personal Data Protection & IT Security Officer, DHL Express) highlighted the following topics in his presentation: what is GDPR, GDPR as a part of European law reform—Digital Single Market, GDPR’s application field communicated by ISACA and Roskomnadzor, GDPR’s mechanisms, guidelines for SMEs on the security of personal data processing by ENISA.

The presentation delivered by Dmitry Litvinov (Head of Analytics & Technology Center of Excellence, SAP CIS) was

focused on the following issues: GDPR challenges and opportunities to become a better digital business and demonstration of its accountability, possibilities within automatization process towards more agile digital business; SAP help to address GDPR’s requirements data management to simplify governance; opportunities to reduce compliance cost and risk through automation.

The GDPR implementation impact from the labour law perspective was presented by the meeting’s moderator Julia Borozdna (Deputy Chairperson of the AEB Labour Law Subcommittee, Partner, Head of Employment and Migration Law Practice, Pepeliaev Group), namely in the areas of personnel recruitment, business trips of EU employees to Russia, Russian employees’ trainings in EU including online trainings, employees and family members’ insurance, sufficiency of the employees’ agreement as the basis for personal data processing; bases for personal data protection.



## Customs & Transport Committee

On 16 April 2018, the AEB and the Embassy of the Lithuanian Republic organised an open meeting between AEB member companies operating in Russia and the Lithuanian transport and logistics companies. The event took place at the Embassy of the Lithuanian Republic in Russia.

The welcoming speeches were delivered by Remigijus Motuzas, H.E. Ambassador of the Republic of Lithuania in Russia, and Ruslan Kokarev, AEB COO.

Dmitry Cheltsov, AEB Customs & Transport Committee Chairman, General Delegate to the IRU Permanent Delegation to Eurasia, presented the activities of the Committee. He highlighted that the meeting had become a good tradition to provide a platform for discussion and exchange of practical solutions in the field of transportation between AEB member companies and Lithuanian transport companies on the eve of International Forum "TransRussia-2018".

Sergei Gusev, AEB Customs & Transport Committee Deputy Chairman, GR and Technical Regulation Manager, Electrolux, made a presentation entitled "Current set-up of international



**Dmitry Cheltsov**, AEB Customs & Transport Committee Chairman, General Delegate to the IRU Permanent Delegation to Eurasia, presenting the activities of the AEB Customs & Transport Committee.

transportation. Terms and conditions of cooperation with forwarders".

The meeting was followed by a Q&A session. It was agreed to continue a dialogue between transport companies of the Lithuanian Republic and European business.

On 1 June 2018, the AEB Customs & Transport Committee experts participated in the final discussion of the draft Law "On customs regulation" prior to its first hearing in the Russian State Duma. The meeting was chaired by Andrey Makarov, Head of the State Duma Committee on Budget and Taxes, and Ilya Trunin, Deputy Minister of Finance of Russia.

The Customs Code of the Eurasian Economic Union (CC EAEU) entered into force on 1 January 2018. This is one of the core documents of the EAEU that sets the rules for customs authorities, importers, exporters and other entities involved into international trade. In furtherance of the Customs Code's provisions a draft of the new Federal Law "On customs regulation" has been developed in participation with the AEB Customs & Transport Committee expertise, based on law enforcement practice and best European and Russia's practices in customs regulation.

Starting from the mid of 2017, the AEB Customs & Transport Committee experts have been actively involved in improvement of the draft Law "On Customs regulation" on the different levels.

The experts participated in a series of meetings organised by the Ministry of Finance and the State Duma.

The main proposals made by the AEB CTC experts are as follows: simplification of import of disassembled machinery commodities and equipment; customs control of marking and labeling; different aspects of customs statistics; no customs



L-R: **Sergei Gusev**, AEB Customs & Transport Committee Deputy Chairman, GR and Technical Regulation Manager, Electrolux; **Mikhail Komarov**, Senior Manager, Head of Customs Service, KPMG in Russia; **Anna Litovchenko**, Customs Expert, Noerr; **Wilhelmina Shavshina**, Deputy Chairperson of the AEB Customs & Transport Committee, Head of Customs and Foreign Trade Regulation Practice, DLA Piper.

service fee for exported goods; no double customs service fee for special simplified procedure when customs releases goods prior to declaring.

The AEB CTC would like to thank for understanding and support the representatives of the Federal Customs Service, Ministry of Finance and members of the Parliament. The lion's share of the AEB proposals is expected to be included into the final text of the draft Law.

## Customs & Transport and Product Conformity Assessment Committees



L-R: **Sergei Migin**, Deputy Head of the Federal Service for Accreditation; **Sergei Shklyayev**, Head of Directorate on trade restrictions, currency and export control, the Federal Customs Service; **Dmitry Cheltsov**, Chairman of the AEB Customs & Transport Committee, General Delegate to the IRU Permanent Delegation to Eurasia; **Elena Kirillova**, Deputy Chairperson of the AEB Product Conformity Assessment Committee, Head of technical translation and certification department, Legrand Group Russia.

On 26 March 2018, the AEB Customs & Transport and Product Conformity Assessment Committees held an open event with Sergei Shklyayev, Head of Directorate on trade restrictions, currency and export control, the Federal Customs Service, and Sergei Migin, Deputy Head of the Federal Service for Accreditation.

The event was moderated by Dmitry Cheltsov, Chairman of the AEB Customs & Transport Committee, General Delegate to the IRU Permanent Delegation to Eurasia, and Elena Kirillova, Deputy Chairperson of the AEB Product Conformity Assessment Committee, Head of technical translation and certification department, Legrand Group Russia.

During the event, the participants had an interactive discussion on the following topics: clarifications of the Federal Customs Service and RusAccreditation on the procedure for import of goods as samples; mutual recognition of test protocols; the procedure for applying a single mark of circulation of products on the market of the Eurasian Economic Union; application of the 1D declaration scheme, as well as other issues of the current law-enforcement practices.

As a result of the meeting, it was agreed to establish a working group on the development of modifications to the text of clarifications of the Federal Customs Service and RusAccreditation on the procedure for import of goods as samples with participation of Sergei Migin, Sergei Shklyayev and AEB experts.

## Finance & Investments Committee



L-R: **Ethan Heinz**, Dentons; **Alexander Anichkin**, Clifford Chance; **Tom Adshead**, Macro-Advisory Ltd; **Stuart Lawson**, AEB Board Member, AEB Finance & Investments Committee Chairman, EY; **Frank Schauff**, AEB CEO.

On 28 May 2018, the AEB held an open event "Sanctions, an evolving story" organised by the AEB Finance & Investments Committee.

The event provided the audience with the opportunity to listen to Tom Adshead, Chief Operating Officer, Macro-Advisory Ltd, on Russia business update and the guide to the new government; Ethan Heinz, Counsel, Dentons, on the recent US sanctions designations and their implications; and Alexander Anichkin, Partner, Clifford Chance, on Russia's proposed new counter sanctions.

