# Marking goods for marketplaces: changes from 1 March 2023

1 December 2022

On 1 March 2023, <u>amendments</u>\* to <u>Russian Government Decree No. 1956</u>\* (the "**Decree**") dated 31 December 2019 will come into force, regulating the marking of certain light industry goods.

The changes will, among other things, affect the activities of eCommerce aggregators.

#### **General information**

The Decree establishes a goods marking system and a goods circulation control system involving the following obligations: (a) registering in the state information system for monitoring the circulation of goods subject to mandatory marking (the "Monitoring System"); (b) marking goods from the established <u>list</u>\* of goods with an identification code obtained through the Monitoring System; and (c) transmitting information on the movement of these goods to the Monitoring System.

The Monitoring System allows the tracking of goods from their release on the market to their sale to end customers.

#### Changes

Starting from 1 March 2023, the scope of entities that have to comply with the requirements on marking and use of the Monitoring System will change, namely the requirements will apply to: (a) entities acting on the basis of commission agreements; and (b) owners of aggregators of information on goods or services.

An aggregator owner is understood to be a company that provides consumers with an opportunity in relation to a certain product at the same time to:

- familiarise themselves with the seller's offer to conclude an agreement for the purchase and sale of goods;
- conclude an agreement for the purchase and sale of goods with the seller;
   and
- pay for the goods in advance in cash or by transferring the money to the owner of the aggregator.

Thus, if a platform's business meets the above criteria of an aggregator, then marking processes will have to be implemented to comply with the new rules.

For example, if a marketplace buys goods from a seller and sells them independently, sells goods under a commission agreement or sells its own goods, it is subject to regulation and must report to the Monitoring System. However, if the functions of the marketplace are limited to providing information and the seller conducts the sale directly, the requirements do not apply.

The amendments also allow traders to enter information on the goods' circulation into the Monitoring System themselves or to have another person or entity do so on their behalf. In practice, this means that a seller selling goods on a marketplace may contractually instruct the marketplace to transmit information to the Monitoring System on its behalf.

## **Recommendations**The changes to the Decree affect the applicability of the regulations related

to the marking of goods to certain marketplaces. We recommend that marketplaces analyse their current business processes and assess the applicability of the marking requirements to their business model.

\* In Russian

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