

VEGAS LEX DISCUSSES THE SPECIFICS AND PROSPECTS OF CONCLUSION OF “NON-COMPETITION AGREEMENTS” IN RUSSIA

On 28 November 2017, the VEGAS LEX law firm held a breakfast meeting, at which the mechanisms and prospects of the “non-competition” agreements, which ensure preserving of a status quo upon withdrawal of partners from business and which are focused on the companies’ protection against “leakage” of trade secrets (know-how), disclosure of confidential information and “solicitation” of the company’s key personnel by competitors, were discussed.

On 28 November 2017, **Kirill Nikitin**, VEGAS LEX’s associate, held a seminar on the topic “*Voluntary non-competition in Russia: legal aspects of conclusion of a “non-competition agreement”*” for the owners, senior executive officers and chief legal officers of the Russian and foreign companies and enterprises.

At the beginning of the meeting, Kirill Nikitin told about the manner in which non-competition agreements between partners are used in England, and the types of similar agreements (the non-solicitation by the former employee of the former employer’s clients and other employees; the prohibition for the former employee to work with the clients/counterparties of the former employer; a leave during the period from the notice receipt up to dismissal; the prohibition to engage in competitive activity).

The expert then proceeded to explain the essence, form (employment, commercial and corporate) and content of non-competition agreements in Russia, including the factors and key conditions that allow and restrict the possibility of conclusion of such agreements.

The associate further drew the meeting participants’ attention to the specifics of conclusion of non-competition agreements, depending on the form of the company’s incorporation, and to the mechanisms of legal protection and imposition of sanctions for violation of a non-competition obligation.

According to Kirill Nikitin, at present, the Russian legislation and law enforcement practice do not provide to the parties to civil law transactions any efficient preventive and/or reactive measures of prevention of unfair competition on the part of the former partners and/or employees. However, for the proper operation of a company, the reasonable restriction of competition is reasonably required. Ultimately, a “free” competition does not mean an “unlimited” competition and, from this perspective, it is extremely necessary to establish the civilized measures of protection of a company in Russia.

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