The experts shared their thoughts and opinions on developments in the operating environment under sanctions, and the participants raised numerous questions with regard to the draft law on criminal responsibility for complying sanctions of foreign states on the Russian territory and deliberately facilitating its introduction, US sanctions and impact of the sanctions on the Russian economy.

The event was moderated by Stuart Lawson, AEB Board Member, Chairman of the AEB Finance & Investments Committee, EY. The welcome speech was made by Frank Schauff, AEB CEO.

## Finance & Investments and Legal Committees

On 19 April 2018, the AEB held an open event "Sanctions: Where are we now, what is next?" organised jointly by the AEB Finance & Investments and Legal Committees.

The event provided the opportunity to listen to Ethan Heinz, Counsel, Dentons, on the recent US sanctions designations and their implications, and Alexander Anichkin, Partner, Clifford Chance, on Russia's proposed new counter sanctions.

At the event, the experts shared their views and the participants raised numerous questions with regard to the latest US sanctions and Russia's reaction to them and what they might bring to companies operating in Russia.

The event was moderated by Stuart Lawson, Chairman of the AEB Finance & Investments Committee, EY. The welcome speech was made by Frank Schauff, AEB CEO.



L-R: **Ethan Heinz**, Counsel, Dentons; **Alexander Anichkin**, Partner, Clifford Chance; **Stuart Lawson**, AEB Finance & Investments Committee Chairman, EY; **Frank Schauff**, AEB CEO.



## Heating Systems Manufacturers Working Group, Home Appliances Manufacturers and Real Estate Committees



Presenter: **Alexander Sverdlov**, General Manager, FläktGroup, and other participants of the meeting.

On 18 May 2018, the AEB held an open event titled "Smart living and smart working" prepared by the Heating Systems Manufacturers Working Group, Home Appliances Manufacturers Committee and Real Estate Committee.

The welcome speech was delivered by Ruslan Koka-rev, AEB COO. Alexey Soldatov, Chairman of the Product Conformity Assessment Committee, moderated the event.

Sanne Goossens, APPLiA Home Appliance Europe, told about smart appliances in Europe and the European regulation that ensures safety and security of these appliances. Alexander Nevrovsky, Head of marketing and business development group in Siemens Business Technologies, told about the role of manufacturers in the new smart world, data-thinking approach and IT technologies that will be used in engineering systems. Elena Petrunyaka, Senior Product Manager, Ariston Thermo Rus, briefed about the company's connected boilers and water heaters having described advantages of remote control for users. Sergey Davydov, Business Applications Analyst Digital, Sales and Marketing, Philips, told about the company's connected products and smart applications. Alexander Sverdlov, General Manager, FläktGroup, shared his company's smart solutions for a comfortable indoor climate.

The participants concluded that the topic of smart and connected technologies in Russia would be developing in the future and agreed to organise a meeting next year.

## Hotels & Tourism Committee



L-R: **Alexander Ivanenko**, Medical Director of the Federal Budgetary Health Care Institution "Centre for Hygiene and Epidemiology of Moscow"; **Elena Andreeva**, Head of Rospotrebnadzor of Moscow; **Gennady Lamshin**, President of the Russian Hospitality Association.

On 16 May 2018, the AEB Hotels & Tourism Committee met with Rospotrebnadzor of Moscow. The meeting aimed to inform about the requirements of Rospotrebnadzor on sanitary legislation, consumer protection legislation for accommodation facilities, requirements for catering and medical services, as well as additional preventive measures to minimize epidemiological risks during the 2018 FIFA World Cup. The meeting was chaired by Elena Andreeva, Head of Rospotrebnadzor of Moscow.

During the meeting the following topics were covered by the Rospotrebnadzor authorities: a presentation of sanitary and epidemiological surveillance of hotels' activities on the eve of the 2018 FIFA World Cup; a presentation on medical aspects and vaccination; a presentation concerning control of pricing at the hotels during the 2018 FIFA World Cup.



L-R: **Alexei Tikhnenko**, Head of Hospitality Committee, Moscow Government; **Vladimir Chernikov**, Minister of the Moscow Government, Head of the Moscow Department of Regional Security and Anti-corruption; **Dmitry Sergeenko**, Head of Migration Directorate of the Ministry of Internal Affairs of Russia in Moscow; **Konstantin Goryainov**, Vice-President of Interstate Group; **Alexei Spiridonov**, Head of the state-owned public enterprise "Moscow Security".

On 18 May 2018, the AEB Hotels & Tourism Committee participated in the meeting which was dedicated to the migration registration of guests accommodated in the hotels, and implementation of the electronic system in hotels to transfer guests' data to the Russian Ministry of Internal Affairs for migration registration purpose.

The meeting was chaired by Vladimir Chernikov, Minister of the Moscow Government, Head of the Moscow Department of Regional Security and Anti-corruption, and Dmitry Sergeenko, Head of Migration Directorate of the Ministry of Internal Affairs of Russia in Moscow.

During the meeting, the hotels' representatives addressed the questions concerning particularities of the migration registration procedure of guests for hotels.

Since there are a lot of questions related to the technical aspects of data transferring from a hotel to the Ministry of Internal Affairs of Russia, Vladimir Chernikov gave an order to the state-owned public enterprise "Moscow Security" together with the Migration Directorate of the Ministry of Internal Affairs of Russia in Moscow to connect the hotels to the electronic data transmission system prior to the 2018 FIFA World Cup.

## Insurance & Pensions Committee

On 16 April 2018, the AEB Insurance & Pensions Committee held an open meeting titled "Sanation of insurers: potential risks and new opportunities".

It was opened and moderated by Alexander Lorenz, AEB Insurance & Pensions Committee Chairman, and Capitolina Tourbina, Chairperson of AIDA Insurance Legislation Working Group (AIDA Russian Chapter).

The event provided the update on the draft law on sanation of insurance companies and its main discussion points and concerns: the draft law on sanation of insurers in the light of the Russian legislation on insolvency (bankruptcy), main regulatory risks for insurers in case of adoption of the draft law on sanation; cases of sanation of insurers at foreign insurance markets; etc. The participants raised numerous questions, suggestions and concerns with regard to the draft law on insurance (reinsurance) companies.

Among the speakers were: Tamara Erokhina, Ministry of Finance; Maria Shamrina, the Central Bank; Vladimir Sukhinin, AEB Insurance & Pensions Committee Deputy Chairman, CARDIF Insurance company Limited Liability Company; Rafael Klimov, All-Russian Insurance Association; General Reinsurance AG; Alexander Zaretskiy, Association of Life Insurers, MetLife JSC.



At the head of the table (L-R): **Capitolina Tourbina**, Chairperson of AIDA Insurance Legislation Working Group (AIDA Russian Chapter); **Alexander Lorenz**, AEB Insurance & Pensions Committee Chairman.



