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Legal and Intellectual Property



With AEB updates on: amendments to the competition law, parallel imports, licensing payments, regulation of merger control.



Dear readers,

It is my genuine pleasure to present the Winter 2018/2019 Business Quarterly to you!

The magazine covers a variety of legal topics. To be more specific, it explores amendments to the competition law, toughening control over foreign investments in strategic companies, new rules and practices of parallel imports in Russia, operational challenges which companies have to encounter while doing business in Russia amid sanctions, recognition of foreign arbitral awards, abuse of consumer rights and other significant issues.

Let me cordially extend special thanks to those members of the AEB Legal Committee who substantially contributed to the current edition. I hope that due to the utmost relevance of the topics submitted by the authors of the articles, the publication will be both a helpful and a fascinating read.

Likewise, I would like to express sincere gratitude to all members of the Legal Committee for inputs provided to numerous AEB activities. Their efforts, dedication and ongoing support are so much appreciated.

As usual, in the magazine you will find the most recent updates on the AEB developments and achievements. News items from member companies related to their activities and appointments are traditionally shared in the corresponding section. Information about new members which joined the Association this autumn is presented in the final part of the edition.

Enjoy your reading!

Frank Schauff

Chief Executive Officer,
Association of European Businesses



Dear readers,

I would like to welcome you to our new edition of the AEB Business Quarterly prepared by the Legal Committee. In this edition, we address the most vital issues that the international business community in Russia has faced recently.

We are all now witnesses to an interesting and exciting time in which the Russian economy is having to adapt to the challenging and increasingly complex regime of sanctions imposed by western countries. This, along with Russia's counter-sanctions, affects businesses across practically all sectors of the economy.

This edition touches on important initiatives (and their consequences), such as legalisation of parallel imports, changes in legislation which regulates foreign direct investments, the challenges that Russian counter-sanctions bring to the operation of business, and how the business community reacts to such new challenges.

I have no doubt that you will find this new BQ interesting, and I would like to thank all colleagues who have contributed to its issuance.

Finally, I would like to invite you to join the AEB Legal Committee, where you will have the opportunity to share your experience and gain access to the experience of over 100 legal departments and law firms.

We look forward to seeing you at our regular meetings and events and wish you pleasant reading!

Sergey Krokhaliev

Chairman of the AEB Legal Committee,
Partner, Baker McKenzie

AEB BUSINESS QUARTERLY, Winter 2018/2019

Legal and Intellectual Property

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Draft amendments to the competition law: new steps against exclusive rights in Russia



ANTON BANKOVSKIY

Chairman of the AEB Intellectual Property Committee; Partner, CMS Russia

In March 2018, the Federal Antimonopoly Service (the "FAS") published a first version of a fifth digital competition legislative package amending the current Competition Law No. 135-FZ (the "Law"). In August 2018, a revised bill was submitted (the "Bill"). Some initiatives included in the Bill were already considered in 2013 and 2014, however they were largely criticised by the business community and were not implemented as a result.

In the first version of the Bill, the FAS proposed to abolish competition immunities for actions and agreements regarding the results of intellectual activities that hinder the development of competition in the digital economy. The amendments proposed to delete some provisions of Articles 10 and 11 from the Law.

Under Article 10(4) of the Law, the ban on the abuse of a dominant position by an entity does not apply to the exercise of exclusive rights to intellectual property (inventions, trademarks, etc.). Similarly, the current version of Article 11(9) of the Law provides that the requirement to prohibit agreements restricting competition does not extend to agreements granting and/or transferring the right to use intellectual property.

Through these deletions, the FAS intended to sanction any actions involving the use of intellectual property, as well as any agreements related to intellectual property, namely, intellectual property transfer agreements, license agreements and franchising agreements, if the FAS regarded such actions or agreements as enabling the right holders to dominate the market.

However, the August version of the Bill no longer contains these proposed deletions.

Both the earlier proposals of the FAS and the Bill in question apparently constitute new steps aimed at limiting the reach of exclusive rights to intellectual property in Russia. The abolition of competition immunities on exclusive rights may reduce the interest of potential right holders in scientific and technical innovations and hinder their legal protection in Russia.

The current version of the Bill also contains provisions that strengthen control over the enforcement of orders issued by the competition authority, including those issued with respect to the holders of exclusive rights. Among other things, the FAS may be vested with the powers to deprive the right holders of their exclusive rights to intellectual property under certain conditions.

According to the Bill, in case of breach of an order issued by the FAS, and if the FAS believes that such breach leads or may lead to the deterrence, restriction or elimination of competition, the FAS has the right to take action in court seeking to:

- permit the use in Russia of the intellectual property belonging to a person who has been earlier given the order, in the interests of developing the competition related to such intellectual property, i.e. in fact depriving the right holders of their exclusive rights;
- prohibit (restrict) a person who has been given the order, from dealing in Russia in any goods produced using its intellectual property.

We consider that such proposals of the FAS contradict the general principles of civil and constitutional law of Russia, as well as applicable international treaties. As a matter of Russian civil law, right holders may use intellectual property at their own discretion in any way that does not contradict the law, and may freely dispose of their

exclusive rights on such intellectual property. No third parties may use the intellectual property without the right holder's consent.

In addition, the Bill also restricts exclusive rights to any intellectual property (inventions, trademarks), as is the case with a compulsory license which is already regulated by Russian civil law. However, in accordance with Article 1229 of the Russian Civil Code, exclusive rights to intellectual property may be restricted only under the Civil Code, but not any other laws. In this respect, the Civil Code allows issuing compulsory licenses only related to inventions, utility models and industrial designs, rather than any other objects of exclusive rights, such as trademarks. Moreover, the

Agreement on TRIPs, to which Russia is a party, expressly prohibits issuing compulsory licenses related to trademarks.

The Bill is currently being debated. The Russian Ministry of Economic Development has already disapproved the Bill, noting that the issuance of compulsory licenses is already regulated in the Russian Civil Code and that no additional regulation is required. The business and legal communities also believe that the spread of the competition legislation into the domain of intellectual property will weaken the importance of exclusive rights and, therefore, the system for their protection, and will eventually have an overall adverse effect on the development of competition in Russia. |

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Strengthening control over foreign investments in strategic companies in Russia: planned changes in legislation



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The Federal Antimonopoly Service of Russia (the "FAS") has drafted a number of bills¹ aimed at changing how foreign investments are governed in Russia, particularly foreign investments in business entities that are strategically important to national defense and state security ("strategic companies").

If passed into law, these bills will affect both the activity of foreign in-

vestors that have already invested in strategic companies and those that are only planning to do so.

At present, the bills stipulate the following innovations:

- expansion of the scope of regulation of Federal Law No. 57-FZ dated 29 April 2008 "On the Procedure for Foreign Investment in Business Entities of Strategic Significance for National Defense and State Security" (the "Law");
- introduction of a mechanism for the compulsory sale of shares (interests) in and/or the assets of strategic companies;
- regulation of scheduled and unscheduled audits by the FAS to monitor compliance with legislation on foreign investments;
- introduction of liability for violating foreign investment legislation, and also for obstructing or avoiding audits in this area.

Scope of regulation of foreign investments in strategic companies

The FAS proposes expanding the regulation of foreign investments in stra-

tegic companies to legal entities that are not business entities but which perform strategic activities². At the moment the Law governs only foreign investment in business entities.

It also proposes extending the requirement to receive consent from the Government Commission on Monitoring Foreign Investments (the "Government Commission") to the acquisition by foreign investors of rights under a concession agreement, if the subject of this agreement is an asset intended for the performance of strategic activities.

Compulsory sale of shares (interests) in and/or the assets of strategic companies

The FAS's initiatives foresee the inclusion in the Law of a mechanism for the compulsory sale of shares (interests) in and/or the assets of strategic companies.

At the moment, if a foreign investor carries out a transaction that establishes its control over a strategic company without the consent of the Government

¹ Draft Federal Law "On Amending Certain Legislative Acts of the Russian Federation to Improve Control over Compliance with Legislation on Foreign Investment in the Russian Federation", and draft Federal Law "On Amending the Code of Administrative Offences of the Russian Federation". On 28 August 2018 the drafts were published on the federal website for draft laws and regulations (<http://regulation.gov.ru/projects/List/AdvancedSearch#npa=83472>, <http://regulation.gov.ru/projects/List/AdvancedSearch#npa=83477>).

² These activities are specified in Article 6 of the Law.

Commission, then the courts will apply the consequences of the invalidity of this transaction by reversing everything performed under the transaction (i.e. the return of interests (shares) and/or assets acquired in violation of the law). In certain cases the court issues a decision to deprive the foreign investor of the right to vote at the general meeting of participants (shareholders) of the strategic company.

The mechanism proposed by FAS presupposes that the court, in addition to the decision to deprive a foreign investor of the right to vote, will also take a decision on the compulsory sale of shares (interests) in and/or the assets of the strategic

company that were acquired by this foreign investor without the consent of the Government Commission. This compulsory sale will be performed via public auction held by the federal executive agency determined by the Government of the Russian Federation.

Scheduled and unscheduled audits of foreign investments

Another initiative is to explicitly enshrine in the Law the authority of the FAS to conduct scheduled and unscheduled legislative compliance audits of foreign investments in the Russian Federation. Plans include giving FAS the right to perform audits con-

cerning the possible establishment by foreign investors of control over strategic companies in violation of the requirements or procedure set forth by the Law, and concerning the performance by foreign investors of obligations assumed.

The FAS also proposes supplementing the Code of Administrative Offenses of the Russian Federation (the "Code") with a separate article establishing administrative liability for obstructing or avoiding a compliance audit of foreign investments in the Russian Federation. This administrative violation will be punishable by an administrative fine:

- on an official – in the amount of RUB 20,000-50,000;



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The FAS proposes expanding the regulation of foreign investments in strategic companies to legal entities that are not business entities but which perform strategic activities.

- on a legal entity – in the amount of RUB 300,000-500,000.

Administrative liability for a violation of the legislation on foreign investments

The FAS proposes that a separate article be included in the Code stipulating liability for the performance of transactions and other actions pro-

hibited by the legislation on foreign investments in the Russian Federation. This administrative violation will be punishable by an administrative fine:

- on an individual – in the amount of RUB 20,000-50,000;
- on an official – in the amount of RUB 50,000-100,000;
- on a legal entity – in the amount of RUB 1,000,000-2,000,000.

It should be noted that the current Article 19.8.2 of the Code already stipulates the elements of administrative offenses regarding foreign investments in the Russian Federation – for failure to provide petitions, notices, data, for the submission of inaccurate data or violation of the procedure and deadlines for submitting the petitions stipulated by the legislation on foreign investments in the Russian Federation.

The bills considered above have not yet been submitted to the State Duma of the Russian Federation and are still being revised. This affords the opportunity to take an active part in their public discussion and to influence their adoption and/or contents. |

New rules and practices of parallel imports in Russia: how to protect trademark owners' rights



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General rule: parallel imports are still against the law

Using intellectual rights without the trademark owner's approval is illegal, except in situations where such use is explicitly allowed by the law (Article 1229 of the Civil Code of the Russian Federation, further "Civil Code").

The value of a product is in many cases largely determined by the technical components incorporated in the product as well as by the associated advertisement and promotion costs and other expenses incurred in the target country. For this reason the same product may be priced differ-

ently in different countries. Subsequently, some companies engage in so-called "grey" or "parallel" imports: without obtaining approval of the intellectual rights holder, they import goods that are legitimately manufactured in another country and offered there at a lower price.

Russian law includes the national (regional) exhaustion doctrine (Article 1487 of the Civil Code; Treaty on the Eurasian Economic Union) and, thus, the aforementioned actions are covered by the general ban established by Articles 1229 and 1484 of the Civil Code.

When are parallel imports allowed?

Importing goods to Russia for personal, family, household or any other non-commercial purposes used to be known as the sole exception to this rule. In such situations importing goods does not require the rights holder's approval.

However, the clarifications issued recently by the Constitutional Court of the Russian Federation (Resolution 8-P dated 13.02.2018) point out another situation when applications to initiate legal proceedings may be rejected in the case of parallel imports: this is when the ban on "grey" im-

ports may lead to a threat to human life and health or to other significant public interests caused by the trademark holder's bad faith actions. Thus, the court may allow parallel importing (of a particular shipment of goods) if any constituent elements of the intellectual rights holder's bad faith actions (such as overpricing, dealership restrictions, etc.) are in place together with the threat of adverse consequences for public interests and human life and health due to the ban.

Moreover, the Constitutional Court of the Russian Federation decided that seizing and destroying counterfeit goods may only be applied as a civil law remedy for parallel imports when the concerned "grey" goods are of inferior quality and/or their importation for civil commerce must be limited to ensure safety and to protect human life and health, the environment, and items of cultural value. In other words, in general, "grey" goods may not be seized and destroyed.

Effective remedies for parallel imports

The principal remedy for parallel imports is a claim filed with a state commercial court to recover twice the value of the imported "grey" goods or an amount of cash which may range from 10,000 to 5,000,000 roubles as



compensation. However, the actual detection of bad faith importers and counterfeit goods may be a problem.

One of the most effective out-of-court remedies for violations involving parallel imports is registering the trademark applied to the illegitimately imported goods in the customs register of intellectual rights (TROIS). This remedy enables the detection of practically any imported goods to which the registered trademark has been applied and which have not been authorised by the rights holder. If customs officers detect a shipment of imported goods to which a TROIS-registered trademark has been applied, the importation is suspended and a written notice is promptly given to the respective intellectual rights holder or to the rights holder's

representative. The trademark owner has to respond to the customs authority within 10 days if the shipment in question is part of the authorised imports.

The importation of the shipment will be allowed when the rights holder either confirms that the shipment is a part of authorised imports or does not respond to the federal customs authority within 10 days stating otherwise. The trademark owner's notification of the customs authority concerning the unauthorised shipment may lead to a long-term suspension of the importation of "grey" goods.

Therefore, registering trademarks in TROIS is an effective means for receiving prompt notification of "grey" imports and enabling subsequent

court proceedings against the infringing party.

Protection of trademark owners' rights under the new case law

Detecting "grey" imported goods and differentiating these from goods legitimately imported for civil commerce is the most serious difficulty for combating bad faith importers. Unless parallel imports are detected by the customs authorities, the subsequent detection of the goods imported in this way and court actions against the infringing party become a major problem. Some companies whose focus is protecting trademark owners' rights have developed additional strategies and proprietary approaches for detecting "grey" imports that enable remedies against infringing importers.

However, the courts' interpretation and application of the recent clarifications issued by the Constitutional Court of the Russian Federation have been the cause of some concern. The court decisions, which were pronounced in certain cases tried after the above-mentioned clarifications had been issued, were not sufficiently clear in answering questions such as which actions should be classified as good faith actions of the rights holder, which license arrangements are adequate in this new environment, what criteria define the existence of a threat to human life and health, and whether courts may satisfy a claim to ban importation of the original goods in a situation where the goods cannot be seized.

