

Key Regulatory Changes in Circulation of Medicines and Public Procurement

With the spread of the coronavirus now recognised as force-majeure, Russia is taking steps to ensure medicines are available, including from 30 March through 3 April 2020.

1. Price Regulation of any Medicines and Medical Products

To prevent medicine prices rising, the Russian Government may now, under Federal Law No. 67-FZ dated 26 March 2020 "Amending Article 60 of the Federal Law "Circulation of Medicines" and Article 38 of the Federal law "Fundamentals of Public Healthcare in the Russian Federation", cap manufacturers' prices and wholesale/retail mark-ups on actual manufacturers' prices for medicines not on the EDL list and for medical products.

Price regulation is triggered if:

- the Government launches price monitoring of certain medicines not on the EDL list and medical products;
- retail prices across Russian constituent entities rise by 30% or more within 30 calendar days of the Government's price monitoring decision.

Prices may not be regulated for more than 90 calendar days

At the time of this update, however, a Russian Government decision capping such prices and mark-ups is still outstanding.

2. Non-Working-Week Procurements

In its letter No. 24-06-08/24077 published on 26 March 2020, the Russian Finance Ministry addresses "Procurements on Non-Working Days" guiding customers through how these should be handled during this force majeure.

For procurements scheduled between 30 March and 3 April 2020, customers are recommended to extend their bid submission dates by the number of non-working days. If the period for amending procurement notices/documentation lapses, selection of vendors (contractors or service providers) should be cancelled by reason of COVID-19, which qualifies as force-majeure.

Clause 9, part 1, article 93 of Law No. 44-FZ has allowed such customers as medical institutions and pharmacies to pursue urgent procurements of any goods, works and services on a sole-source basis because the spread of the new 2019-nCoV infection constitutes force majeure.

Under this clause, Customers may make contracts for volumes or quantities of goods, works and services appropriate for dealing with force majeure consequences or for providing urgent or emergency medical help.

Please note that earlier FAS letter No. IA/21684/20 dated 18 March 2020 also clarifies how the clause applies: *"goods (works, services) for preventing COVID-19 infection or responding to its consequences may be purchased from a single source vendor provided there is a causal link between the prevention and response arrangements and the item procured"*.

Get in touch

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