Participants of the event

On 24 May 2018, the AEB Insurance & Pensions Committee held an open event titled "Online solutions in insurance and pensions".

The event on electronic insurance was organised by the Committee for the fifth time. It was opened and moderated by Alexander Lorenz, AEB Insurance & Pensions Committee Chairman.

Dmitry Kudlov from the Central Bank presented the most recent developments in the legislative and regulatory framework of electronic insurance in Russia. Tadzio Schilling, AEB Small & Medium-Sized Committee Chairman, EY, spoke about digital transformation in the insurance and pension industry in terms of trends, risks and opportunities. Timur Gilyazov from MetLife JSC, Dmitry Tuzhilin from SAFMAR NPF AO, Anton Kosachev from AlfaInsurance and Ilya Kosolapov, Project Socratus, shared their experience, solutions and practical aspects in the electronic insurance and pensions market.

Likewise, the participants discussed such topics as smart contracts, market place, blockchain examples, etc.

## IT & Telecom Committee



L-R: **Anastasia Petrova**, ALRUD Law Firm; **Taras Derkatsch**, BEITEN BURKHARDT; **Yulia Labutina**, Atos IT Solutions and Services LLC Russia; **Arseny Seidov**, Baker McKenzie; **Larisa Malkova**, Accenture Digital.

On 12 April 2018, the AEB IT & Telecom Committee held an open event "ABC of Digitalization".

At the meeting, a general overview of expectations and forecasts of digitalization process was provided by Larisa Malkova, Director, Accenture Digital; digitalization development trends in Russia with the implementation of the Russian software was analysed by Taras Derkatsch from

BEITEN BURKHARDT; Arseny Seidov (Baker McKenzie) spoke about changes in taxation of the digital economy in Russia; Anastasia Petrova (ALRUD Law Firm) finalised the event with the presentation on a legal and regulatory approach to the electronic HR records.

The meeting was chaired by Yulia Labutina, Head of Legal & Compliance, Atos IT Solutions and Services LLC Russia.



## Migration Committee



At the head of the table (L-R): **Ludmila Shiryayeva**, AEB Migration Committee Chairperson, Executive Director, Tax and Legal Services, EY; **Kirill Adzinov**, Head of Work Permit and Visa Department, General Migration Directorate, Russian Ministry of Internal Affairs, and other members of the AEB Migration Committee.

On 10 April 2018, the AEB Migration Committee organised a round table with participation of Kirill Adzinov, Head of Work Permit and Visa Department, General Migration Directorate, the Russian Ministry of Internal Affairs.

The meeting was dedicated to issues concerning to registration of foreign citizens in Russia including changes of procedure of registration suggested to implement in the Bill No. 350179-7 "Regarding modification of articles 2, 20 and 21 of the Federal Law 'About migration registration of foreign citizens and stateless persons in the Russian Federation'" and special aspects of migration registration of foreign citizens during the football world championship in Russia.

It was agreed to prepare a list of proposals and questions of the AEB Migration Committee on migration registration procedure of foreign employees in Russia.

On 28 May 2018, the AEB Migration Committee participated in the International Migration Forum, organised by the Russian Chamber of Commerce.

The welcome speech was delivered by Sergey Katyrin, President of the Russian Chamber of Commerce. He spoke about the barriers in migration legislation for the companies operating in Russia.

Dmitry Demidenko, Deputy Head of the Chief Migration Directorate of the Ministry of Internal Affairs of Russia, and Mikhail Kirsanov, Director of Labour Employment Department of the Russian Ministry of Labour and Social Protection, participated in the panel session of the Forum and presented the main directions of the migration policy in Russia and the prospects for improvement of migration and labour legislation. Alexey Filipenkov, AEB Migration Committee Deputy Chairperson, Partner of Visa-Delight, made a presentation related to the main barriers in migration legislation and practice for the AEB member companies, including migration registration procedures, submission of the documents to the Migration Centre in Sakharovo, and notification procedure.



L-R: **Pavel Grudin**, Director of "Sovkhoz im. Lenina", Deputy Chairperson of the Agricultural Committee of the Russian Chamber of Commerce; **Vladimir Padalko**, Vice-President of the Russian Chamber of Commerce; **Dmitry Demidenko**, Deputy Head of the Chief Migration Directorate of the Russian Ministry of Internal Affairs; **Mikhail Kirsanov**, Director of Labour Employment Department of the Russian Ministry of Labour and Social Protection; **Alexey Filipenkov**, AEB Migration Committee Deputy Chairperson, Partner of Visa-Delight.

## North-Western Regional Committee



Participants of the open event

On 27 March 2018, the AEB North-Western Regional Committee held an open event entitled "Risk-barometer: responsibility of business and managers in Russia".

All aspects of business risks (tax, labour, customs, financial, cyber, etc.) encountered by owners and managers in the current economic environment were discussed.

Such companies as Allianz IC OJSC, DLA Piper, Egorov Puginsky Afanasiev & Partners, Stockholm School of Economics in Russia, Nordea Bank, BEITEN BURKHARDT, and EY made their presentations on related topics.

The event was kindly hosted by the Stockholm School of Economics in Russia.



L-R: **Ruslan Kokarev**, AEB COO; **Torsten Erdmann**, Commerzbank (Eurasija); **Elena Novoselova**, Coleman Service UK; **Patrick Catania**, International Hotel Investments (Benelux) B.V.; **Wilhelmina Shavshina**, DLA Piper; **Andreas Bitzi**, quality partners.; **Mathias Weber**, SCHNEIDER GROUP; **Thomas Staertzel**, AEB Board Chairman.

On 4 April 2018, the AEB North-Western Regional Committee held its Annual General Meeting in St. Petersburg. The AGM was attended by Thomas Staertzel, Chairman of the AEB Board, and Ruslan Kokarev, AEB COO.

The meeting began with the plenary session, during which the investment potential of the Pskov region was presented by the members of the administration of the Pskov region: Vera Emelianova (First Vice-Governor of the Pskov region), and Yuri Podobed (General Director, Agency for Investment Development of the Pskov region).

Olga Torbich (General Director, Open Economic Zone "Mogolino") and Jarmo Pekka Varjosalmi (General Director, TANN NEVSKIY)

presented their experience of investing in the Pskov region.

In the second part of the meeting a report on the activities of the AEB North-Western Regional Committee in 2017 was presented.

The elections of the Steering Group of the AEB NWRC and its leadership were held. The following persons were elected to the Steering Group through a secret ballot: Alexander Arsenyev, YIT; Andreas Bitzi, quality partners.; Patrick Catania, International Hotel Investments (Benelux) B.V.; Torsten Erdmann, Commerzbank (Eurasija); Timo Mikkonen, ORAS Group; Elena Novoselova, Coleman Services UK; Anton Rassadin, BSH Group; Wilhelmina Shavshina, DLA Piper; Mathias Weber, SCHNEIDER GROUP.