The case law of the Intellectual Rights Court (which considers disputes involving intellectual rights as the court of cassation) is still developing. In the

particular case to protect the trademark Krušovice¹, the third instance appellate court ordered the retrial of the case in the part concerning the recovery of compensation (for a possible decrease of its amount) and upheld the ban imposed by the lower instance courts on the use of the trademark. Similar court findings can be found in the decision pronounced in the case concerning the illegal use of the trademark BECK'S.² At the same time, the court decisions pronounced in some cases which fall into this category rejected the request

to ban the use of another's trademark as unsubstantiated, stating that the request was too abstract.³

The final decision to settle the dispute as to whether a particular occasion of parallel imports is illegal may depend on the rights holder's response to the importer's request. Courts may treat ignoring such requests or the trademark owner's unreasonable rejection of the importer's collaboration request as misuse of rights and as unfair competition.⁴

Thus, the trademark owner's rights can be successfully protected from parallel imports before the "grey" goods are released for civil commerce as well as after the concerned goods are offered for sale in Russia. According to the new case law, proceedings may be initiated against the bad faith importer unless the court finds any constituent elements of misuse of the rights in the trademark owner's actions and the ban on the concerned parallel imports gives rise to a threat to human life and health or to other important public interests. |



¹ Intellectual Rights Court; decision dated 11.09.2018 in Case A40-45121/2017.

² Intellectual Rights Court; decision dated 27.09.2018 in Case A41-52309/2017.

³ Intellectual Rights Court; decision dated 26.07.2018 in Case A40-193572/2017.

⁴ Moscow Commercial Court; decision dated 13.12.2017 in Case A40-159212/2017.

More about licensing payments. The IP owner suggests retrospective payments: what to do and how to keep the customs authorities happy



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Let us think about how licensing payments should be made to the IP owner without breaking the customs rules. Whether or not licensing payments need to be included in import customs value is not a question that arises very often, as the answer is most probably “yes”. We will not go into this in detail, though, as each situation needs to be considered separately: every import deal is unique.

Let us also take a look at the particular, somewhat unusual situation when

a licensing agreement does not require the licensee to pay the licensor for using intellectual property, including a trademark. Even so, sometime later, say a year or more into the agreement’s term, the licensor proposes changing the conditions and setting a licensing payment. The licensee is still interested in using the trademark and does not object to the change in the agreement terms on licensing payments. All the above fits neatly into the legal framework and a licensing payment will be made under the agreement for both past and future periods.

But hold on a minute: since we are talking about payment for using a trademark put on imported goods, the customs aspect has to be taken into account. If it is not, the new terms of the licensing agreement might breach the customs rules. In our example, we are talking about how to do things properly, without holding the possibility of being found liable over the heads of good faith declarants. Do not forget, though, that customs violations can result in administrative and even criminal liability.

Liability depends on the answers to such questions as: whether the de-

clarant should have included the licensing payments in the import customs value, when the obligation to do so arose, whether this was done, and whether the customs payments were made in full. If it turns out that a licensing agreement dictates licensing payments for using a trademark but the declarant failed to include them in the import customs value, this means that the customs value was understated, and/or the customs dues underpaid (evaded). Yet, the administrative legislation makes an exception for declarants if they themselves identify the customs underpayment, admit it voluntarily and put it right. There is no such rule in the Russian Criminal Code and whether or not criminal liability is imposed depends on the competent authorities’ investigation.

How can violations and loss of the status of a good faith foreign trade operator be avoided? It is vital to notify the customs clearance authority. In our opinion, as soon as the parties sign an addendum changing the terms of the licensing agreement, and calculate and document the licensee’s retrospective licensing payment debt to the licensor, it is time to let the customs authorities

know. There is no point in doing this or any obligation to do so until the parties have agreed on everything. You need to go to the customs authorities only when all the arrangements and documents, signed by both parties to the agreement, are in place.

What needs to be done and in what order? Option 1: submit to the original clearing Customs an adjusted goods declaration (AGD). This should show the adjusted customs value of the imported goods under the new arrangements and documents. The customs legislation allows declarants to make changes to a goods declaration (GD) after the customs authorities have released the goods, but only under the control and with the approval of the customs authorities themselves. What is more, filing an AGD with the customs authorities might trigger an unscheduled audit of the declarant's imports under previous declarations. This could result in the sum of customs payments due being set higher than the declarant itself has recalculated. As for the licensing payment actually added, we believe it could be distributed by year over the previous period in proportion to the goods imported/sold during this time. To do this, imports and sales over the period of interest need to be analysed and documented. This document may be submitted to the customs authorities to confirm the adjusted figures.

To support the legality of the adjustments, the newly submitted documents must bear the current date. In this way, the declarant will show that the need for the adjustment arose after the documents were signed and not during the previous period, when the original GD was drawn up.

Option 2: submit a new goods declaration during current customs clearance of imported goods. Again, the basis for including the licensing payments will be the parties agreeing, in suitable addenda, on making licensing payments retrospectively. We will not go into the details of such documents since they could take the form of statements, protocols, supplementary agreements, and so on. The main thing is that they must be signed by both parties during the current period. The document on making the licensing payments must be dated when the obligation arises to include the payments in the customs value.

How can violations and loss of the status of a good faith foreign trade operator be avoided? It is vital to notify the customs clearance authority.

We believe that, under either of the above options, the customs authorities should be notified in writing of the new circumstances relating to the goods and calculation of their customs value. This could be done in the form of an explanatory letter or an application. What is more, the customs legislation requires a free-form application to be submitted when a previous GD is adjusted. If a new import declaration is submitted, there is no need to bother with an application or explanation but, in this situation, we recommend doing so. The clearing customs authorities have to understand why the per unit customs value of the current batch of goods submitted for clearance has changed

compared to previous declarations for such goods. Yet the customs authorities might still launch an additional check on the declaration and, possibly, already cleared batches of the goods. This could delay customs clearance and add to customs payment costs, as well as the time and money spent on answering additional enquiries. Even so, we believe there is good reason for these costs and expenditures, since they minimise the declarant's risks stemming from late notification of the customs authorities and non-payment of customs dues. If the customs authorities themselves identify that customs payments have not been made because licensing

payments have not been included in the calculation base, the consequences might be far more unpleasant.

When submitting a customs declaration, it is also worth thinking about how to distribute the licensing payments between the goods if a single import batch includes different types. If the declarant so wishes, the total licensing payments may be included in the customs value of the goods taxed most and be applied to the first batch of goods.

This article does not claim to provide all the relevant information, but we hope it will be of use if such a problem does exist. |

Incorrect information in the Register of companies: tightening control



ALINA KOZMINA
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The Register of companies (Unified State Register of Legal Entities) is a federal database containing information about Russian legal entities, including the data of their sole executive bodies (directors) and legal addresses. Such information must be indicated correctly, otherwise, the Tax authority can make a so-called 'inaccurate information' record in the Register. Recently, both the legislation and practice in this area have been implying the tightening of controls.

Since 1 September 2017, the 'inaccurate information' record became new grounds for the exclusion of companies

from the Register. If the Tax authority decides that the information in the Register is incorrect, they will send a notification of their doubts to the company and then make the 'inaccurate information' record in the Register. If the record stays in the Register for 6 months, and the company does not react, the authority announces its intention to exclude the company from the Register in mass media, and, if after 3 months no claims arise, the exclusion from the Register is carried out.

Moreover, Russian companies have been experiencing the new practical approach of the authorities to 'inaccurate information' for more than a year: they send notifications to companies asking to prove their legal addresses and clarify them – e.g. to indicate the office number and floor. Special attention is paid to companies registered at 'addresses of mass registration' (business centres, coworkings, etc.). The criteria of '5 or more companies registered at the same address' is often used in this case.

The Tax authorities have also started to double check the information about companies' directors: if they have doubts regarding the accuracy of the directors' data, they also initiate the

'inaccurate information' procedure. The criteria used in this case are:

- more than 10 companies managed by one person;
- the director's registered address differs from the company's legal address.

If the 'inaccurate information' record results in the company's exclusion from the Register, the former director and participants incur several negative consequences. For example, if an excluded company had debts to the budget which were considered uncollectable, the participants who had more than 50% shares in the company and its director have no right to set up a legal entity/become a director of a legal entity during the 3 years after the exclusion.

If you have received the mentioned notification from the authorities or found the 'inaccurate information' record in the Register related to your company, it is better to arrange the provision of accurate information to the authorities in the formats prescribed by law to avoid any negative consequences. It is also a good idea to clarify the legal address in advance if you understand that the number of the office and floor are not indicated in the Register, thus far. |

Regulation of merger control and strategic companies: dark clouds on the horizon



VASILY MAKOVKIN
Director, EY Law

The quantity of merger control applications reviewed by Russian regulator, the FAS, has been constantly decreasing over the past few years¹, the business community knows the ins-and-outs of applicable procedures and the FAS has clarified most grey areas of the respective regulations. However, the amendments² to the Competition Law now proposed by FAS may not only reverse that trend, but also add a new twist to the familiar and well-known process.



KIRILL SVETLOV
Associate, EY Law

Merger control: new thresholds

The Competition Law currently provides for a set of financial thresholds that must be met in order for a transaction to trigger a merger control clearance: assets and turnover of the parties' groups. The amendments provide for a new criterion: transaction value. Considering the complexity of payment mechanisms in some M&A deals, calculating this threshold could be rather difficult. Hence, the parties

may be unable to determine whether a particular transaction requires merger control clearance pre-closing (before all the payments have been taken into account). It is to be hoped that FAS will clarify this issue during further legislative procedures.

Merger control: new timing

The timeline for review of a merger control application is also pretty straight-forward and in most cases can be calculated in advance: the initial one-month review period plus, if required, two extra months plus, in some exceptional cases, nine additional months to comply with pro-competitive conditions determined by the FAS before closing. The amendments should enable FAS to extend the initial review period by up to five years (instead of two months) and the deadline for compliance with the FAS' conditions by up to three years (in addition to nine months), but only for cross-border transactions. This may result in up to 106 months (i.e. over eight years) of waiting before closing. While the FAS may indeed get enough time

¹ See the Report on the State of Competition in the Russian Federation for 2017 available at <https://fas.gov.ru/documents/658027>

² Bill ID 02/04/03-18/00079428, available at: <http://regulation.gov.ru/projects#npa=79428>



to review complicated cross-border transactions, the overall timeline the regulator wants to grant itself seems a bit overmuch.

Merger control: new parties

As of today, the FAS is formally the only party responsible for making the final decision on merger control applications (unless the Strategic Companies Law applies to a certain transaction). The amendments propose enabling FAS to involve experts with knowledge on a particular issue supposed to help the FAS make a decision and independent trustees to oversee compliance with the conditions imposed by the FAS upon review of a merger control application. The idea in general is in line with the best practices adopted in the EU and the US. But the amendments do not provide for detailed requirements of experts or trustees, which may leave both businesses and the FAS exposed to inappropriate actions of these designated

parties. The risk seems to be clear to FAS, which is working closely with the business community to establish a reliable mechanism for introducing these new concepts into the Competition Law.

Merger control: new prescriptions

In addition to the above, the amendments should enable FAS to issue mandatory "IP-transfer" prescriptions to parties seeking merger control clearance or involved in a transaction subject to such clearance. The extent to which the FAS may interfere with one's IP in these cases is not limited in any way, which leaves space for unpredictable prescriptions or terms of its use. Although Russian law does allow compulsory transfer of IP in some cases, such provisions are limited to several types of intellectual property and only two means of introducing them. The question of necessity of such extensive regulatory powers remains open.

Strategic companies control: new audits and liabilities

The FAS may also receive additional investigative powers when dealing with foreign investments in Russian companies of strategic significance under a designated Strategic Companies Law. The amendments³ should enable the FAS to conduct both documentary and on-site audits (commonly referred to as "dawn raids") of strategic companies if (a) there are signs of a foreign investor acquiring control over such companies, or (b) upon the expiration of the deadline for compliance with behavioural conditions by a foreign investor imposed as a prerequisite before acquiring control over a strategic company. The audits can be scheduled or unscheduled, and the latter are not subject to a pre-audit notification, just like classic dawn raids concerning cartels. The FAS will also revert to criminal enforcement authorities to assist during dawn raids, and the exact procedure of conducting dawn raids will be subject to the regulator's discretion. In addition to that, unauthorised acquisition of control over a strategic company by a foreign investor may not only lead to restriction of such investor's voting power, but also to a mandatory sale of shares of the strategic company in a tender (based on a decision of a court and governed by privatisation rules). Interestingly enough, the FAS can go much further under the current version of the Strategic Companies Law than under the Competition Law (which, for instance, does not allow restriction of voting power), but it still seems to fall short of the regulator's ambitions. |

³ Bill ID 02/04/08-18/00083472 available at: <http://regulation.gov.ru/projects#npa=83472>

Recognition and enforcement of foreign arbitral awards in Russia: overview and prospects



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There is no doubt that the rapid development of international trade in the 21st century calls for the unification of legislation and enforcement practices in the spheres associated with international commercial arbitration, especially so in the area of recognition and enforcement of foreign arbitral awards.

Despite Russia being a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign

Arbitral Awards 1958, judicial practice of arbitration (state commercial) courts in Russia with respect to enforcement of international arbitral awards lacks uniformity. Moreover, generally its current vector appears to lean toward counter-international arbitration approach.

Minimising the existing uncertainty in order to protect the rights of foreign entities, as well as prevent "asset stripping" under the guise of enforce-

ment of foreign judgments and arbitral awards is the primary goal of the Supreme Court of the Russian Federation, according to its President Vyacheslav Lebedev¹. To this end, the Resolution of the Plenum of the Supreme Court of the Russian Federation is to be passed, covering, inter alia, the questions of enforcement of international arbitral awards.

Under Article 36 of the Law of the Russian Federation on International Commercial Arbitration, dated 14 August 1993, a state court may refuse to recognise or enforce an arbitral award either at the request of the party against whom it was invoked (e.g. in the event that such party was not given proper notice of the arbitral proceedings), or ex-officio (e.g. if the recognition or enforcement of the award would be contrary to the public policy of the Russian Federation).

It is the latter scenario of refusal that causes headache both to practitioners and judges due to the vague statutory definition of public policy. We believe that the following cases could serve as examples of the situation at hand.

¹ <https://www.kommersant.ru/doc/3752831>

Protection of creditors in bankruptcy cases as an essential element of public policy

As per the established practice, courts tend to pay close attention to the interests of third parties (creditors) in enforcing an arbitral award against a debtor in bankruptcy proceedings.²

Moreover, as creditors in bankruptcy cases lack the necessary means to prove a breach of public policy for reasons of confidentiality of the arbitral proceedings, limited access to the files etc., a low standard of proof is applied. Therefore, it is sufficient for the creditor to present to the court *prima facie* evidence of "substantial doubt as to the existence of the debt" awarded by the tribunal, whereas the burden of refuting these doubts³ rests with the party applying for enforcement of the award.

While shifting the burden of proof onto the party requesting enforcement, this position was initially aimed at ensuring the balance of rights and obligations of the parties and was successfully used to that end, mostly with respect to domestic arbitration.⁴

However, with regard to international commercial arbitration it has led to a dubious dismissal by the Arbitration Court of Moscow of the application for recognition and enforcement of an ICC award on the basis of, inter alia,

infringement of the rights of creditors under a settlement agreement approved by the court in bankruptcy proceedings. Absent any doubt as to the existence of the debt, the application was rejected, as the Arbitration Court of Moscow concluded that the International Court of Arbitration "did not examine the possibility of conducting the arbitral proceedings after an application for the debtor's bankruptcy had been accepted by the court".⁵ As a result, the foreign entity lost the opportunity to recover its debt both via a settlement agreement and the enforcement procedure.

