

Russia launches regulatory enforcement and supervision reform

Russia · 06.08.2021

Available languages: [RU](#)

A [law*](#) came into force in Russia on 1 July 2021 (the “Law”) that reduces the number of inspections for businesses operating in good faith and in those areas where the risk of violations of mandatory requirements appears to be low.

Most notable provisions of the Law

Primarily, the Law applies to the fields of energy, construction, industrial and fire safety, and sanitary and epidemiological control. The anti-monopoly, tax, currency and customs fields are, among others, expressly excluded from the scope of the Law.

A list of measures to prevent violations (e.g. information, advice, preventive assistance) has been created to implement the violation prevention principle. These represent a new set of measures the enforcing authorities will be able to use as an alternative to inspections.

To encourage those subject to regulatory enforcement to behave in good faith, it is now possible to seek an independent assessment of compliance with mandatory requirements from a non-governmental organisation and to obtain a conformity accreditation, which exempts them from scheduled inspections.

It is also now possible to interact with the supervising body and the inspector remotely (via audio and video communication). A Single Portal for Public Services is also being created through which the flow of documents between state bodies and companies will be maintained.

On-site audits will now be carried out in exceptional cases. Notification of an on-site inspection will have to be given 24 hours in advance. (Previously, inspections took the form of dawn raids). As a general rule, the duration of an inspection is ten working days. Among the special rules that apply to small and micro businesses, audits will be limited to 50 and 15 hours, respectively.

The performance of inspectors is no longer evaluated based on the number of inspections carried out and fines issued for violations, which should reduce the number of unjustified inspections.

Expected impact on business

The aim of the Law is to shift the focus from inspections to preventing violations and to give more safeguards to companies in their interaction with authorities.

In particular, these reforms should lead to a reduction in the number of inspections of those subject to supervision and, as a consequence, reduce the pressure that authorities exert on businesses.

In addition, under the new rules, it is possible to appeal to a higher authority or court not only against the decision made following an inspection, but also against the results of a regulatory enforcement measure during an inspection (i.e. the list of violations detected). This will provide additional safeguards for businesses when regulatory enforcement measures are implemented.

For further information, please email the authors or your usual contact at CMS Russia.

** In Russian*

KEY CONTACTS



Sergey Yuryev

Partner | Head of Dispute Resolution, Moscow





Mikhail Ivannikov

Attorney-at-law | Dispute Resolution, Moscow