L-R: **Alexander Demidov**, Managing Director, GfK Rus; **Andreas Bitzi**, Chairman of the AEB North-Western Regional Committee; **Stuart Lawson**, Member of the AEB Board, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY.

On 23 May 2018, the AEB North-Western Regional Committee jointly with the International Institute of Marketing and Social Research "GfK Rus" presented the results of the 11<sup>th</sup> AEB annual survey "Strategies and prospects for European companies in Russia". The event was kindly hosted by the Consulate General of Finland in St. Petersburg.

The opening remarks were delivered by Andreas Bitzi, Chairman of the AEB North-Western Regional Committee; Stuart Lawson, Member of the Board, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY; and Lauri Pullola, Deputy Consul General of Finland in St. Petersburg.

Alexander Demidov, Managing Director of GfK Rus, made a presentation on the results of the survey.

The AEB would like to express gratitude to the companies which participated in the survey. We invite all AEB members to take part in the project in the future.

## Public Relations & Communications Committee

On 21 March 2018, the AEB Public Relations & Communications Committee held its open meeting entitled "Key trends and challenges in global communications—new tools to promote and protect corporate reputation".

The invited keynote speaker Lars Erik Grønntun, Chairman & CEO, Europe, Middle East and Africa (EMEA), Hill+Knowlton Strategies, addressed the importance of the Russian market to European business and investments, key trends in public affairs, crisis and corporate communications, and digital services as the main platform for reaching customers, employees and diverse communities.

The meeting was moderated by Marina Tatarskaya, Deputy Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia.



**Lars Erik Grønntun**, Chairman & CEO, Europe, Middle East and Africa (EMEA), Hill+Knowlton Strategies.

## Public Relations & Communications and Human Resources Committees

On 23 April 2018, the AEB Public Relations & Communications Committee and Human Resources Committee held a joint open meeting entitled "Corporate social responsibility (CSR)/sustainability in higher education and business: expectations and reality". The meeting served as a platform for interaction of business community and higher schools.

The meeting was moderated by Tatiana Baskina, Chairperson of the AEB Recruitment Subcommittee, Deputy Director General, Professional Community Affairs, ANCOR, and Marina Tatarskaya, Deputy Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia.

Alexander Melnichuk, Head of the Department of Human Resources Management and Policies, Russian State Social University (RSSU), briefed the audience on the integration of the CSR/sustainability in the education programmes. Evgeniya Kvashina, Employer Brand and Trainee Programs Lead, Eurasia, Sanofi Russia, shared the experience accumulated by the company in implementing the company's trainee programme for graduates. The programme gives the opportunity to work on real projects, start a career in an international corporation under the supervision of experienced mentors and to develop key business skills and competencies, gaining relevant knowledge about the industry. Konstantin Krokhnin, Chairman of the Italian Commission





L-R: **Sergey Mozhenin**, Partner, Antal Russia; **Evgeniya Kvashina**, Employer Brand and Trainee Programs Lead, Eurasia, Sanofi Russia; **Marina Tatarskaya**, Deputy Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia; **Tatiana Baskina**, Chairperson of the AEB Recruitment Subcommittee, Deputy Director General, Professional Community Affairs, ANCOR; **Alexander Melnichuk**, Head of the Department of Human Resources Management and Policies, RSSU.

of the Moscow Chamber of Commerce and Industry, Chief of the Centre for training of mediators under the Russian Presidential Academy of National Economy and Public Administration, pointed out the existing gap between needs of business and programmes offered by higher education.

In the closing part of the meeting participants discussed the observations and facts presented by HR services' providers regarding availability of the CSR/sustainability vacancies in the labour market. The data was provided by Tatiana Baskina, ANCOR, and Sergey Mozhenin, Partner, Antal Russia. The main conclusions of the discussion are as follows: there are few vacancies on CSR/sustainability; demand is currently in the formation stage only in Moscow and St. Petersburg; managers responsible for CSR are engaged in sectors of FMCG, industrial production, healthcare, pharmaceuticals, IT, telecom and automation.

## Safety, Health, Environment & Security Committee

On 20 March 2018, the Security Subcommittee of the AEB Safety, Health, Environment & Security Committee held an open event entitled "Cyber Security Checkups". The event highlighted the issues of information security assessment, requirements for internal documentation, protection of sensitive information, and provided an excellent platform for discussion and exchange of knowledge by professionals. A number of experts shared their expertise and gave recommendations on important cyber security matters.

L-R: **Oleg Bezik**, CSI Group; **Dmitry Budanov**, Security Subcommittee Chairman, Elite Security Holding Company; **Denis Saushkin**, "ZKS"; **Alexander Pisemsky**, CSI Group.



L-R: **Valery Kuchеров**, ERM; **Ivan Ivanov**, ERM; **Evgeniya Lagner**, Danone; **Tatyana Bobrovitskaya**, Shell Integrated Gas Russia; **Ekaterina Pilipenko**, BP; **Konstantin von Vietinghoff-Scheel**, Corporate Counselling Services Sarl; **Tomas Baborsky**, Solvay.

On 10 April 2018, the AEB Safety, Health, Environment & Security Committee held a round table "Key issues and best practices in HSE: experience of European companies in Russia" at the Russian Health and Safety Week in Sochi. The event focused on European companies experience in achieving "0" level of injuries of employees, the so-called "Goal Zero" proclaimed by the Ministry of Labour.

Tatyana Bobrovitskaya, Shell Integrated Gas Russia; Evgeniya Lagner, Danone; Ivan Ivanov, ERM; Ekaterina Pilipenko, BP; Konstantin von Vietinghoff-Scheel, Corporate Counselling Services Sarl; Ozlem Engin, 3M; Tomas Baborsky, Solvay, presented their companies' best practices.

The event was moderated by Valery Kuchеров, Chairman of the AEB Safety, Health, Environment & Security Committee, ERM.

## Small & Medium-Sized Enterprises Committee



L-R: **Alexey Abramov**, Head, the Federal Agency on Technical Regulating and Metrology; **Artem Koltsov**, Founder, Mir Trud Maining; **Iliya Dimitrov**, Executive Director, Association of Electronic Trading Platforms (AETP); **Nadezhda Surova**, Director, Institute of Administration and Socioeconomic Design, Plekhanov Russian University of Economics; **Tadzio Schilling**, Chairman of the AEB Small & Medium-Sized Enterprises Committee, Associate Director, Business Development, German Business Centre Moscow, EY; **Guzelia Imaeva**, Chief Executive Officer, NAFI Research Centre.

On 23 May 2018, Tadzio Schilling, Chairman of the AEB Small & Medium-Sized Enterprises Committee, Associate Director, Business Development, German Business Centre Moscow, EY, took part in a panel session "Readiness of Russian society, government and business for the digital economy". He delivered a presentation entitled "European SMEs in Russia—partners for sustainable, inclusive and digital growth".