The approach outlined above cannot be called arbitration-friendly and is unlikely to have a positive effect on the promotion and development of ADR in Russia.

Abuse of rights as a breach of public policy

The Arbitration Court of Moscow had to deal with quite a "hot" issue in case No. A40-170631/2017, i.e. the party's recourse to arbitration allegedly aimed at transferring assets of a Russian entity to an affiliated person registered abroad through the enforcement procedure, as opposed to actually resolving a dispute.

The court dismissed the application for recognition and enforcement of an award rendered by the International

Commercial Arbitration Court at the Ukrainian CCI on the basis of the fact that parties to the dispute had partially identical names and the respondent acknowledged the debt in the course of arbitral proceedings, suggesting lack of actual dispute.⁶ Thus, the court concluded that the facts of the case revealed an abuse of rights, constituting a breach of public policy.

The cases outlined above are just a few examples of obstacles in the course of recognition and enforcement of foreign arbitral awards in Russia, evidencing a broad construction of the term "public policy" and, more generally, a tendency towards counter-productive judicial practice in this area.

Given said negative trend, it may be useful for businesses to consider the potential strategy for dispute resolution not only prior to the dispute resolution process, but as early as during the deal structuring, so as to minimize the risk of failure to enforce the arbitral award in Russia.

To conclude, we strongly believe that it is vital for the system of recognition and enforcement of foreign arbitral awards in Russia that the Supreme Court works out a unified judicial approach to the notion of "public policy", which would allow pro-international arbitration practice to develop throughout the judicial system. |

² Clause 10 of Judicial review No. 1 (2016) of the Supreme Court of the Russian Federation dated 13.04.2016.

³ Ruling of the Presidium of the Supreme Arbitration Court of the Russian Federation dated 13.05.2014 in case No. A41-36402/2012.

⁴ E.g. if the court established that the creditor and the debtor were affiliated through the same controlling person and arbitration was used to create fictitious debt to the benefit of that person on the verge of debtor's bankruptcy (Ruling of the Arbitration Court for the West-Siberian District dated 26.12.2017 in case No. A45-19710/2017).

⁵ Ruling of the Arbitration Court of Moscow dated 8.02.2018 in case No. A40-176466/17 (upheld by the Court of Cassation and the Supreme Court of the Russian Federation).

⁶ The judgment was upheld by the Court of Cassation.

Russian sanctions: operational challenges



ALEXEY EREMEKO
Consultant, Control Risks

Since 2014, the sanctions against Russia have expanded into a tangled web that keeps on growing – see the DASKAA¹ and DETER² bills in the US Congress, or the fresh draft sanctions in the EU.³ And yet they are far from a blanket ban such as that imposed by the US on doing business with Iran, which is both good news and a headache. Doing business in Russia remains possible, but staying compliant can be a challenge that takes a due diligence and business intelligence effort, but is not insurmountable.

A *sine qua non* of doing business in Russia is sanctions checks – verifying whether your counteragents are on

any blacklists in the US or the EU. This is nominally a straightforward task for in-house or outsourced compliance, with access to the right databases, but also not without complications, as in the case of companies with a lot of partners – for example, due to long supply chains. Still, bulk checks can be done.

A related good practice is sanctions-checking the end users of your products. This is a particularly sensible approach for producers of equipment used in both civilian and military sectors, such as engine parts, which you would not want to find on, for example, a warship instead of a fishing trawler. But the approach goes beyond potential dual-use goods, as shown by last year's case of Siemens: the company's equipment ended up in Crimea – a sanctioned territory – but Siemens avoided legal trouble in the US and EU precisely due to the fact that it made an effort to vet the end user.⁴

Ownership verification is also a requirement: compliant businesses need to know whether their partners are ultimately controlled by sanctioned entities. This can be more complicated than it should be when the ownership chains contain entities from low-

transparency jurisdictions (the British Virgin Islands are especially popular in Russia). A dedicated compliance team can nevertheless establish ultimate beneficiaries in most cases through in-depth media review – business press in Russia remains robust and inquisitive enough – and/or through source enquiries.

A less obvious, but necessary step is checking for sanctions risks exposure – in other words, whether your counterparties may come under sanctions in the future. This is particularly relevant for CAATSA, the US sanctions law, which can be potentially applied to an extremely wide range of Russian businesses, but whose practical application has so far been quite narrow. OFAC identified 94 Russian billionaires as potential CAATSA targets in the "Kremlin list" in January 2018; so far, only six have been sanctioned.

A sanctions risks exposure check is a special form of due diligence where a company is examined for CAATSA liabilities such as military contracts (many of these are unclassified), involvement in special oil projects – including the provision of infrastructure or transportation services – or for subsidiaries based in Crimea.

¹ <https://www.cnn.com/2018/08/09/more-crushing-sanctions-ahead-for-russia-in-senate-bill-if-passed.html>

² <https://www.bloomberg.com/news/articles/2018-08-22/here-s-what-the-raft-of-russia-sanctions-plans-means-for-markets>

³ <https://themoscowtimes.com/news/eu-agrees-new-sanctions-regime-targeting-perpetrators-chemical-attacks-63187>

⁴ <https://www.reuters.com/article/us-ukraine-crisis-crimea-siemens-idUSKBN1A60I4>



Even more importantly, such due diligence can also identify the informal factors capable of influencing OFAC's stance on a company or individual. This includes examination of the subject's reputation, political connections in Russia and corruption allegations against them; however, unlike regular due diligence, this is to be done with a focus on OFAC. The question to be kept in mind is "would it be relevant to the US authorities?" – would OFAC see this blacklisting as advancing the sanctions' goals, and the White House's goals in general? This means your compliance needs an understanding of OFAC's decision-making process, which is a complex, but not impossible requirement.

A check of informal factors at play in sanctions risks exposure should also include analysis of the subject's area of operations and its relevance for American economic policy. Though the US has its fingers in many economic pies, some, such as metals and other blue-collar industries, are clearly hotter than others today. This means a bigger risk for companies working in Russia, which

have to read the writing on the wall unless they suddenly find out that their seemingly safe partners have become overnight sanctions liabilities.

Another crucial part of doing business in Russia in 2018 is knowing what is actually prohibited – which, again, can be trickier than it may seem. The key thing here is differentiating between the sectoral and individual sanctions, such as the Specially Designated Nationals (SDN) and Sectoral Sanctions Identifications (SSI) lists in the US, or similar sectoral sections in the EU.

No business can be done by US-compliant companies with the SDNs; non-US companies also run the risk of coming under secondary sanctions if they have at least a branch office in the States. However, in the case of the Russian SSI entries, the only prohibition is on lending them money for more than 14 days. The SSI list includes top Russian state-owned companies such as Gazprom, Rosneft and Rostec, all of which continue to do business with companies from outside Russia. The same applies to the EU.

Another thing to constantly keep in mind is the aforementioned "Kremlin list". After six of 94 entrants were sanctioned on 6 April 2018, businesses have naturally become jittery about working with the remaining 88. However, the only criteria for inclusion on the list were Russian origin and net worth starting from USD 1 billion. Otherwise, the list comprises a wide range of business figures, from Kremlin-connected "oligarchs" to IT entrepreneurs and other self-made people in politically neutral industries. This means that while some people on the list are in the risk zone, others have done nothing to land them in OFAC's crosshairs.

Risk mitigation always retains an element of uncertainty and unpredictability. But a compliant business operation in Russia remains possible as long as – per OFAC's guidelines – a company shows its "best effort" in navigating the prohibitions and sticking to "clean" deals and sectors in a market with a still-formidable and under-explored potential for smart investors. |

Abuse of consumer rights: how clients and courts apply the current legislation



NATALIYA BELOVA

Head of Legal Department, Inchcape

In August 2017, the Government of the Russian Federation issued its Consumer Protection Policy in the field of consumer protection for the period up to 2030. The state's strategy is aimed at strengthening consumer protection laws, although current legislation is in second place (after the United States) in the informal world competition of having the most consumer friendly regulation. The main purpose of the strategy is, in consumer protection litigation, to transfer the maximum number of issues to the pre-trial stage (including mediation). At the same time, the government does not forget to set strict targets for the judicial system, including the instruction that the percentage of claims resolved in favour of consumers represented by state bodies should be increased annually.

Directing court decisions in favour of consumers in this way is unusual, to say the least. But that is how it is.

The strategy also mentions abuse of consumer rights or consumer extremism, but in an unexpected context. In issuing its policy, the government stated that "... the problem of abuse of consumer confidence by unscrupulous intermediaries requires a solution, which is perceived by the business community as a manifestation of consumer extremism". However, Russian legislation does not recognise and apply the concept of "consumer extremism". It uses the definition of "abuse of law" stipulated in Article 10 of the Civil Code of the Russian Federation, which – in the context of consumer law – refers to deliberate actions of consumers, committed in order to gain possession of the property of entrepreneurs through abuse of their rights.

The basic principles of consumer protection enshrined in Russian legislation are: comprehensive information about a product/service; the ability to replace/return goods with defects; the seller's and the manufacturer's equal liability to consumers; the reimbursement of all consumer expenses/losses; and large penalties.

The main difficulty arises with the first of these: comprehensive infor-

mation about a product. The absence of this information increases the likelihood that goods will be returned, as well as of claims of losses and moral damages (which do not require proof, as the mere violation of the law is sufficient). The problem is that when selling used goods – especially technically complex goods – it is almost impossible to find the perfect balance of knowledge sufficient to qualify as "comprehensive information" about the product, because while external flaws can be described, even diagnostics may not reveal all internal flaws. Moreover, such diagnostics can be carried out only in relation to a very limited range of products (like cars). As a result, judicial practice has generally followed the rule that the shorter the amount of time that passes between the transfer of the goods and the discovery of the previously-hidden defect, the more obvious the seller's fault will be.

Where, then, does the abuse of rights come from?

First, some gaps exist in consumer protection legislation, which create a real moral hazard. One of the most striking examples is the absence of a clearly stated duty of consumers to present the actual goods underlying the claim. Without this duty, all obligations of a seller to satisfy a claim within a specific period of time are calculated from



the date a claim is first made, and not when the goods are actually transferred. This situation prevents a seller from determining the existence of the defect and its cause, leading him or her to deny the claim. The consumer is thus forced to go to court, and if a forensic examination confirms the manufacturing defect, the court will often impose fines and penalties on the seller which can amount to twice the value of the goods themselves (because the cost of each day of delay in voluntary settlement of customer requirements is 1% of the value of the goods, so that in three months the full cost of the goods has been accrued). And on top of that, the courts charge another 50% fine, which triples the cost. This kind of consumer behaviour is well documented, in my opinion spurred by disputes involving the automotive industry, in which the court has awarded up to 25 million roubles when the cost of the car itself was only 6.5 million roubles.

There are also examples that go beyond the legal field. For example, in the field of electronics, consumers can render a product inoperable in a way that does not allow the causes to be accurately determined. As a result, the seller is automatically considered to have infringed the consumer's rights.

Second, consumers face no potential liability for abusing their rights. And the extremely low cost of filing a claim in court – consumers pay no fee at all for claims under 1 million roubles, and only a nominal fee for claims above that amount (for example, a claim for 3,500,000 roubles requires a fee of 12,500 roubles) – provides little disincentive to filing spurious claims. Consumers whose claims are unsuccessful are obliged to pay the costs of the forensic examination. But it is impossible for a seller to compensate the time and nerves of a lawyer who is the seller's employee, because the salary is never reimbursed.

The courts contribute to the problem as well, by failing to take into account the fact that 50% of the court's award for refusal by a seller to settle a case in a pre-trial is payable only where the losing party voluntarily refuses to satisfy the consumer's demands. Judicial practice is very detrimental to this rule. The fact that disputes are being litigated means that by definition the parties were not able to voluntarily solve them. Almost all consumers send a pre-trial demand first, but consumers who fail to provide the goods to the seller for quality control, or who stop communicating in good faith to sellers making genuine attempts to resolve the conflict, generally face little push-back from the court. In my own company, for instance, we had a case where the judge stated in the appeal: "well, when you received the claim, couldn't you go to the consumer on your own, pick up the car, and do a quality check?" Obviously, it is difficult to know how to engage productively with this approach.

With all this, it must always be remembered that overly loyal consumer rights granted by law cannot be considered abuse of consumer rights. That is why it is necessary to accept a consumer's refusal to accept goods he or she has ordered, without any objection or obstruction.

There are very few court cases considering and assessing abuse of consumer rights. The only hope sellers have of ensuring a fair balance of power between consumers and sellers is to participate in the creation of the consumer code of the Russian Federation. The development of this concept is expected to begin in the framework of Consumer Law policy to be set out at the end of 2018. |

How to choose your Chief Compliance Officer?



IRINA BELYAKOVA

Head of Legal and Compliance Practice, Antal Russia

The Chief Compliance Officer (CCO) role in a company is no longer something new for the Russian and CIS market. This role is vital for each company; it takes care of meeting all general business and specific rules, standards and regulations that govern the industry both internationally and domestically.

Place of the CCO in the organisational structure

For large companies with more than 2,000 employees, projected compliance job growth forecast is approximately 10% for 2019. Today in 40% of companies, compliance is a separate, independent division. It is either an individual's role or played by a team of 2-5 specialists. Compliance is com-

bined with the legal function in 40% of businesses. In all other cases responsibilities for following compliance policies are divided between Directors (legal, finance, HR, purchasing, etc.). This trend began 3-5 years ago.

International business best practices show that a compliance department or CCO should report directly to the CEO or compliance leader in headquarters. Such a reporting line has been created in order to avoid any possible influence of local functional leaders and to provide general management with transparent information about potential risks.

Where can I find a CCO?

More than 50% of companies operating on the Russian market prefer external hiring for CCO roles.

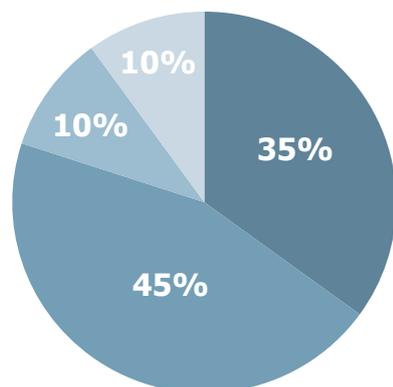
The reason is that the company's management needs a combination of strong knowledge of regulations in one or more industries, managerial experience, including proven change management skills, and an independent, professional view.

Candidates could move into a CCO role regardless of their background (see diagram below), but this depends on the industry and certain business requirements. It is more likely for managers with an industrial or commercial background to apply for a CCO role within the company they are currently working for.

Market trends

Compliance is becoming a business function in most companies, which explains why a successful combination

Areas where candidates should work to become a CCO



- internal control, audit, risk management
- legal
- commercial, product management (new trend for the Russian market, several examples in FMCG, B2B, financial industries)
- industrial experience with further career track within one industry



of legal, finance, and regulatory experience with the required soft skills can help a company to avoid internal conflicts, fraud, violations of law, and ensure the company's transparency.

On the Russian market a CCO also should be well-informed about political and economic trends. This person has close interaction with business, legal and finance divisions to prevent losses and reputational risks, and changes priorities from general corporate issues to a niche industrial focus if required.

Regarding the priorities of Russian compliance leaders in the past two years, the compliance function has become more diversified due to general market trends, such as digitalization or legislative changes. For example, IT and information security

are hiring information security compliance managers, whereas industrial companies and financial institutions are interested in sanctions compliance, and large retail and FMCG businesses need antimonopoly compliance expertise.

What should you pay attention to when assessing a candidate for a COO position?

Hard skills

- Education: law, finance, economics, management, degree in related industry, with a certified compliance programme being an advantage, but only influences final decision in very rare cases.
- Experience: in legal, internal audit & internal control.
- For pharmaceutical, medical devices and telecommunication companies:

knowledge of regulatory affairs and market access.

Thus, a good understanding of regulations governing the industry is always required, even when a candidate doesn't have the necessary experience in the specific industry.

Soft skills

- Financial and business acumen.
- Leadership.
- Active listening skills.
- Research and investigation skills.
- Public speaking skills.

In conclusion, the work of a CCO is always changing as new rules and regulations are constantly being implemented. The more cross-industrial knowledge and varied experience a candidate has, the better the chance of an employer making the right decision. |

AEB NEWS



Marc Dellaert, CNR member from Belgium

New member of the Council of National Representation elected

On 13 November 2018, the AEB Board approved the appointment of Marc Dellaert, Managing Director of the Centre for Creative Leadership for the Middle East, Russia, Turkey and Central Asia, as a new Council of National Representation (CNR) member from Belgium.

Marc Dellaert succeeded Johan Vanderplaetse who had left his position in the CNR due to the election as the Chairman of the AEB Board. The CNR acts as the advisory and consultative body only with regard to decisions made by the Annual General Meeting or requests by the Board or the Chief Executive Officer.



L-R: **Frank Schauff**, AEB CEO; **Sergey Katyrin**, President of the Chamber of Commerce and Industry of the Russian Federation; **Johan Vanderplaetse**, Chairman of the AEB Board.

Meeting with Sergey Katyrin, President of the Chamber of Commerce and Industry

On 4 September 2018, Johan Vanderplaetse, Chairman of the AEB Board, and Frank Schauff, AEB CEO, met with Sergey Katyrin, President of the Chamber of Commerce and Industry of the Russian Federation.

During the meeting, current trends of the international economic environment, the most urgent needs of European businesses in Russia, and ways to improve the investment climate in Russia were discussed.



Participants of the EuroReception

AEB Polish EuroReception

On 12 September 2018, the AEB, the Embassy of Poland in the Russian Federation and the Polish Business Club organised the AEB Polish EuroReception.

H.E. Ambassador of Poland Włodzimierz Marciniak opened the event with a welcome speech.

The Chairman of the AEB Board, Johan Vanderplaetse, thanked the Polish Embassy for inviting the AEB members and expressed hope for a stronger cooperation between the AEB and companies from Poland.

Alexander Janeczek, Head of the Polish Business Club, warmly welcomed the guests.

The AEB is grateful to the Polish Business Club which helped to organise the EuroReception, and to the sponsors which supported the event: Bella, CeDo Households, Cersanit, DAKO Professional team, FAKRO, JMP Flowers, International Bank for Economic Cooperation, LOT PLL, MAGO, Maspex, Remy Cointreau, SEZ Moglino, Wielton, Work Sourcing, Woseba.

AEB took part in the Novo Nordisk opening ceremony of full-cycle production in Kaluga

On 19 September 2018, Novo Nordisk launched its insulin full-cycle production in Kaluga.

Anatoly Artamonov, Governor of the Kaluga region, Carsten Sondergaard, Ambassador of Denmark in Russia, Elena Maksimkina, Director of the Drug Supply and Medical Products Regulation Department of the Russian Ministry of Healthcare, and Alexey Alekhin, Director of the Pharmaceutical and Medical Industry Development Department of the Ministry of Industry and Trade, delivered welcome speeches at the opening ceremony and stressed the importance of insulin production localisation in Russia.

Ruslan Kokarev, AEB COO, and Olga Silnitskaya, AEB Health & Pharmaceuticals Committee Coordinator, took part in the opening ceremony.



Novo Nordisk launched full-cycle production in Kaluga.

AEB attended the meeting of the RSPP International Council for Cooperation and Investment

On 19 September 2018, Johan Vanderplaetse, Chairman of the AEB Board, and Frank Schauff, AEB CEO, attended the meeting of the International Council for Cooperation and Investment (ICCI) under the Russian Union of Industrialists and Entrepreneurs (RSPP).

Among other participants were the representatives of the Ministry of Internal Affairs, the Federal Customs Service, the Ministry of Economic Development, the Ministry of Industry and Trade, the Ministry of Transport and the Ministry of Labour, as well as representatives of the business community.



Participants of the meeting

The meeting covered the existing trade barriers in several business areas and options to eliminate them.

Frank Schauff made a presentation on behalf of the AEB member companies.



L-R: **Andrey Lyan**, Kargill; **Milena Arslanova**, Ministry of Economic Development of Russia; **Yuri Burlachko**, Legislative Assembly of the Krasnodar region; **Vasily Shvets**, Administration of the Krasnodar region; **Frank Schauff**, AEB; **Sergey Slipchenko**, Philip Morris.

25th anniversary of investment activities in Kuban

On 21 September 2018, the 25th anniversary of investment activities in the Krasnodar region was celebrated.

The event entitled "25 years of success. Foreign investments in the Krasnodar region: yesterday, today, tomorrow" was organised in the conference hall of the "Intourist" hotel. Among the participants were: Governor of the Krasnodar region Veniamin Kondratiev, Chairman of the Legislative Assembly of the Krasnodar region Yuri Burlachko, Deputy Governor of the Krasnodar region Vasily Shvets, Deputy Speaker of the Legislative Assembly Sergey Altukhov, AEB CEO Frank Schauff, representatives of the companies, in-

vestors, industry organisations and administration departments.

The heads of investors companies shared their experience of doing business in the Krasnodar region and expressed their gratitude to the regional authorities for the provided comprehensive support. Business representatives noted the active work of the regional authorities to improve institutional conditions for investors.

Frank Schauff, AEB CEO, stressed that foreign partners were ready to continue and expand cooperation with the Krasnodar region.



Panelists of the International Customs Forum

AEB participated in the International Customs Forum

The AEB representatives took part in the International Customs Forum organised by the Federal Customs Service, which was held on 24-25 October 2018 in the World Trade Centre, Moscow.

The Forum turned into an effective platform for exchanging experience and establishing G2G and G2B relations in the field of foreign trade activity. The Forum featured both exhibition and discussion sessions, where a wide range of issues related to the customs administration improvement, export and import maintenance were discussed.

On 24 October, Frank Schauff, AEB CEO, took part in the plenary session, which was held with the participation of Dmitry Medvedev, Head of the Russian Government, Anton Siluanov, First Deputy Prime Minister of Russia, Maxim Oreshkin, Minister of Economic Development of Russia, Vladimir Bulavin, Head of the Federal Customs Service. Dr. Schauff spoke about the balance of interests with regard to parallel imports.

On 25 October, Alexey Soldatov, Chairperson of the AEB Product Conformity Assessment Committee, BSH Bytowije

Pribory, participated in the session titled "Technical regulation in EAEC" and spoke about the European practice and regulation with regard to the certification procedure and safe products turnover. Alexey highlighted the necessity of uniform application of technical regulation norms on the territory of the Eurasian Economic Union.

The same day, Julia Hertel, Head of Customs Department, IKEA, and Sergei Rodin, Volkswagen, spoke at the panel discussion on "E-Customs".

In the framework of the Forum, the AEB representatives also met with the European Commission representatives and discussed new customs legislation in Russia and EAEU, customs law enforcement practices and other customs-related issues, which are acute for AEB member companies, such as labelling by control identification marks and other types of labelling, technical regulation, parallel imports. It was agreed to have a dialogue between the AEB and EU Delegation on a regular basis for exchanging experience and sharing best practices in trade facilitation and customs administration.

AEB representatives took part in the Eurasian Week

On 23 October 2018, Frank Schauff, AEB CEO, and Philippe Pegorier, AEB Board Deputy Chairperson, participated in the Eurasian Week – the largest international business forum within the Eurasian Economic Union (EAEU). This year, the Eurasian Week took place in Yerevan, Armenia.

At the strategic session “Eurasian continental partnership: expanding space for business in the EAEU”, Frank Schauff spoke about the fruitful dialogue between the authorities of EAEU and the AEB on the most important issues, such as protection of intellectual property rights, parallel imports, technical regulations, customs procedures and others.

Philippe Pegorier presented the position of foreign investors at the panel discussion “International economic activities of the EAEU as a foundation of economic growth and a factor of stable business development”.



L-R: **Ulf Schneider**, Founder and Managing Partner of SCHNEIDER GROUP; **Frank Schauff**, AEB CEO; **Tekreth Kamrang**, Secretary of State, Ministry of Commerce of the Kingdom of Cambodia; **Marat Birimzhan**, Deputy Chairman of “Kazakh Invest”.



L-R: **Frank Schauff**, AEB CEO; **Mger Grigoryan**, Deputy Prime Minister of the Republic of Armenia.

Both AEB representatives took part in the Expert Club devoted to the EAEU in the dynamics of global processes, moderated by Tatyana Valovaya, member of the Board – Minister in charge of integration and macroeconomics of the Eurasian Economic Commission. The participants discussed future perspectives of Eurasian integration and the ways to cooperate with the European Union.

In the framework of the Eurasian Week, on 23 October 2018, Frank Schauff met with Mger Grigoryan, Deputy Prime Minister of the Republic of Armenia.

They discussed some general issues of possible cooperation between the AEB and Armenian business community. Dr. Schauff and Mr. Grigoryan paid attention to such topics as foreign investments, technical regulations, antidumping measures, customs and others.

AEB and “Business Russia” signed the Memorandum of Cooperation

On 17 October 2018, the AEB and the All-Russian Public Organisation “Business Russia” signed the Memorandum of Cooperation in order to unite efforts to create more favourable investment and business climate in Russia.

Alexey Repik, President of “Business Russia”, signed the Memorandum on behalf of his organisation.

On behalf of the AEB, the document was signed by Johan Vanderplaetse, Chairman of the AEB Board, and Frank Schauff, AEB CEO.

Johan Vanderplaetse noted that the Memorandum of Cooperation became a part of the natural development of close cooperation between the two organisations in the field of protection of the interests of the business community, as well as of the constructive dialogue with the legislative and executive authorities.

“Taking into account the deterioration of the political situation, we should focus together on supporting trade and invest-



Signing the Memorandum of Cooperation (L-R): **Johan Vanderplaetse**, Chairman of the AEB Board; **Alexey Repik**, President of “Business Russia”; **Frank Schauff**, AEB CEO.

ment activities of companies in Russia and the EU,” said Frank Schauff.

The parties expressed their intention to promote the expansion of business contacts between the AEB and “Business Russia”, as well as between their member enterprises, organisations, firms and entrepreneurs, and also to provide maximum assistance to the development of trade, economic, administrative, scientific and technical relations.



Total launched its new state-of-the-art lubricants oil blending plant in Kaluga

On 15 October 2018, Philippe Pegorier, Deputy Chairman of the AEB Board, took part in the opening ceremony of Total Vostok state-of-the-art lubricants oil blending plant in the Kaluga region.

At the beginning of the ceremony, the welcoming speeches were delivered by Kirill Molodtsov, Administration of the President of the Russian Federation; Patrick Jean Pouyanne, Chairman and CEO of Total; Arnaud Le Foll, Total Russia Country Chair; Anatoly Artamonov, Governor of the Kaluga region; Pavel Sorokin, Deputy Minister of Energy of the Russian Federation.

Total Vostok lubricants oil blending plant



L-R: **Alexey Knelz**, German-Russian Chamber of Commerce; **Vladimir Gabrielyan**, Lighting Business Consulting; **Igor Veselov**, Competence Centre for the Development of the Urban Environment of the Ministry of Construction, Housing and Utilities of Russia; **Eugen Alles**, Messe Frankfurt RUS; **Frank Schauff**, AEB; **Alexey Karamyan**, Interlight Moscow.

AEB CEO spoke at the press conference "Energy efficiency, comfort, safety: concept of the future exhibition Interlight Moscow"

On 10 October 2018, the AEB CEO Frank Schauff participated in the press conference entitled "Energy efficiency, comfort, safety: concept of the future exhibition Interlight Moscow" that took place at the International Multimedia Press Centre Rossiya Segodnya.

Dr. Schauff announced the Intersec Forum Russia, organised in cooperation with the international exhibition operator Messe Frankfurt RUS and Smart Building Consulting (member of Lighting Business Consulting company group).

The Intersec Forum Russia is dedicated to building automation and integrated security systems and will be held with the official support of the Competence Centre for the Development of the Urban Environment of the Ministry of Construction, Housing and Utilities of Russia and with the participation of Cisco, FläktGroup, IBM, Kaspersky Lab, KNX International, MTS, Panasonic, PIK Group, PwC, Siemens, Strabag, YIT Construction, and other industry's leaders.

AEB participated in the Russian Energy Week

On 4 October 2018, in the framework of the Russian Energy Week, the AEB organised a panel discussion on the partnership prospects between Russia and the EU in energy and energy efficiency sectors.

Among the speakers of the panel were: Eric Benedetti, Market Manager for Russia, Ukraine and Central Asia, Signify; David Campbell, President, BP Russia; Bashir Chalabi, Chairman of the AEB Energy Efficiency Committee, Senior Advisor for Energy Efficiency and Environment, Promaco TR; Ernesto Ferlenghi, Chairman of the AEB Energy Committee, Executive Vice President, Eni S.p.A; Patrick Fragman, Managing Director, Grid Integration Business, ABB Group; Viktor Haefeli, Senior Advisor, Federal Department of the Environment, Transport, Energy and Communications of the Swiss Confederation, Vice-President of the Swiss Association for Environmental Technology; Anton Inyutsyn, Deputy Minister of Energy of Russia; Arnaud Le Foll, Country Chair, Total E&P Russie; Alexander Liberov, Member of the AEB Board, President & CEO, Siemens in Russia; Alexander Pankin, Deputy Minister of Foreign



Participants of the panel (photo: Roscongress Photobank (c))

Affairs of Russia; Johan Vanderplaetse, Chairman of the AEB Board, President Russia/CIS, Senior Vice-President, Schneider Electric.

The panel was moderated by Frank Schauff, AEB CEO.

The participants discussed the potential of scientific and technical cooperation in the energy and energy efficiency spheres and the role of businesses in strengthening the cooperation.

AEB signed the Recommendations for Legislative Compliance Regarding OTC (over-the-counter) Drug Advertising

On 7 November 2018, the official presentation on the results of cooperation between professional associations and the Federal Antimonopoly Service (FAS) of Russia was organised. It was followed by the signing of the Recommendations for Legislative Compliance Regarding OTC (over-the-counter) Drug Advertising by professional associations and manufacturers.