The session was organised within the IV Russian Small and Medium-Sized Enterprises Forum (SME Forum) in St. Petersburg. The SME Forum took place on the eve of the St. Petersburg International Economic Forum (SPIEF'18).

The session was moderated by Dmitry Sazonov, Deputy Chairman, the State Duma Committee on Economic Policy, Industry, Innovative Development and Entrepreneurship.

The general discussion within the session encompassed the following topics: compliance by the Russian Federation's digital economy programme with the demands of business; readiness of the government and Russian companies to transfer to digital technologies; economic and social aspects of digitalization.

The objective of the SME Forum is to create a permanent community of small and medium-sized enterprises to discuss the current SMEs climate and the measures which need to be taken in order to strengthen their role in the Russian economy. The Forum is to contribute to the open dialogue between government and enterprises aimed at reducing administrative barriers and optimizing infrastructure, financial and institutional support measures.

This year, the Forum attracted over 700 representatives from federal and regional legislative and executive bodies, directors of small and medium-sized enterprises, directors of state and public organisations providing support for SMEs, and representatives from the banking sector and legal and consultancy firms.

## Southern Regional Committee

On 23 March 2018, the Annual General Meeting of the AEB Southern Regional Committee took place in the office of the company KNAUF in Krasnodar.

The AGM was attended by Ruslan Kokarev, AEB COO.

During the meeting the Activity Report of the AEB SRC Steering Group in 2016-2017 was approved. The elections of the Steering Group of the Committee and its leadership were held. The following members of the Steering Group were elected by a secret ballot: Yeranui Abazyan, ITE LLC Moscow; Alisa Andreeva, Philip Morris Kuban LLC; Ralf Bendisch, Claas; Igor Brener, Cargill LLC; Anna Kalmykova, EY; Natalya Minzhulova, Banca Intesa; Lyubov Popova, Vegaslex; Yuri Pustovit, Advocates Bureau Yug; Oleg Zharko, Danone Russia.

Afterwards, newly elected AEB SRC Steering Group members held their first meeting. Oleg Zharko was elected the Chairman of the AEB Southern Regional Committee through the open vote. Deputy Chairpersons were elected upon the proposal by the new Chairman. Ralf Bendisch, Igor Brener, Lyubov Popova became Deputy Chairpersons of the AEB Southern Regional Committee.



L-R: **Oleg Zharko**, Chairman of the AEB Southern Regional Committee; **Ruslan Kokarev**, AEB COO (at the table).





**Vasily Shvets**, Vice Governor of the Krasnodar region (at the head of the table), and other participants of the meeting.

On 27 April 2018, the Regional Foreign Investment Advisory Council meeting took place in Krasnodar. Among the participants were representatives of large foreign businesses operating in the region and AEB members.

Vice Governor Vasily Shvets noted that the cooperation of the Krasnodar region with foreign investors had been long-term and stable, and the authorities of the region were ready to hold a direct dialogue with foreign partners.

Anna Kalmykova, EY Partner and Director of the branch in Krasnodar and Rostov-on-Don, presented the results of the survey of foreign investors' views on the work in the region.

The Chairman of the AEB Southern Regional Committee Oleg Zharko, Danone Russia, summed up the results of work with foreign investors in the Krasnodar region in 2017 and announced the results of the survey, according to which the investment climate in Kuban was estimated as very positive. As members of the Council pointed out, all branches of the government in the region used effective tools to create competitive conditions for doing business, and the investment attractiveness of the region continued to grow.

Ruslan Kokarev, AEB COO, spoke about the AEB Day in Krasnodar scheduled for 11 October 2018. Within the AEB Day, it is planned to organise an expanded meeting of the Regional Foreign Investment Advisory Council under the Governor of the Krasnodar region, meetings of AEB Committees and a Reception dedicated to the 15<sup>th</sup> anniversary of the AEB Southern Regional Committee.

On 27 April 2018, the public discussion on the creation of the Krasnodar agglomeration was held in Krasnodar.

The meeting was conducted within the framework of the programme "Time for new strategies-2018", co-organised by the Public Chamber of the Krasnodar region, AEB Southern Regional Committee, the Association "Agency for investment and international cooperation" and the Russian-English socio-political weekly "Yug-Times". The round table was attended by representatives of the regional administration, municipalities of Kuban, public organisations and businesses.

The moderator was Oleg Zharko, Chairman of the AEB Southern Regional Committee, Regional Corporate Affairs Director, Danone Russia. The participants discussed the benefits of integration and the Krasnodar agglomeration as a business, financial and scientific centre of the southern macroregion, as well as the need to form a single brand of agglomeration.

Lyubov Popova, Deputy Chairperson of the AEB Southern Regional Committee, Chairperson of the Public Chamber of the Krasnodar region, spoke about how business was interested in sustainable development of the territory. The creation of the Krasnodar agglomeration means, first of all, the unification of municipalities into a single economic zone for the implementation of joint projects. Krasnodar agglomeration will soon have to associate Donskoy and Seversky areas, Goryachiy Klyuch, Takhtamukaysky district of the Republic of Adygea and Krasnodar.



L-R: **Diana Lipinskaya**, "Centre-invest" Bank; **Eduard Kuznetsov**, Legislative Assembly of the Krasnodar region; **Andrei Palii**, Administration of the Krasnodar region; **Oleg Zharko**, Chairman of the AEB Southern Regional Committee, Danone Russia; **Lyubov Popova**, Deputy Chairperson of the AEB Southern Regional Committee, Vegaslex; **Sergei Ogurtsov**, Public Chamber of the Krasnodar region; **Vladislav Varshavsky**, Association of Investments and International Cooperation; **Elena Vasilchenko**, Administration of the Krasnodar municipality.

The Head of Goryachiy Klyuch Ivan Fedorovskiy noted in his speech that the creation of a common economic space should be based on the strategies of municipalities.

In fact, the process of creating the agglomeration began with the preparation of the draft "Strategy for socio-economic development of Kuban until 2030". The Strategy 2030 regulates the formation of seven economic zones in the region—the Northern, Central, Eastern, Black Sea, Predgornoy, as well as Sochi and Krasnodar agglomerations.

At the end of the meeting, Andrei Palii, First Deputy Minister of Economy of the Krasnodar region, invited all participants to submit their proposals and to involve the public and the media in the discussion.



# MEMBER NEWS

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## ALPE consulting



### ALPE consulting started a Roll-Out project at Fondital

Starting from April, Fondital, the world's no. 1 manufacturer of die-cast aluminum radiators, as well as the international leader in heating systems is rolling out SAP to Russian branch in Lipetsk using a traditional Roll-Out template. The scope of the project envisages deployment of standard modules such as Finance, Controlling, Sales and Distribution, Production Planning.