The aim of the document is to develop a unified practice for preparation of advertising materials and to create guidelines for pharmaceutical companies when working on advertising products.

Apart from the AEB, the main professional pharmaceutical and communication associations took part in drafting the document.

Andrey Kashevarov, Deputy Head of FAS of Russia, participated in the ceremony.

Frank Schauff, AEB CEO, signed the document from the AEB side.

"The Association of European Businesses highly appreciates the support rendered by FAS of Russia with regard to the initiative for self-regulation of the medicinal product advertising market," said Frank Schauff. "We believe that working



L-R: **Sergey Piskarev**, President of the Russian Association of Communications Agencies; **Frank Schauff**, AEB CEO; **Andrey Kashevarov**, Deputy Head of FAS of Russia.

together on the recommendations for interpreting advertising legislation to develop a unified and consistent position will only allow the pharmaceutical industry to avoid mistakes when preparing the advertising materials, and help government agencies to reduce the number of cases on violation of advertising legislation," he added.



Ruslan Kokarev, AEB COO, delivering a welcome speech at the Intersec Forum Russia.

AEB participated in the Intersec Forum Russia

On 8 November 2018, the AEB COO Ruslan Kokarev took part in the opening ceremony of the Intersec Forum Russia jointly organised by Messe Frankfurt Rus, the AEB and Smart Building Consulting.

This year, the Intersec Forum Russia was addressed to developers, representatives of state structures and industry regulators, and cities planning to enter the government programme “digitalization of cities”.

The Forum was divided into 3 main panels: “Smart city” – trends and development prospects; “Smart office” – security and building automation systems in commercial real estate; “Smart home” – security and building automation systems in residential real estate.

The first panel of the Forum covered the development prospects of “smart city” and was moderated by Tatjana Kovalenko, AEB Real Estate Committee Chairperson. An official welcome speech was delivered by Andrey Chibis, Deputy Minister of Construction, Housing and Utilities of Russia. He noted that the Russian Federation having an enormous potential in the field of smart technologies was implementing the project of digitalization of its economy. To his mind, in addition to the legislative base, there is a demand for the practically applicable and replicable smart technologies in Russia. The second panel was moderated by Ruslan Kubrava, General Director, S.A. Ricci Project Management. The experts discussed a number of key aspects of automating security systems and “smart offices” in new and existing projects. In addition, special attention was paid to more advanced security systems that the market can offer today.

Vitaly Bogachenko, AEB Construction Industry & Building Material Suppliers Committee Chairman, Head of Corporate Affairs, LafargeHolcim Russia, moderated the third panel. He stressed that today the concept of “smart home” in Russia is represented mainly in country houses and premium-class residential complexes. However, in the near future, certain components of smart-home will become an integral part of residential complexes in all segments.



L: **Frank Schauff**, AEB CEO, signing of the Code of Good Practice on the Internet.

AEB joined the Code of Good Practice on the Internet

On 8 November 2018, the AEB CEO Frank Schauff signed the Code of Good Practice on the Internet. The ceremony was held in the framework of IX International Conference “Personal data protection” supported by the Federal Service for Supervision of Communications, Information Technology, and Mass Media (Roskomnadzor).

The main objective of the Code is to detect and prevent threats and risks that the modern digital space brings to the safe collection, processing and storage of citizens’ personal data.

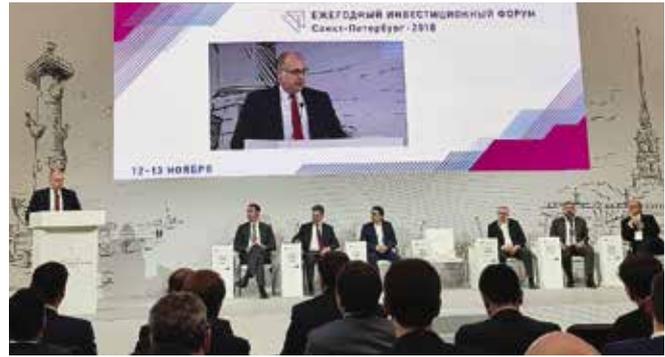
The signatories confirm their readiness to work with personal data in accordance with the legislation, to promote the creation of a safe and comfortable information space and to form a culture of secure behaviour in the Internet.

AEB CEO took part in the St. Petersburg Annual Investment Forum

On 12 November 2018, the AEB CEO Frank Schauff participated in the St. Petersburg Annual Investment Forum as a moderator of the plenary session.

Among the participants of the session were: Alexander Beglov, Acting Governor of St. Petersburg; Andrey Chibis, Deputy Russian Minister of Construction, Housing and Utilities; Maxim Sokolov, CEO of LSR Group; Zakhar Smushkin, Chairman of the Board of Directors of Start Development; Dmitry Morozov, CEO of Biocad; Andrey Kuzyaev, President of ER-Telecom Holding; and Franz Jurkowitsch, Chairman and co-owner of Warimpex Finanz-Und Beteiligungs AG.

The plenary session was dedicated to the discussion of investment challenges for St. Petersburg as a global city. It started with the statement made by Dr. Schauff about the



L-R: **Frank Schauff**, AEB CEO; **Andrey Kuzyaev**, President of ER-Telecom Holding; **Maxim Sokolov**, CEO of "LSR Group"; **Andrey Chibis**, Russian Deputy Minister of Construction, Housing and Utilities; **Zakhar Smushkin**, Chairman of the Board of Directors of "Start Development"; **Dmitry Morozov**, CEO of BIOCAD; **Franz Jurkowitsch**, CEO of Warimpex Finanz-Und Beteiligungs AG.

importance of St. Petersburg for foreign investors and the AEB activities in the region.



L-R: **Oleg Teplov**, VEB Innovations; **Frank Schauff**, AEB; **Vasily Osmakov**, Minpromtorg; **Maxim Reshetnikov**, Governor of the Perm region; **Alexey Kozhevnikov**, REC.

AEB took part in the Interregional Export Forum in Perm

On 21 November 2018, the AEB CEO Frank Schauff had a mission to Perm to participate in the Interregional Export Forum organised by the Government of the Perm region and the Synergy University.

Dr. Schauff moderated the session related to the experience of Russian and European companies in promoting products and solutions localised in Russia to external markets.

He acted as a speaker together with the Governor of the Perm region Maxim Reshetnikov, Russian Deputy Minister

of Industry and Trade Vasily Osmakov, General Director of the Russian Venture Company Alexander Povalko and others at the plenary meeting on the discussion of increasing export capabilities in Russian regions.

Prior to the session, Dr. Schauff met with the Governor of the Perm region Maxim Reshetnikov to discuss with him opportunities for a closer cooperation between the regional authorities and the AEB.



L-R: Johan Vanderplaetse, AEB Board Chairman; Armen Sarkissian, President of Armenia.

AEB Board Chairman had a meeting with the President of Armenia

On 28 November 2018, a meeting between Armen Sarkissian, President of the Republic of Armenia, and Johan Vanderplaetse, Chairman of the AEB Board, took place.

It was organised in the framework of the State visit of the Armenian President to Germany. During the meeting, the ways to support economic relations between the EU and the Eurasian Economic Union were discussed.

Moreover, the AEB Board Chairman drew the attention of the President of Armenia to the detrimental impact on the investment climate in the EAEU, in case parallel imports would be legalised.

AEB Day in Krasnodar

On 28 November 2018, for the first time ever, the AEB Day in Krasnodar was organised. The event took place on the basis of the AEB Southern Regional Committee which celebrated its 15th anniversary in 2018.

The day started with a tour to the production site of CLAAS, one of the AEB member companies which successfully localised production in the Krasnodar region. After that, the Extended Meeting of the Regional Foreign Investment Advisory Council under the Governor of the Krasnodar region took place.

Opening the meeting, the Deputy Head of the Krasnodar region Vasily Shvets said that "the AEB plays an important role in our relations with business partners. Of course, we are constantly working on improving regional legislation, improving other aspects of the investment climate.



Participants of the Extended Meeting of the Regional Foreign Investment Advisory Council

But at the same time, we regularly monitor the feedback in order to thoroughly understand the way our work meets business expectations and overall world trends. And in this process, we work closely with the AEB."

Frank Schauff, AEB CEO, noted that "the Association of European Businesses pays great attention to the Krasnodar region as one of the most attractive for investments and dynamically developing regions of Russia." He also expressed hope

that businesses would continue to feel comfortable with the support of regional initiatives.

As part of the AEB Day, joint sessions of the Committees on human resources, taxation, compliance and the agro-industrial complex were held.

The Day concluded with the reception devoted to the 15th anniversary of the activities of the AEB Southern Regional Committee in Krasnodar.

The AEB Day in Krasnodar was supported by the platinum sponsor Danone and four silver sponsors: Advocates Bureau Yug, Banca Intesa, Knauf and VEGAS LEX. We express sincere gratitude to all sponsors.



Oleg Zharko, Chairman of the AEB Southern Regional Committee, at the Reception devoted to the 15th anniversary of the activities of the AEB Southern Regional Committee in Krasnodar.



L-R: **Anton Rassadin**, Head of Corporate Communication, OOO "BSH Bytowije Pribory"; **Marina Tatarskaya**, Chairperson of the AEB PR & Communications Committee, PR Director, Ferrero Russia; **Ruslan Kokarev**, AEB COO; **Oleg Ljaljutski**, Senior Associate, BEITEN BURKHARDT Moscow; **Sergey Afontsev**, Head of the Department of Economic Theory, IMEMO RAS; **Filippo Baldisserotto**, General Director, Stupino 1 Industrial Park; **Stuart Lawson**, Member of the AEB Board, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY.

AEB participated in the international conference "European investors in production projects in Russia"

On 30 November, 2018, Stuart Lawson, Member of the AEB Board, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY, and Ruslan Kokarev, AEB Chief Operating Officer, took part in the AEB supported event – international conference "European investors in production projects in Russia". The event was co-organised by the Ministry of Economic Development of Russia, the Russian Foreign Trade Academy of the Ministry of Economic Development of Russia, and the Long-Term Integrated Business

Partnership Matchmaking Programme "Russia-Europe: cooperation without frontiers" operated by the Moscow Entrepreneurs Association (MAP).

In the session entitled "Current status and prospects of investment cooperation between Russia and EU countries", Mr. Lawson delivered the presentation entitled "European company strategies in Russia" and Mr. Kokarev spoke about the role of the AEB in supporting foreign direct investments into the Russian economy.

AEB COMMITTEES UPDATES

Automobile Manufacturers Committee

On 25 October 2018, the Russian Automobile Dealers Association (ROAD) organised a conference entitled "RosAvtoDealer 2018. Dialogue in auto retail" with participation of over 100 top dealers and AEB representatives.

For the second year in a row the event was held as a closed conference without media. It provided an opportunity for frank discussion on topical issues regarding relations and interaction between market participants.

Addressing the audience, Oleg Moseev, ROAD President, and Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee, announced the entry into force of the Memorandum of Understanding as the first self-regulation document in the automobile industry.

By 25 October 2018, 140 dealers comprising ROAD members and 15 automobile manufacturers/distributors joined the Memorandum, thereby having fulfilled the conditions for its launch.



L-R: **Joerg Schreiber**, Chairman of the AEB Automobile Manufacturers Committee; **Oleg Moseev**, ROAD President (photo: ROAD Photobank (c)).

The document establishes a parity relationship between dealers and manufacturers, and determines an algorithm of interaction on a number of issues.

Compliance & Ethics, Human Resources and IT & Telecom Committees



Participants of the video conference

On 14 September 2018, the AEB Compliance & Ethics, Human Resources, and IT & Telecom Committees took part in the video conference on EU General Data Protection Regulation (GDPR) with the representatives of the European Commission.

Regulation (EU) 2016/679, the European Union's new GDPR, governs the processing of personal data by any EU party. It also addresses the transfer of personal data outside the

EU and EEA areas. The GDPR aims primarily to materially enhance the control by citizens and residents over their personal data and at the same time – to simplify the regulatory environment for international business.

The participants from the EU Delegation were: Gencarelli Bruno, Head of the Unit for International Data Flows and Protection, DG JUSTICE of the European Commission; Sauer Ralf, Deputy Head of the Unit for International Data Flows and Protection, DG JUSTICE of the European Commission; Jan OSstoja-Ostaszewski, Policy Officer, International Data Flows and Protection, DG JUSTICE of the European Commission, Adrian Georgiev, Justice and Home Affairs Policy Officer, First Secretary, European Union Delegation to the Russian Federation.

The participants raised their questions and concerns about GDPR implementation on the volume of personal data to be transferred, specific issues related to keeping personal info by the EU citizens in contracts with a EU company, while ordering passes, etc.



L-R: **Anastasia Gracheva**, Associate, Intellectual Property and Technology, Dentons; **Dmitry Zykov**, Head of Data Protection Group, Pepeliaev Group; **Ildar Zverev**, Senior Manager, Tax and Legal Department, Deloitte Consulting LLC; **Dorthe Katharina Jensen**, Corporate Counsel & Global Data Protection Officer, Attorney-at-Law, Group Legal Affairs ROCKWOOL International A/S; **Alexey Muntyan**, Personal Data Protection & IT Security Officer, DHL Express.

On 5 October 2018, the AEB open event "EU General Data Protection Regulation (GDPR): sharing best practices" was held. The event jointly organised by the AEB Compliance & Ethics, Human Resources and IT & Telecom Committees was moderated by Alexey Muntyan, Personal Data Protection & IT Security Officer, DHL Express.

Alexey Muntyan focused in his presentation on recent developments in the GDPR's implementation practice, including data controllers and processors' status, requirements applied to data protection officers (DPOs), activities undertaken by major data controllers (SAP, Microsoft, Adobe), GDPR vs. block chain, perspectives for the ratification the ETS No. 108 – Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, social media legal status vs. GDPR and level of responsibility, Facebook investigation over a data breach recently launched by the Ireland's data regulator.

Dorthe Katharina Jensen, Corporate Counsel & Global Data Protection Officer, Attorney-at-Law, Group Legal Affairs ROCKWOOL International A/S, presented the company's approach in implementing unified policy toward GDPR at a global level, company's experience in applying Russian data localisation law, data deletion policy, tools used for implementing corporate rules through e-learnings, face-to-face trainings, etc.

Ildar Zverev, Senior Manager, Tax and Legal Department, and Natalia Yakovleva, Senior Consultant, Technology Systems Integration, Deloitte Consulting LLC, focused in their presentation at the following aspects: processing big volumes of data, mechanisms for cross-border data transfer and its compliance with national law, recommendations on data processing documentation and data breach notifications, recommendations by the EU Agency for Network and Information security (ENISA) for data controllers, application of DLP systems in confidential data leaks prevention, data labelling and data deletion policies.

Dmitry Zykov, Head of Data Protection Group, Pepeliaev Group, highlighted in his presentation the aspects related

to national labour law jurisdiction vs. GDPR and jurisdiction clauses in terms the cross-border data transfer, practical aspects of recruiting EU citizens by Russian legal entities, GDPR in terms of business travel to the EU and Russia, intra-corporate data processing agreements, GDPR-compliant privacy notices application, etc.