ALPE consulting has been nominated as the local SAP expert partner to handle all Russian localization topics including legal requirements, Russian specifics, local forms and reports, key user trainings. The go-live is planned for 1 July 2018.

ALPE consulting has successfully completed over 30 SAP Roll-Out projects and has built a superb reputation and market position over the past years.

## Bryan Cave Leighton Paisner



### Bryan Cave Leighton Paisner LLP officially launched

Bryan Cave Leighton Paisner LLP was officially launched on 3 April 2018. The Partnerships of both Bryan Cave LLP and Berwin Leighton Paisner LLP, including its Russian practice Goltsblat BLP, overwhelmingly approved the combination on 26 February. The new global, fully integrated law firm has 32 offices in 11 countries and a platform of 1,600 lawyers, placing it among the largest in the world and enabling it to significantly enhance the scope of services provided to its clients. The new firm is led by co-chairs Lisa Mayhew and Therese Pritchard.

Clients of the combined firm will have access to broader and deeper legal services across the US, Europe, the Middle East and Asia, including in many of the world's leading markets. The new firm offers clients a range of internationally integrated capabilities, including one of the most active

global M&A practices (shortlisted), world's leading real estate practices, largest international financial services practices, and strongest international litigation and corporate risk practices.

"Creating Bryan Cave Leighton Paisner has been a fantastic journey for us all," said Lisa Mayhew, co-chair of the firm and managing partner of legacy BLP. "Our firms have come together with a commitment to serve our clients as one team."

"Bryan Cave Leighton Paisner is well positioned to provide global strategic counsel to our clients across industries and geographies," said Therese Pritchard, co-chair of the firm and legacy chair of Bryan Cave. "Our integrated structure is designed to institutionalise and reward collaboration across our global platform. Our lawyers are already creating cross border client and industry teams, and in so doing, they are discovering new synergies that will enable broader efficiencies for our clients."

## Merck

### Merck celebrates 350th anniversary of its operation in the world and 120th — in Russia

2018 is the year of a double anniversary for Merck: 350th anniversary of its operation in the world and 120th—in Russia. On 19 April 2018, a grand event for 400 Merck employees in Russia took place. It was attended by German Ambassador to Russia Rüdiger von Fritsch and Chairman





of the Board of Partners of E.Merck KG Johannes Baillou. Russia has become one of the key countries participating in the grand global intercorporate video broadcast.

It is also planned to arrange a series of landmark events in Russia, timed to the company's anniversary. The list includes presentation of the German Merck Translation Award and Merck Philharmonic Orchestra performance.

A grand ceremony to celebrate the 350th anniversary of Merck took place in Darmstadt (Germany). Approximately 900 high-ranking guests, including German Chancellor Angela Merkel, attended the event. One of the main events of the day was opening of the Merck Innovation Center, a platform for startups that will work with Merck on advanced projects not included into the company's portfolio.

## Schneider Electric

### Experts discussed smart future of Eurasia in Paris

Schneider Electric Innovation Summit brought together global experts and world-leading industry thinkers to share insights and bold ideas on the challenges and opportunities of Powering the Digital Economy. The event took place at the beginning of April in Paris.

One of key parts of Innovation Summit was Russia and CIS day, where the leading experts from Russia and CIS discussed "Smart future of Eurasia". Among the event participants were Mayors of cities, Rectors of leading universities from CIS and France, business and government representatives, including Ambassador Extraordinary and Plenipotentiary of the Russian Federation in the French Republic and the Principality of Monaco Alexey Meshkov. They shared their hopes and fears about economic, industrial and institutional

changes driven by a rising digital economy as well as economic integration of EU and the Eurasian Economic Union.

"The world is changing at an unprecedented rate driven by a booming digitalization. Technologies such as the Internet of things (IoT), artificial intelligence and big data analytics are making companies and states more efficient and innovative, boosting their competitive advantage," said Jean-Pascal Tricoire, Chairman and CEO, Schneider Electric.

Also at the Forum Schneider Electric signed an agreement with the Kazan State Power Engineering University (KSPEU) to open a new competence centre "KSPEU – Schneider Electric". The agreement was signed by Johan Vanderplaetse, Senior Vice-President, President for Russia and CIS, Schneider Electric, and Edward Abdullazyanov, Rector of KSPEU.



# APPOINTMENTS

## Dentons



**Konstantin Tretyakov**

Head of Dentons' Russian White Collar Crime practice Konstantin Tretyakov was appointed Partner in March 2018.

Konstantin has impressive experience of successfully defending principals of the highest level, including top management of major Russian and global companies and high public officials.

Konstantin's main focus is on legal relationships that straddle criminal law and other fields of law (e.g. tax, civil, customs, banking, insurance, administrative, environmental), and offenses including crimes related to tax evasion, fraud, money laundering, violations of anti-bribery laws, and other white-collar crime.

Konstantin started his career in the public prosecution authorities, holding the post of senior investigator, then investigator of major crimes and prosecutor. He has been a litigator since 2004 and has been successfully defending clients before the law-enforcement authorities and courts of various levels for more than 14 years. His experience working for both the prosecution and the defense, together with an excellent background in theory and a scientific approach comprise the unique potential enabling him to achieve the best result defending principals.

Konstantin actively researches Russian and international criminal law, holds a candidate of legal sciences degree, is qualified as a tax adviser and is a member of the Moscow Bar Association. He has published more than 20 scholarly papers in leading legal publications on controversial questions of criminal proceedings.

Florian Schneider, Dentons' Russia Managing Partner: "I congratulate Konstantin on this appointment. He has headed the Firm's Russian White Collar Crime practice for almost a year and the practice is expanding rapidly under his leadership. His excellent understanding of how the Russian legal system works combined with an analytical scientific approach enables him to effectively and efficiently resolve the most complex and complicated legal situations."

## Legallife Diaz Reus

Legallife Diaz Reus, the Moscow office of global law firm Diaz Reus, announced in April 2018 that a new attorney joined the firm. Natalia Kosheleva specializes in corporate, banking and finance law, and corporate governance. A bilingual (Russian/English) attorney, she has 23 years of experience advising global corporations on a range of issues including legal and corporate govern-

ance optimization strategies, mergers and acquisitions, banking and financial services.



**Natalia Kosheleva**

Prior to joining the Moscow office of Legallife Diaz Reus as Head of Corporate and Banking Law, Natalia had already achieved a proven track record of success at a senior level and for many years, managing practices and heading projects at the Moscow offices of Deloitte, White & Case and the International Finance Corporation.

In particular, among many other activities, she carried out work on optimization of corporate governance structuring for major Russian funds, publicly traded companies, development of executive remuneration programs for the top management of Russian banks and companies and advised on various issues related to corporate law (such as negative assets situations, drafting shareholders agreements under Russian and English Law, production of annual reports, information disclosure, etc.).