Anastasia Gracheva, Associate, Intellectual Property and Technology, Dentons, covered in her presentation legal compliance of Russian Federal Law on Personal Data (No. 152-FZ) and GDPR, practical aspects of post-implementation period, controllers and processors duties, ways to maintain a proper level of compliance, internal coordination and DPO's function as the connecting link.

Crop Protection Committee



On 26 September 2018, the Chairman of the AEB Crop Protection Committee Jonathan Brown, Head of Syngenta in Russia, delivered a presentation "Innovative development in plant growing: the main directions" at the annual international conference "Pesticides 2018".

This event is a professional platform for the exchange of opinions, ideas and suggestions of representatives of manufacturing companies of the North-Western Federal District, dealers, trade unions and associations, agricultural producers.

Jonathan Brown, Chairman of the AEB Crop Protection Committee, Head of Syngenta in Russia.

Customs & Transport Committee

On 4 September 2018, the main part of the provisions of Federal Law No. 289-FZ dated August 3, 2018 "On customs regulation in the Russian Federation and on amendments to certain legislative acts of the Russian Federation" came into force, which was the result of long-term joint work of federal authorities, experts, business representatives and deputies of the State Duma of the Federal Assembly of the Russian Federation.

We would like to draw your attention to the comments of leading experts of the AEB Customs & Transport Committee on changes in certain provisions of the new version

of the Federal Law "On customs regulation in the Russian Federation and on amendments to certain legislative acts of the Russian Federation", on which the experts worked and which were actively discussed at meetings of the Committee.

We hope that the comments and recommendations offered to your attention will help to create and use additional advantages in the organisation and conducting of business, and will be in great demand by managers in working out plans and strategies for the development of companies in the context of ongoing and upcoming changes.



L-R: **Dmitry Cheltsov**, Chairman of the AEB Customs & Transport Committee; **Nikita Zolkin**, Deputy Head of Tax and Customs Tariff Policy Department, Ministry of Finance of Russia.

On 11 October 2018, the AEB Customs & Transport Committee organised a meeting with Nikita Zolkin, Deputy Head of Tax and Customs Tariff Policy Department, Ministry of Finance of Russia.

The meaningful novelties of the new Federal Law No. 289 “On customs regulation in the Russian Federation and on amendments to particular legislative acts of the Russian Federation” and customs law enforcement practices were discussed at the meeting.

AEB CTC members had an opportunity to address the acute questions in the field of customs regulations, such as customs value control by FCS and the deduction of freight, FCS approach to application of the system of rating of the participants in foreign trade, new tariffs of customs fees for customs operations on goods release, the form of AEO (authorised economic operator) reporting system accessibility to be granted to customs authorities, the need for the revision of Chapter 16 of the Code of Administrative Offences. As a result of the constructive discussion, it was agreed to organise a meeting between MinFin, the Federal Customs Service, and AEB CTC experts regarding customs value control and freight deduction in order to develop a unified approach to the list of documents required by FCS for customs value confirmation. Meanwhile, the provisional amendments to the draft an executive order on the new customs fees proposed by the AEB CTC experts during the meeting were fully supported by the Ministry of Finance.

The AEB CTC experts expressed their gratitude to Nikita Zolkin for the constructive, balanced and effective dialogue during the discussion of the amendments to the new customs law.



Participants of the round table

On 22 November 2018, the AEB Customs & Transport Committee, Customs Committee of the Japan Business Club (JBC) and Japan External Trade Organisation (JETRO) held its fifth annual round table to discuss acute issues of customs regulation and law enforcement practices, exchanged opinions on operational aspects related to risk management system, rating system of participants in foreign trade, responsibility/liability of a declarant for customs rules violation, particularities of technical regulation and certification systems in the Eurasian Economic Union. Companies also exchanged the best practices of increasing the supply chain efficiency in the EAEU.

On behalf of the AEB, the meeting was chaired by Ruslan Kokarev, AEB COO, and Dmitry Cheltsov, AEB Customs &

Transport Committee Chairman, IRU, and on behalf of JBC – by Yoshiki Nakano, JBC Customs Committee Chairperson, Yusen Logistics.

In the course of the round table discussion, Yoshiki Nakano, JBC Customs Committee Chairperson, and Mr. Nomura, General Director of JETRO Moscow representative office, presented the results of the survey “Acute issues of customs clearance in Russia in 2018” conducted by JETRO among the Japanese companies operating in Russia.

The AEB Customs & Transport Committee, JETRO and JBC agreed to continue the well-established constructive collaboration and regular meetings on an expert level.

Energy Efficiency and Safety, Health, Environment & Security Committees

On 19 October 2018, the AEB Energy Efficiency and SHES Committees held an event: "Waste management: practical experience and novelties in state regulations".

The event highlighted projected changes in waste treatment legislation and provided an excellent platform for discussion and exchange of knowledge by professionals.

Alexander Pesterev, Duracell; Max Gutbrod, Baker McKenzie; Konstantin Bozhinov, LafargeHolcim; Vladimir Zorov, Ecopolis Corporation Russia, and Ekaterina Radionova, Kuusakoski Recycling, shared their expertise and gave recommendations on important waste processing and collecting matters.

Roman Kuprin, Deputy Director of the Department of Metallurgy and Materials, Ministry of Industry and Trade; Galina Abrosimova, Senior Counselor, Department of State Policy and Regulation in the Field of Environmental Protection, Ministry of Natural Resources, and Olesya Alykova, Specialist, Department of State Policy and Regulation in the Field of Environmental Protection, Ministry of Natural Resources,



Presenter: **Alexander Pesterev**, Duracell

spoke about the state policy in the area of extended producer responsibility as well as recycling industry development strategy.

The event was moderated by Bashir Chalabi, Energy Efficiency Committee Chairman, Promaco TR, and Christopher Mawer, Environmental Subcommittee Chairman, BP.

Finance & Investments Committee



L-R: **Anton Maltsev**, Baker McKenzie; **Ethan Heinz**, Dentons; **Stuart Lawson**, AEB Finance & Investments Committee Chairman, EY; **Alexander Anichkin**, Clifford Chance.

On 14 September 2018, the AEB Finance & Investments Committee held an open Committee meeting devoted to sanctions. The meeting provided the audience with an opportunity to listen to the presentations by: Ethan Heinz, Counsel, Dentons, on recent developments in sanctions targeting Russia; Alexander Anichkin, Partner, Clifford Chance, on developments in Russia's counter-measures; Anton Maltsev, Partner, Baker & McKenzie

(Dispute Resolution), on Russian courts' practice on US/EU sanctions as a valid excuse for failure to perform a contract.

The participants raised and discussed numerous questions.

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



Participants of the meeting

On 28 September 2018, the AEB Finance & Investments' Leasing Subcommittee held the meeting with participation of representatives of the Central Bank to discuss the draft law amending parts one, two and three of the Russian Civil Code (introducing a new chapter on financial leasing in the Civil Code).

Among the participants from the Central Bank were: Sergey Moiseev, Adviser to First Deputy Governor of the Central Bank; Ekaterina Abasheeva, Head of Division for Improvement of Regulation in Financial Market at the Department of Strategic Development of Financial Market; Nikita Teplov, Adviser, Division for Improvement of Regulation in Financial Market at the Department of Strategic Development of Financial Market; Nikolay Shvachko, Head of Division for Regulation of Activities of Cooperatives at Microfinance Market Department.

The meeting was moderated by Maxim Lyalin, Leasing Subcommittee Chairman, Caterpillar Eurasia LLC, who thanked the Central Bank's representatives for attending the meeting and for open discussion.

On 12 October 2018, Boris Titov, Presidential Commissioner for Entrepreneurs' Rights, met with AEB members.

The event was hosted by the AEB Finance & Investments Committee. It was chaired by Stuart Lawson, Member of the AEB Board, Finance & Investments Committee Chairman, Senior Advisor, EY.

In his opening remarks, Mr. Lawson noted that the AEB was interested in working with the Ombudsman's institute to improve the Russian legislation in the field of entrepreneurship activities.

In his speech, Mr. Titov focused on the proposals to improve the investment climate in Russia, as well as on the achievements, prospects and barriers in the field of entrepreneurs' rights protection.

At the end of the meeting, he answered questions raised by AEB members regarding business mentality in Russia, budgetary investments, institutes of financing small and medium enterprises.



L-R: **Boris Titov**, Presidential Commissioner for Entrepreneurs' Rights; **Stuart Lawson**, Member of the AEB Board, Finance & Investments Committee Chairman, Senior Advisor, EY.

Finance & Investments and Legal Committees



L-R: **Frank Schauff**, AEB; **Sergey Vologodsky**, Industrial Development Fund; **Maxim Chereshev**, Moscow Region Development Corporation; **Stuart Lawson**, EY; **Sergey Krokhalov**, Baker McKenzie.

On 29 November 2018, the AEB Finance & Investments Committee and the AEB Legal Committee held an open event “SPIC or not SPIC?”.

The opening remarks were delivered by Frank Schauff, AEB CEO. Stuart Lawson, AEB Finance & Investments Committee Chairman, AEB Board Member, EY, and Sergey Krokhalov, AEB Legal Committee Chairman, Partner, Baker McKenzie, moderated the event.

The event focused on the SPIC mechanism and recent developments on it. Among the distinguished speakers were: Sergey Vologodsky, Deputy Director, Industrial Development Fund, and Maxim Chereshev, First Deputy Director General, Moscow Region Development Corporation. Experts from leading law consulting firms discussed key tax and legal aspects of SPIC, as well as comparative analysis of SPIC 2.0 and the Agreement on Protection and Promotion of Investments.

During the event, the AEB and the Industrial Development Fund signed the Memorandum of Cooperation.

Health & Pharmaceuticals Committee



Yuri Litvishchenko, Chairmain of the AEB Health & Pharmaceuticals Committee, General Director, Chiesi Pharmaceuticals.

On 25 September 2018, the Federal Antimonopoly Service held a round table “Big Pharma’s Anticompetitive Practices: BRICKS+ Competition Authorities’ Response” within the framework of the Week of Competition in Russia.

Yuri Litvishchenko, Chairmain of the AEB Health & Pharmaceuticals Committee, General Director, Chiesi Pharmaceuticals, Ivan Glushkov, Deputy Chairmain of the AEB Health & Pharmaceuticals Committee, Deputy General Director, STADA CIS, and Olga Silnitskaya, AEB Committees Coordinator, took part in the discussion on anticompetitive practices of global players.

The event was chaired by Igor Artemiev, Head of the Federal Antimonopoly Service.

Hotels & Tourism Committee



On 2 November 2018, the AEB Hotels & Tourism Committee meeting with participation of Alexei Tikhnenko, Head of Hospitality Division of the Moscow Government, was organised.

The follow-up of the 2018 FIFA World Cup and further initiatives of the Moscow Government with regard to tourism development were discussed at the meeting.

The AEB Hotels & Tourism Committee members expressed their gratitude for fantastic Championship, great and secure atmosphere in Moscow and in other cities of Russia.

The AEB Hotels & Tourism Committee members stressed the necessity of extension of the FAN ID for one more year and a free visa regime at least for 72 hours with a purpose of the tourism industry development in Russia.

L-R: **Thomas Schwall**, General Manager of the St. Regis Hotel Moscow; **Stanislav Kondov**, General Manager of the Radisson Royal Hotel; **Bernd Kuhlen**, General Manager of the Ritz-Carlton, Moscow; **Ksenia Solovieva**, AEB Hotels & Tourism Committee Coordinator; **Alexei Tikhnenko**, Head of Hospitality Division, the Moscow Government; **Maria Polischyk**, interpreter; **Armin Eberhard**, AEB Hotels & Tourism Committee Chairman, General Manager of the Renaissance Moscow Monarch Centre Hotel; **Adrian Gray**, General Manager of the Lotte Hotel Moscow; **Svetlana Burova**, General Manager of the StandArt Hotel; **Dominique Godat**, General Manager of the Metropol Hotel Moscow.

Human Resources Committee

On 11 September 2018, the AEB CEO Open Meeting entitled "Turning potential into success: the missing link in leadership development" organised by the AEB HR Committee took place.

The meeting was moderated by David Gilmartin, Chairman of the AEB HR Committee, General Manager, Troika Relocations.

The invited speaker Claudio Fernández-Aráoz, top global expert on talent and leadership, Senior Adviser, Egon Zehnder, delivered a presentation. Mr. Fernández-Aráoz shared his view on the following issues: why talent is the key for success, what are the key leadership competencies, what is the impact of talent on corporate performance, and what are the elements of executive potential.

The Q&A session which followed the presentation was devoted to the issues related to motivation, corporate culture and candidates' interviewing.

L-R: **Claudio Fernández-Aráoz**, Senior Adviser, Egon Zehnder; **David Gilmartin**, Chairman of the AEB Human Resources Committee, General Manager, Troika Relocations.





Participants of the meeting

On 9 October 2018, the AEB Assessment, Training and Development Subcommittee held its open meeting entitled “The perspectives for application of professional standards by international companies”.

The meeting conducted by Irina Zarina, Subcommittee’s Chairperson and Managing Director at SHL Russia & CIS, aimed at strengthening a dialogue between

government and business in the field of professional standards’ implementation and application.

The keynote speaker, Fyodor Prokopov, Deputy Chairman of the National Council under the President of the Russian Federation on professional qualifications, Deputy President of the Russian Union of Industrialists and Entrepreneurs (RSPP), discussed the current challenges with AEB member companies.

The federal authority considers global multinational companies as the source of a high-level expertise. In this regard, Mr. Prokopov highly encouraged AEB members to get involved in systematic work performed by the National Council’s structural units, in order to contribute to improving the existing guidelines and regulations on professional standards.

The progress in reaching the outlined target will be estimated at a follow-up meeting, preliminarily scheduled for the beginning of 2019.

On 24 October 2018, the AEB Human Resources Committee held a round table entitled “In search of a valuable employee”: companies’ experience in working with graduates and university students”.

The event organised by the AEB Recruitment Subcommittee was moderated by Irina Aksenova, Deputy Chairperson of the AEB HR Committee, Chairperson of the AEB Recruitment Subcommittee, Deputy Director General, Key Accounts, Coleman Services UK.

The round table brought together representatives of the leading Russian universities’ career centres (the Russian Presidential Academy of National Economy and Public Administration (RANEPA), the Higher School of Economics (HSE), the National University of Science and Technology (NUST MISIS), and representatives from the industry.



At the top of the table (L-R): **David Gilmartin**, Chairman of the AEB Human Resources Committee, Troika Relocations; **Irina Aksenova**, Deputy Chairperson of the AEB Human Resources Committee, Chairperson of the AEB Recruitment Subcommittee, Deputy Director General, Key Accounts, Coleman Services UK.

The discussion was focused on the career centres’ activities for graduate recruitment (career consulting, career fairs, candidates selection, etc.) and on graduates’ skills and key qualifications currently in demand on the labour market.

Insurance & Pensions Committee



Participants of the round table

On 12 November 2018, the AIDA Insurance Legislation Working Group (AIDA Russian Chapter) within the AEB Insurance & Pensions Committee held a round table titled "Branches of foreign insurance companies in Russia: in search of a balanced approach to regulation".

The event was opened and moderated by Capitolina Tourbina, Chairperson of AIDA Insurance Legislation Working Group (AIDA Russian Chapter)/ General Reinsurance AG. Ruslan Kokarev, AEB COO, delivered welcome remarks.