With regard to M&A activities, Natalia managed legal due diligence, transaction structuring, drafted transaction documents (represented both sellers and buyers) and carried out deal closing. She also restructured debt portfolios of major Russian banks. Finally, she led projects in financial services (e.g. Eurobonds, ADRs, preference shares issuance, securitization, transactions with derivatives, precious metals, REPO deals, cash polling, etc.). "Natalia Kosheleva's proven competence and leadership is a precious asset for our Moscow office's practice. We are delighted to welcome her at Legallife Diaz Reus," said Massimiliano Ballotta, Senior Partner and Director of Business Consulting at Legallife Diaz Reus.

## Orange Business Services



**Helmut Reisinger**

Dr. Helmut Reisinger is the new Chief Executive Officer (CEO) of Orange Business Services, effective from 2 May 2018, taking over from Thierry Bonhomme, who becomes special advisor to the Chairman and CEO of Orange before retirement later this year. Following the announcement of the creation of a more diversified and international Executive Committee within Orange, Helmut will report to Stéphane Richard, Chairman and CEO of Orange, and will be a member of the Group's Executive Committee.

Most recently Helmut was executive Vice President, International at Orange Business Services, in charge of all international enterprise



business activities, excluding France. As CEO, he will direct the company strategy to support the digital transformation of enterprise customers in France and around the world.

"I am honored and excited to lead Orange Business Services on its ambition to be at the forefront of the data-driven economy. I believe our global talent, expertise and assets position us to deliver an unmatched experience for our enterprise customers worldwide. With a relentless customer focus—combined with people empowerment and commitment to innovation—I am confident that we will achieve continued success and growth for both our customers and Orange," said Dr. Helmut Reisinger, CEO, Orange Business Services.

Leveraging more than 20 years of experience in the enterprise market and solutions space, Helmut has an extensive international and customer-focused background with multiple leadership roles. Before joining Orange Business Services in 2007, Helmut held management positions across Europe at Avaya Inc, NextiraOne Germany and Alcatel Austria.

### Swissôtel Krasnye Holmy



**Natalia Kamanina**

Swissôtel Krasnye Holmy announced appointment of Natalia Kamanina as commercial director.

In this role Natalia will be a key-player in the hotel team of 5\* Swissôtel Krasnye Holmy, being responsible for creating and implementing commercial strategy of the hotel, sales and marketing strategy as well as

revenue management.

Mrs. Kamanina has extensive 15-years experience in hospitality industry, having started her career at Marriott hotels in Moscow. In 2010 she joined the LOTTE Hotel Moscow pre-opening team. In 2013 Natalia became head of sales & marketing department at Kempinski Nikolskaya, later she participated in property re-branding to St. Regis in 2014.

After several successful hotel projects Natalia was invited to the role of commercial director of the World Trade Centre in Moscow, where she was responsible for re-positioning, as well as implementation of sales & marketing strategy of the World Trade Centre

and all revenue-generating divisions—Crowne Plaza Hotel, Congress Centre, restaurants and other services.

Before joining Swissôtel Krasnye Holmy Natalia was head representative in Russia, CIS and Baltics at "Tink Labs", having launched a unique product "Handy" to these markets.

Natalia Kamanina holds 2 higher education diplomas on international relations and law.

"Swissôtel Krasnye Holmy is happy to have such a qualified team member on board—I am pretty sure, that her experience and great knowledge will help the hotel to increase revenue and show brilliant financial results. I am wishing her best of luck in this role," said Jan Chovanec, General Manager of Swissôtel Krasnye Holmy.



**Ivan Varlamov**

Swissotel Krasnye Holmy is happy to announce Mr. Ivan Varlamov as executive chef. In this position Ivan will be responsible for the entire kitchen operation of all the hotel outlets: main restaurant Acapella, famous City Space Bar & Restaurant, lobby bar, banqueting, room service and stewarding.

Prior to joining the Swissotel Krasnye Holmy team, Mr. Varlamov was holding the same

position at NOVOTEL Moscow City Hotel.

Ivan is a very experienced professional, who has been working for such hotels as Renaissance Moscow Olympic, Melbourne Marriott (Australia), Renaissance Samara.

During the period from 2009 until 2016 Ivan was involved for "task-force" for such properties as: Courtyard Saint Petersburg Vasilevskiy, Courtyard Saint Petersburg Pushkin, Petroff Palace Hotel Moscow, Mercure Lipetsk and Mercure Tyumen. He also underwent cross-trainings in Renaissance Munich and Pullman Montparnasse Paris.

In 2007 Ivan Varlamov was named "Best chef 2007" in Samara city.

"We are very happy to welcome Ivan onboard. We are sure, that he will implement fresh trends to the outlet's menus and his expertise and creativity will help to strengthen our positions in the Moscow hotel market," says Frank Fuhrmann, Executive Assistant Manager at Swissôtel Krasnye Holmy.

# NEW MEMBERS

## BARVIKHA HOTEL & SPA

### Barvikha Hotel & Spa

Barvikha Hotel & Spa is a part of the Barvikha Luxury Village, which combines a pedestrian-only area with world famous luxury clothing, shoes, accessories, jewellery, watches, interior design items boutiques, in addition to Bentley, Ferrari and Maserati showrooms. The hotel was admitted to the prestigious hotel association The Leading Hotels of the World and offers its guests spacious rooms, a cozy lobby with fireplaces, a gastronomic restaurant, Espace Vitalité Chenot spa complex, a banquet hall, two meeting rooms with access to terraces and a courtyard.

The design of the hotel is completely created by the legendary architect Antonio Citterio. All the space of Barvikha Hotel & Spa breathes discreet luxury.

The suites exceed the expectations of even the most demanding guests: two of them are equipped with fireplaces, others—Spa Suites, have separate baths and showers, massage tables and steam cabins, providing the possibility to take spa procedures directly in the room.

An exquisite menu of author's dishes of European cuisine in Barvikha Hotel & Spa restaurant was created by Mercury Brand Chef David Desso.

Spa Espace Vitalité Chenot has been awarded an exclusive license in Russia to use the techniques and procedures of Dr. Henri Chenot. Based on the latest advances in biontology and traditional Chinese medicine, these principles are also applied at his health center in Merano, Italy.

[www.barvikhahotel.com](http://www.barvikhahotel.com)



### Creon Capital

Creon Capital S.a.r.l, based in Luxembourg, is an independent fund manager licensed by the Financial Services and Markets Authority (CSSF) of Luxembourg. We are seeking to grow together with our clients and partners by investing predominantly in the emerging chemical industries in Russia and other CIS countries.