The event provided the audience with an update on the draft law on WTO and branches of insurance (reinsurance) companies. The participants discussed the following aspects:

- conceptual approaches to regulating activities of branches of foreign insurers;
- international experience of organising activities of international insurers by opening branches in foreign markets;
- EU rules on opening branches of foreign insurers/reinsurers;
- financial sustainability of operations of foreign insurers when opening branches;
- approaches to regulating investment of capital and reserves by branches of foreign insurers in Russia, etc.

The participants raised numerous questions, suggestions and concerns with regard to the draft law on WTO and branches of insurance (reinsurance) companies.

The AEB Insurance & Pensions Committee is delighted to inform that Capitolina Tourbina has become a Councillor at the President Council of the International Insurance Law Association/Association Internationale de Droit des Assurances (AIDA).

In 2016, the AEB joined the AIDA as the AIDA Russian Chapter. For this purpose within the AEB Insurance & Pensions Committee, the AIDA Insurance Legislation Working Group (AIDA Russian Chapter) was established. The Working Group is chaired by Capitolina Tourbina, Director, General Reinsurance AG.

AIDA is a non-profit making international association established in 1960 for the purpose of promoting and developing at the international level, collaboration between its members with a view to increasing the study and knowledge of international and national insurance law and related matters. It is AIDA's aim to propose measures with a view to the insurance industry adopting them at the national and international level, leading to harmonisation of insurance law or means for resolution of insurance disputes.



Capitolina Tourbina, Chairperson of the AIDA Insurance Legislation Working Group (AIDA Russian Chapter), Director, General Reinsurance AG.



Participants of the business meeting

On 23 November 2018, the AEB Insurance & Pensions Committee held a business meeting titled “New stage of pension reform: challenges and solutions”.

It was opened by Ruslan Kokarev, AEB COO, and moderated by Alexander Lorenz, AEB Insurance & Pensions Committee Chairman.

The event provided the audience with an update on the pension reform, trends and solutions in corporate pensions, as well as on new products and technologies on the pen-

sion market. The participants raised and discussed numerous questions regarding the increase in the pension age and its impact on the economy, individual pension capital and many others.

Among the speakers were: Sergey Belyakov, Association of Non-State Pension Funds (ANPF); Oksana Sinyavskaya, Higher School of Economics; Evgeny Biezbardis, SAFMAR NPF AO; Elena Gorshkova, WELBI; Arkady Nedbai, NPF “Alliance”; Evgeny Sivouskov, PwC.

Machine Building & Engineering Committee

On 24 October 2018, the AEB Machine Building & Engineering Committee held its traditional round table devoted to the machine building market trends in Russia in 2018.

Tatiana Arabadzhi, Director of the National Industrial Information Agency, provided a detailed overview of the Russian machine building sector.

The AEB Construction Equipment Committee was represented by Mikhail Naroditsky, John Deere, who exposed the Committee position with regard to localisation and SPICs.

Olga Surikova, Alstom Transport Rus, spoke about digital transformation of the machine building industry.

The presentation by Vyacheslav Pronin from the Russian Association of Specialised Technique & Equipment Producers was devoted to the current state and perspectives of the Russian agricultural machinery.

Yury Shemchishin from Spetsavtoprom analysed the achievements and problems in the construction equipment industry in Russia.



Participants of the round table

The round table was closed by Viktoria Hurri, OY Karelian Trains Ltd, who briefed the participants on exploitation and modernisation of “Allegro” trains .

The event was moderated by Mikhail Turundaev, Deputy Chairman of the AEB Machine Building & Engineering Committee, Schneider Electric.

Migration Committee



On 10 October 2018, Ruslan Kokarev, AEB COO, Ludmila Shiryayeva, AEB Migration Committee Chairperson, Alexei Filipenkov, AEB Migration Committee Deputy Chairman, met with Andrey Kraushkin, First Deputy of the General Migration Directorate of the Ministry of Internal Affairs of Russia. The participants of the meeting discussed a Draft Decree of the government concerning the procedure for the inviting party to apply measures for compliance by the foreign citizens with the purpose of entry.

The Draft Decree was prepared to develop Federal Law No. 216.

It was agreed to improve the text of the Draft Decree taking into account the AEB position which aims to reduce the administrative burden on employers.

L-R: **Alexey Filipenkov**, AEB Migration Committee Deputy Chairman; **Ludmila Shiryayeva**, AEB Migration Committee Chairperson; **Ruslan Kokarev**, AEB COO; **Ksenia Solovieva**, AEB Committees Coordinator.

North-Western Regional Committee

On 10 October 2018, the AEB North-Western Regional Committee held an open event entitled "Waste management: Russian realities and best practices of the companies".

AEB member companies and other interested organisations as well as diplomatic missions in St. Petersburg were briefly updated on the last reforms and on the changes in the legislation presented by Sergey Vershinin, Associate Partner, Rödl & Partner.

Vladimir Lukin, Senior Manager, Corporate Governance and Sustainability Group, KPMG, presented the results of the research, made by KPMG on risks, opportunities and perspectives of waste management improvement in light of new Russian national regulations and International low-carbon initiatives.

The participants had an opportunity to direct questions to Irina Churkina, Chief Specialist of the Department for the organisation and control of waste management activities of the Leningrad region Administration.

In the second part of the event such companies as YIT, Kuu-sakoski (Petromax), Nokian Tyres, ISM Ltd. (Baran Group, Israel), IKEA, Danone, and JSC ECOPOLIS Corporation shared their experience in waste recycling and management projects in Russia. The event provided a lively platform for discussion and exchange of practical experience, opinions and concerns. The event was moderated by Timo Mikkonen, Member of the AEB North-Western Regional Committee's Steering Group, Director, Sales Eastern Europe, ORAS Group.



L-R: **Timo Mikkonen**, Member of the AEB North-Western Regional Committee's Steering Group, Country Manager, ORAS Group; **Sergey Vershinin**, Associate Partner, Rödl & Partner; **Vladimir Lukin**, Senior Manager, Corporate Governance and Sustainability Group, KPMG; **Irina Churkina**, Chief Specialist of the Department for the organisation and control of waste management activities of the Leningrad region Administration.

The event was kindly hosted and supported by the office of KPMG in St. Petersburg.



Participants of the round table

On 1 November 2018, the AEB North-Western Regional Committee's Construction and Real Estate Subcommittee held an open event "Share construction reform – overview from market players".

The participants of the round table were able to discuss the new reform introduced by the government in the area of residential construction which will come in force in July 2019. How will the new requirements affect the residential real estate market participants? What difficulties may developers face when receiving bank guarantees? How will these

innovations protect shareholders and change the market? What will happen to construction costs and housing prices? How will the transition from share to project financing be implemented? What are the mechanisms for financing residential real estate construction by banks? How does the state plan to control this process? These were the issues discussed during the event.

Such speakers as Tapio Särkkä, YIT Housing Russia, Dmitry Panov, Chairman of the Committee for Residential Real Estate, NP "Russian Guild of Managers and Developers" and the Chairman of the St. Petersburg regional branch of the All-Russian Public Organisation "Business Russia", Arina Dovzhenko, Dentons, Oksana Matyuschenko, Raiffeisenbank, shared their views on the issue.

Aram Gukasyan, Director of the St. Petersburg State Budgetary Institution "Construction Projects Management" (Committee for Construction of St. Petersburg), was invited to provide the vision of the state as to how the reform would be implemented and controlled.

The event was moderated by Tapio Särkkä, Chair of the AEB North-Western Regional Committee's Construction and Real Estate Subcommittee, Vice-President, YIT Housing Russia.

The event was kindly hosted and supported by SCHNEIDER GROUP in St. Petersburg.

On 20 November 2018, the AEB North-Western Regional Committee's HR and Migration Subcommittee held a business breakfast entitled "HR digitalization and adaptation".

The event aimed at sharing an overview of the ways digitalization affects HR processes in Russia, bringing together the best practices of the European and Russian companies in HR digitalization and discussing how companies adapt their HR functionality technically and professionally to the automation and digital transformations in the companies.

The presentations were made by such speakers as Svetlana Orel, Antal Russia; Andrey Novokhatko, Qmatic; Alexey Antipov, EY; Nikita Gorbanev-Gamaleya, Pichesky Digital Agency; Elena Tyan, Consulting Agency "Reputation".

The event was moderated by Elena Novoselova, Chairperson of the HR and Migration Subcommittee of the AEB North-Western Regional Committee, Regional Director, Coleman Services UK.

The event was kindly hosted and supported by the EY office in St. Petersburg.



Participants of the business breakfast



Presenter: **Anton Finogenov**, First Deputy Chairman of the Committee on Economic Development and Investment Policy of the Leningrad region.

On 26 November 2018, the AEB North-Western Regional Committee organised a meeting of the investment team of the Leningrad region Government with AEB members.

The annual meeting is one of the activities held in the framework of the Agreement of Cooperation signed between the AEB and the Government of the Leningrad region during the International Economic Forum in June 2017. Anton Finogenov, the newly appointed First Deputy Chairman of the Committee on Economic Development and Investment Policy of the Leningrad region, Andrei Sergeev, Director of the "Economic Development Agency of the Leningrad region" (AERLO) – the front-office for investors relations, as

well as the representatives of the main state institutions for the healthy investment climate in the region (including the Federal Service for State Registration, Cadaster and Cartography (Rosreestr), Committee for the Development of Small, Medium Business and the Consumer Market of the Leningrad region, Leningrad Regional Electric Grid Company, Committee of State Construction Supervision and State Expertise of the Leningrad region) participated in the meeting.

Such European investors as Siemens, ROCA Rus and Henkel Russia shared their experience of investing in the region. The participants had a unique opportunity to address questions to the respective representatives of the investment team and get answers and first-hand information.

The event was moderated by Anton Rassadin (BSH Bytowyje Pribory), Deputy Chairman of the AEB North-Western Regional Committee's Steering Group.

The event was kindly supported by the Consulate General of the Netherlands St. Petersburg. A reception was held at the end of the meeting at the Residence of the Consul General of the Netherlands in St. Petersburg.

Product Conformity Assessment Committee

On 27 September 2018, the AEB Product Conformity Assessment Committee held a conference titled "Technical Regulation and Conformity Assessment in the EAEU and the EU: Prospects for Approximation".

The event was opened by Frank Schauff, AEB CEO, and moderated by Alexey Soldatov, Product Conformity Assessment Committee Chairman.

The key issues of the discussion were: product conformity assessment, actualization of lists of standards, barriers of entering the EAEU market, problems of implementation of the TR EAEU 037/2016 (RoHS), technical regulation of construction products in Russia, technical barriers in promotion of machine building equipment and overview of the EU study on practical aspects of technical barriers to trade resulting from differences in EU-EAEU product regulations. Marlen Mukanov, Department for Technical Regulation and Accreditation, EEC, and David Gogotishvili, Deputy Head of



L-R: **Marlen Mukanov**, EEC; **David Gogotishvili**, Minpromtorg of Russia; **Alexey Soldatov**, AEB Product Conformity Assessment Committee Chairman.

the Department of State Policy in the field of Technical Regulation, Standardisation and Ensuring Unity of Measurements, Minpromtorg of Russia, took an active part in the discussion of these issues.

Public Relations & Communications Committee



L-R: **Alexander Kupriyanov**, TASS Deputy Chief Editor; **Svetlana Lanyugova**, TASS Commercial Director; **Marina Tatarskaya**, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia; **Alexey Litvyakov**, TASS Press Centre moderator.

On 25 September 2018, the AEB Public Relations & Communications Committee held an open event “Meet the Media: TASS Russian News Agency” at the TASS Press Centre.

The meeting was co-moderated by Marina Tatarskaya, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia, and Alexey Litvyakov, TASS Press Centre moderator.

Ruslan Kokarev, AEB COO, opened the event with a welcome speech, in which he emphasised the role of long-term cooperation between TASS and the AEB.

Alexander Kupriyanov and Daria Penchilova, TASS Deputy Chief Editors, spoke about the planning of news content, working with informational occasions and their promotion at the federal level and basic principles of the Russian news agency’s work online.

Svetlana Lanyugova, TASS Commercial Director, spoke about the comprehensive approach to information coverage: effectiveness of the 360 degrees approach in solving company’s communication problems.

On 13 November 2018, the AEB Public Relations & Communications Committee held its open event entitled “Go digital: social media for PR professionals”. The event provided a platform for the discussion of the key trends in digital development in Russia and the ways to better integrate social media channels in companies’ ongoing communications plans. The meeting was moderated by Marina Tatarskaya, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia.

Presenter: **Marina Tatarskaya**, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia.



Real Estate Committee



The AEB Real Estate Committee meeting at KB Strelka

On 22 November 2018, the AEB Real Estate Committee held its meeting at KB Strelka.

Representatives of KB Strelka presented their projects, including the first integrated city project “My street” and briefed on the strategic consulting, urban planning and project management.

They invited the AEB Real Estate Committee members to join their event with the Real Estate Professionals’ Association in January 2019.

Educational programmes of Strelka Institute were also presented at the meeting. Possible cooperation with Strelka will be discussed in the future.

Retail Trade Committee



L-R: **Alexey Grigoriev**, AEB Retail Trade Committee Chairman; **Nikita Kuznetsov**, Head of the Department of Internal Trade Development, Digital Labelling of Goods and Legalisation of Products, Minpromtorg of Russia; **Ruslan Kokarev**, AEB COO.

On 26 September 2018, the AEB Retail Trade Committee held an open meeting with Nikita Kuznetsov, Head of the Department of Internal Trade Development, Digital Labelling of Goods and Legalisation of Products, Minpromtorg of Russia, and Andrey Kirillov, Chief Operating Officer, Centre for Advanced Technologies Development.

The meeting was opened by Ruslan Kokarev, AEB COO, and moderated by Alexey Grigoriev, Retail Trade Committee Chairman. The meeting participants discussed such issues as the state regulation of trade activity, prospects for further development of the traceability system in Russia, harmonisation of approaches to traceability of products within the Eurasian Economic Union and many others.

Safety, Health, Environment & Security and Construction Industry & Building Material Suppliers Committees

On 4 October 2018, the AEB Safety, Health, Environment & Security Committee and Construction Industry & Building Material Suppliers Committee held a round table titled "Industrial fire safety".

The event was moderated by Konstantin von Vietinghoff-Scheel, Health & Safety Subcommittee Chairman, Corporate Counselling Services.

David Owens, Technical Director of Auchan Retail, presented the Auchan Retail's fire safety best practices.

Oleg Bochkov, EUU/BR Head of EHS Market Area Russia & CIS of BASF, spoke about BASF warehouse fire safety.

Ilya Demidov, Novosibirsk Site Leader/SHE Leader Moscow office of DuPont Science and Technologies, told about DuPont's fire safety policy.

The presentations were followed by fruitful discussions, and it was decided to continue exchanging best practices.



L-R: **Oleg Bochkov**, BASF; **Ilya Demidov**, DuPont; **Konstantin von Vietinghoff-Scheel**, Corporate Counselling Services.