Our extensive operational experience as Fund managers is combined with vast industry experience by the Fund's initiator, Creon Energy and its more than 60 specialists. The Moscow-based consulting company, led by Dr. Fares Kilzie, has been involved in almost all major downstream projects of Russia's chemical industry in the past decade. This expertise offers us unique access to attractive investment opportunities. Prior to investing, we listen to our partners to understand their needs and expectations on the Eurasian markets. Though we have complete confidence in the prospects and potential we are also aware of the risks when investing in emerging mar-

kets. To ensure the highest level of protection for our investors, we chose the SICAV-SIF as a legal platform for our Creon Energy Fund S.C.A., which is licensed by the Luxembourg Financial Services and Markets Authority (CSSF) and monitored by our depositary bank CACEIS, the CSSF itself and our auditor Ernst & Young.

We seek to create value in Eurasia, while being part of the ongoing modernization of the industries. But as a European Private Equity manager and LPEA member, we are also committed to EU-standards of corporate governance, compliance and sustainability.

[www.creoncapital.lu](http://www.creoncapital.lu)



### Ecopolis

Ecopolis Corporation was founded by the professional team who combined their experience in metallurgy, recycling, high-tech entrepreneurship and venture business for creating leading recycling company. In 2018 the Ecopolis Corporation will launch the chain of processing companies to recycle Waste Electrical and Electronic Equipment (WEEE). Effectiveness and the depth of useful materials extraction have no analogs all over the world. The Ecopolis Corporation includes three enterprises:

- Ecotechprom is WEEE recycling factory. The enterprise uses high-tech automated separation, sorting and shredding lines and its annual recycling capacity is 75 000 tons of WEEE (First Stage) up to 525 Mt/A (2nd and 3rd Stages).
- Ecoplast factory combines the best plastics separation technologies and equipment for high-quality plastic granules production. Plastics extracted from the electronic scrap are machined, separated, sorted, filtered, cleaned and degassed. The factory can process up to 40,000 tons of secondary plastics raw materials per year.
- Aurus is the full-cycle enterprise with the maximum extraction of useful metals, designed for deep processing of printed circuit boards (PCB). Along with PCB-scrap, Aurus can recycle waste such as low-quality copper scrap, industrial sludges, slags, and bimetals. The factory recycling capacity is 12,000 tons of PCB-scrap.

[www.ecopoliscorp.com](http://www.ecopoliscorp.com)

## KUEHNE+NAGEL



### Kuehne+Nagel

With approximately 76,000 employees at more than 1,300 locations in over 100 countries, the Kuehne+Nagel Group is one of the world's leading logistics companies.

Its strong market position lies in the seafreight, airfreight, contract logistics and overland businesses, with a clear focus on providing IT-based integrated logistics solutions.

Kuehne+Nagel entered the Russian market in 1992 and for over 25 years has been growing continuously to become one of the leading logistics providers in the country today. To meet the growing requirements of global and national companies in the dynamic Russian market, Kuehne+Nagel is strategically expanding its logistics activities and manpower.

In Russia, long distances, undeveloped infrastructures and complicated customs clearance procedures create a challenging environment for logistics & transportation companies. However, our comprehensive service portfolio is perfectly matched to deliver best-in-class logistics solutions for the biggest country in the world. More than 1000 employees serve a steadily growing Russian client base in various industries, as well as of large international corporations. As a holder of its own customs brokerage licenses, Kuehne+Nagel, with its customs offices are entitled to arrange direct and time-saving customs transits.

[www.kuehne-nagel.ru](http://www.kuehne-nagel.ru)



## THE RITZ - CARLTON

### The Ritz-Carlton, Moscow

The Ritz-Carlton, Moscow is located just off the Kremlin and Red Square, in the heart of cultural and business centre of the Russian capital. The hotel provides with the incredible comfort while staying for a couple of days or longer, and offers 334 spacious and elegant guest rooms and suites equipped with the cutting edge technological amenities, dedicated workspaces and large marble bathrooms.

With more than 1,100 square meters of modern conference space including the Ballroom accommodating events of up to 700 guests, the hotel welcomes all attendees in style and the high-qualified assistance of the Meeting Services Team ensures the personalized approach during every event to make it perfect.

The exquisite dining options include the contemporary Russian cuisine restaurant Café Russe which also specializes in steaks, and the Pan-Asian cuisine restaurant Novikov in the lobby level. O2 Lounge on the 12th floor boasts a rooftop terrace with an extended choice of cocktails and magnificent views of the Kremlin and Red Square.

The Ritz-Carlton, Spa offers 12 treatments rooms working with La Prairie and ESPA premium skincare products, the health club with a swimming pool, Jacuzzi, sauna and hammam, as well as the Fitness centre with the state-of-the-art sports equipment.

[www.ritzcarlton.com](http://www.ritzcarlton.com)



### Roche

Roche is a global pioneer in pharmaceuticals and diagnostics focused on advancing science to improve people's lives. The combined strengths of pharmaceuticals and diagnostics under one roof have made Roche the leader in personalised healthcare—a strategy that aims to fit the right treatment to each patient in the best way possible.

Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and diseases of the central nervous system. Roche is also the world leader in in vitro diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management.

Founded in 1896, Roche continues to search for better ways to prevent, diagnose and treat diseases and make a sustainable contribution to society. The company also aims to improve patient access to medical innovations by working with all relevant stakeholders. Thirty medicines developed by Roche are included in the World Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarial and cancer medicines. Roche has been recognized as the Group Leader in sustainability within the Pharmaceuticals, Biotechnology & Life Sciences Industry nine years in a row by the Dow Jones Sustainability Indices.

The Roche Group, headquartered in Basel, Switzerland, is active in over 100 countries and in 2017 employed about 94,000 people worldwide. In 2017, Roche invested CHF 10.4 billion in R&D and posted sales of CHF 53.3 billion.

[www.roche.com](http://www.roche.com)



### Yves Rocher

The French Brand Yves Rocher is the Creator of Botanical Beauty. The Company has been a family business for three generations now, and we are truly proud that we have been able to attract women around the world.

Since the Brand was founded in 1959 in Brittany, France, in the town of La Gacilly, we have been putting our passion to work every day and continually evolving to offer you a full range of effective cosmetics produced on the basis of botanical active ingredients respectful for the skin and the Nature.

The expert examination of the Yves Rocher Botanical Beauty products consists in revealing the healthy properties of plants and using them in product formulas which meet the needs of every skin type and transform the skin day after day.

We guarantee the quality and control at every stage of cosmetics production and their affordability due to the unique production model without any intermediaries and our eco concept.

The Yves Rocher brand adheres to its commitments without compromise:

- to produce our cosmetics, we either use plants grown on our own organic fields in La Gacilly, or purchase raw materials from our approved suppliers under the Fair Trade Program;
- we strive to minimize the negative environmental impact of our products' packaging during their whole life cycle, and combine technologies with respect for biodiversity at the Brand enterprises;
- the Yves Rocher Foundation under the aegis of the Institut de France successfully implements large-scale environmental projects around the world and helps everyone who is ready to contribute to the protection of our planet.

[www.yves-rocher.ru](http://www.yves-rocher.ru)



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