Small & Medium-Sized Enterprises Committee



L-R: **Georgy Petrov**, Counselor to the President of the Chamber of Commerce and Industry of Russia; **Falk Tischendorf**, Representative of the Federal State of Mecklenburg-Western Pomerania in Russia; **Vittorio Torrembini**, Vice-President of the Association of Italian Entrepreneurs in Russia; **Le Truong Son**, President of the Vietnam Business Association in Russia; **Tadzio Schilling**, AEB SME Committee Chairman, Associate Director, Business Development, Foreign Desk Organisation, EY.

On 2 October 2018, Tadzio Schilling, AEB SME Committee Chairman, Associate Director, Business Development, Foreign Desk Organisation, EY, took part in the First Forum of family entrepreneurs "Successful Family – Successful Russia!" organised by the Chamber of Commerce and Industry of Russia.

The session was moderated by Georgy Petrov, Counselor to the President of the Chamber of Commerce and Industry of Russia.

Mr. Schilling delivered a presentation "Family businesses in the current economic environment. Between adaptation and disruption" during the session devoted to European

countries' experience in running family businesses (SMEs).

The importance of family businesses to the European economy, due to their large share in Europe's GDP, cannot be underestimated. They are essential to growth and employment creation.

The speakers discussed the specifics of family businesses in Europe, including the historical aspects of their establishing, criteria for success, current driving forces and challenges related to digitalization, globalisation and localisation trends. The privileges for family SMEs in European legislation and financing terms were highlighted as the factors contributing to the favourable business environment for SMEs.

Southern Regional Committee

On 26 October 2018, the conference "Strategy of social-economic development of the Krasnodar region: problems and prospects of implementation" was held in the Conference Hall of the Chamber of Commerce and Industry of the Krasnodar region.

The conference was organised in the framework of the programme "Time for new strategies-2018". It was co-organised by the Public Chamber of the Krasnodar region, the AEB Southern Regional Committee, the Association "Agency for investment and international cooperation" and the Russian-English social and political weekly "Yug Times".

Alexander Ruppel, Minister of Economy of the Krasnodar region, spoke about the Strategy of socio-economic development of the Krasnodar region and answered questions raised by the audience.

Lyubov Popova, Chairman of the Public Chamber of the Krasnodar region, made a welcoming speech to the conference participants.

The conference was moderated by Oleg Zharko, Chairman of the AEB Southern Regional Committee, Regional Corporate Affairs Director, group of companies Danone in Russia, and Vladislav Varshavsky, Head of Agency of the investment and international cooperation.



Participants of the conference

The participants of the conference discussed the strategy of socio-economic development of the Krasnodar region, its priorities and pilot projects, as well as the implementation of priorities in the strategies of socio-economic development of municipalities. Representatives of the Legislative Assembly of the Krasnodar region, Department of industrial policy of the Krasnodar region, the Administration of Krasnodar, Temryuk district and Anapa shared their experience of strategy development at the regional and municipal levels.

Vasily Litvinov, Administration of Krasnodar, Alexander Polidi, Public Chamber of the Krasnodar region, and Evgeny Panasenko, EY, told about the goals and ways of strategy development in Krasnodar.

Taxation Committee



Participants of the Federal Tax Service's Foreign Investors Advisory Council set-up meeting

On 19 October 2018, Alina Lavrentieva, AEB Taxation Committee Chairperson, Vadim Zaripov, AEB Taxation Committee Deputy Chairman, and Olga Silnitskaya, AEB Committees Coordinator, took part in the set-up meeting of the Federal Tax Service's (FTS) Foreign Investors Advisory Council.

The Council was established under the order of Mikhail Mishustin, Head of FTS, and comprises representatives of major business associations standing for foreign investors operating on the Russian market.

The meeting was chaired by Alexey Overchuk, Deputy Head of FTS, and Dmitry Volvach, Head of International Cooperation and Currency Control Department of FTS.

As agreed at the meeting, FTS is expecting members of the Council to provide key taxation issues that will be put on the radar of the Council's agenda. The AEB Taxation Committee will work on the request and inform AEB members on any further developments.

On 25 October 2018, the AEB Taxation Committee held a conference entitled "Intra-group transactions: challenges and trends".

The event brought together over 100 participants. It highlighted key issues of intra-group transactions including justification and documentary support of intra-group services, transfer pricing matters, VAT on electronically supplied intra-group services, recent court practice and other important tax matters and provided an excellent platform for discussion and exchange of knowledge by professionals.

Dzhangar Dzhachinov, Dentons; Nina Goulis, KPMG; Alexander Erasov, Bryan Cave Leighton Paisner; Arseny Seidov, Baker McKenzie; Dmitry Kulakov, Deloitte; Anton Pischalnikov, PwC; Ksenia Litvinova, Pepeliaev Group and Lyusine Satiyan, EY, shared their expertise and gave recommendations on important tax matters. The event was moderated by Dr. Alina Lavrentieva, Chairperson of the AEB Taxation Committee, PwC, and Vadim Zaripov, Deputy Chairperson of the AEB Taxation Committee, Pepeliaev Group.



Presenter: **Alina Lavrentieva**, Chairperson of the AEB Taxation Committee, PwC.

Working Group on Modernisation & Innovations



L-R: **Michael Akim**, ABB Russia; **Philippe Pegorier**, Alstom Russia; **Alexander Shkilev**, Cognitive Technologies Group; **Olga Arkhangelskaya**, EY; **Frank Hocke**, Volkswagen Group Rus; **Akhat Urmanov**, KAMAZ.

On 16 October 2018, the AEB co-organised the session at the Open Innovations Forum. The session was titled "Transportation development revolution. Will digitalization and greening lead to business model changes?"

The panel was held at the Skolkovo Technopark and brought together prominent experts from automotive, machine building, IT, engineering and consultancy sectors who provided in-depth analysis of the trends of mutual impact on the latest technologies in transportation, urban and territorial development, energy system, and discussed development prospects of sustainable transportation of the future.

On 29 October 2018, the AEB Working Group on Modernisation & Innovations organised a round table on labour productivity in Russia.

The event was moderated by Michael Akim, Chairman of the AEB Working Group on Modernisation & Innovations, ABB Russia.

Alexander Molodtsov, Counselor to the Russian Minister of Economic Development, presented the state priority programme of increasing labour productivity.

Aage V. Nielsen, Managing Director & Senior Partner, Vitus Bering Management, spoke about the practical improvement of productivity for Russian businesses.

Alexander Chulok, Director of the Centre for Science and Technology Foresight, Higher School of Economics, provided the analysis of the impact of technological progress on labour demand.

The speeches were followed by the Q&A session and a lively discussion.



L-R: **Aage V. Nielsen**, VBM; **Alexander Molodtsov**, Ministry of Economic Development of Russia; **Michael Akim**, ABB Russia; **Alexander Chulok**, Higher School of Economics.

MEMBER NEWS

Dear members, please be informed that you can upload your news or press releases on our website in "Member News" section via personal page absolutely free of charge.

Atos



Atos and Siemens team up to enable enterprises to deploy IoT applications on private Cloud

On 17 October, Atos, a global leader in digital transformation and Siemens, a global technology powerhouse, announced that now they deliver Private Cloud options for the MindSphere Cloud-based IoT Operating System, with the ambition to further accelerate their joint business cooperation in Digital Services and Digital technologies. Selected customers are now able to experience the solution on Microsoft Azure Stack.

The two companies agreed on a preferred partnership for the provision of the solution which fully leverages Microsoft Azure Stack technology as the Private Cloud platform. Atos provides Microsoft Azure Stack as part of Atos' wide set of hybrid Cloud solutions to transform infrastructures and applications.

Siemens MindSphere is a key platform component within Atos' suite of IoT, analytics and AI solutions and services. As a strategic partner to Siemens, Atos has been one of the first partners to enter the MindSphere ecosystem by developing an approach to Manufacturing IoT exploitation which balances innovation and compliance in equal measure – and most importantly which delivers quantifiable benefit rapidly and reliably. In particular, Atos offers MindSphere customers a structured approach; from quick-start services with first real results to production readiness of MindSphere applications, in order to accelerate the prototyping, validation and deployment of MindSphere applications through automated and predefined use cases.

Dentons

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Dentons becomes Mikhailovsky Theatre's official tax and legal partner

Dentons global law firm and the Mikhailovsky Theatre signed a cooperation agreement. Dentons will be the Theatre's official tax and legal partner and will actively participate in its

projects. Dentons has many years of experience, an impeccable reputation on the legal services market and the largest network of offices in the world. This cooperation opens up new opportunities for both parties to the agreement.

"Our theatre can rightly be called a unique stage where centuries-old classical traditions exist side-by-side with the most modern theatre trends. We are actively growing and developing. Of course, we run up against legal and tax issues both in Russia and abroad, so we are very happy to receive Dentons' support and enjoy the services of the world's highest quality lawyers and tax experts," says Irina Deligach, the Mikhailovsky Theatre's general director.

"We have the great honour of representing this world-famous legendary theatre in the legal and tax regulation of its activities," says Victor Naumov, Dentons' St. Petersburg office managing partner. "This is not just a corporate social project for us: it is an opportunity to connect with Russia's theatre culture and personally participate in developing our wonderful city."

The agreement with the St. Petersburg Mussorgsky State Academic Opera and Ballet Theatre – Mikhailovsky Theatre is not Dentons' only cultural project in St. Petersburg. Since 2011 Dentons has been the legal partner of the St. Petersburg State Academic Capella, whose activity has made and developed Russian professional musical culture.

Kuehne+Nagel

KUEHNE+NAGEL



Kuehne+Nagel expands its regional network in the Caucasus and Central Asia

In order to better serve the promising markets in the Caucasus and in Central Asia Kuehne+Nagel further strengthens its logistics network in the region.

Kuehne+Nagel opened legal entities and new offices in Baku (Azerbaijan) in the first quarter and in Almaty (Kazakhstan) in the second quarter of 2018. Thereby, the logistics group is increasingly addressing two emerging countries both of which show annual GDP growth rates of around 4 percent as well as a rising demand in logistics services primarily in

the oil & gas industry, in consumer goods and in integrated logistic projects.

Perry Neumann, President Cluster Russia + CIS and General Director of Kuehne+Nagel LLC, comments: "By continually expanding our logistics network we offer throughout the entire region an integrated service portfolio according to our highest quality standards to both local and international customers from all major industries. Particularly in Azerbaijan and Kazakhstan, our proven expertise in oil & gas and project logistics and our strong global network are best suited to meet the soaring market demand and provide comprehensive state-of-the-art solutions."

Swissotel Krasnye Holmy

Swissôtel Krasnye Holmy Moscow awarded as Best 5-star Conference Hotel in Moscow

On 10 October 2018, Swissôtel Krasnye Holmy Moscow received the award as the Best 5-star Conference Hotel in Moscow at the Russian Business Travel & Mice Award which was held at World Trade Centre.



"It is an honour for us to get this prestigious award. We are really happy and we can guarantee that we will continue to grant our valuable guests exceptional level of service," says Natalia Kamanina, Commercial Director at Swissôtel Krasnye Holmy.

The Russian Business Travel & Mice Award is the annual professional award in the field of business tourism. MICE was established in 2010 to promote and develop business tourism and congress services in Russia.

The award was founded by the Business Travel magazine, the internet portal Conference.ru, the Chamber of Commerce and Industry of the Russian Federation.

Tablogix



SUZUKI MOTOR RUS and Tablogix signed a storage contract

SUZUKI MOTOR RUS and Tablogix signed a contract for storage of spare parts, accessories, motorcycles and other materials. The decision to change the provider was due to the programme of the top management of SUZUKI MOTOR RUS to optimise the costs of logistics and warehousing services.

In August 2018, Tablogix accepted the first deliveries and began shipping of orders to official SUZUKI dealers in Russia, Kazakhstan and the Republic of Belarus. Auto parts arrive to the distribution centre from factories in Hungary and Japan, as well as local suppliers from Russia.

The class A warehouse is located in the south-east of the Moscow region, 6 km from the Moscow Ring Road. It meets all the requirements for the storage and handling of auto parts. Close location to Moscow results in fast delivery of orders. At the preparatory stage Tablogix increased the number of warehouse personnel and purchased new equipment. In the near future, it is planned to introduce automated data exchange between Tablogix warehouse management system and SUZUKI IT system.

"With the planned growth of sales in Russia this year a thoughtful decision was made to optimise costs, including logistics. The goal of the Suzuki brand is to exceed the expectations of customers, surprise and delight them with unsurpassed Japanese quality, outstanding technical characteristics and affordable prices. I am confident in the reliability and innovation of our new partner, who has brought Suzuki closer to its goals," said Mr. Takahashi Yuta, CEO of SUZUKI MOTOR RUS.

APPOINTMENTS

Borenius



Andrei Gusev

Andrei Gusev, Managing Partner of Borenius Russia, has been accredited as a mediator by the Institute for the Development of Continuing Professional Education (abbreviated in Russian as 'IRDPO').

IRDPO was established in 1994 to develop the institution of continuing professional education as a federal innovative platform for

improving academic, educational and methodological, organisational, legal, financial and economic, HR and logistical support of the system of continuing professional education. It achieves this through the execution of innovative projects and programmes being implemented by the Department of state policy in training the labour force and continuing professional education at the Russian Ministry of Education and Science.

With Andrei being an accredited mediator in Russia, we will now be able to develop the Dispute Resolution Practice of Borenius Russia by further strengthening its capability to represent clients in disputes and during negotiations.

Our congratulations to Andrei on adding another string to his bow.

Moscow Marriott Hotel Novy Arbat



Vitaly Gaivoronsky

Marriott Novy Arbat is pleased to announce the appointment of Vitaly Gaivoronsky to the position of Executive Chef.

Vitaly has extensive experience in restaurant and hotel industry. He worked with Italian, American, Russian, European, French, Arabic and Indian cuisines. Having begun his professional career at the age

of 16, Vitaly received his first work experience at Ritz-Carlton in Moscow, where he grew from cook to sous-chef.

Vitaly was participating at pre-opening of the club lounge at the "Ritz-Carlton Abama" in Spain, while during this time he was completing an internship in the Michelin M. Restaurant ** "MARTÍN BERSATEGUI".

Prior to his appointment as Executive Chef at Moscow Marriott Hotel Novy Arbat Vitaly worked in a similar position at Courtyard by Marriott in Nizhny Novgorod. Being in pre-opening hotel team, he demonstrated outstanding leadership qualities and a great culinary talent.

"We are proud to welcome such a talented professional as Vitaly to our team, we are certainly sure that his experience will contribute to the further success of the hotel. This is a great start for Marriott Novy Arbat and for Vitaly on the way to new joint achievements," comments Cornelia Brinkman, General Manager.

NEW MEMBERS

Almi

Almi

Almi is a tradition-rich Austrian family enterprise focused on production of spices and food blends for meat and fish processing industry with the many years' development history. Almi was founded in 1931 by Alfred Mittermayr in Linz (Austria). Over the last eight decades, the company has grown to a global market player which conducts activities in more than 60 countries.

Through the years-long research and development as well as the results oriented investments in the most advanced technologies Almi is able to show the consistent product quality and safety of the highest standard.

The successful business development both in Austria and abroad allowed Almi GmbH to open in 2006 a new unique plant in Oftring.

In August 2015 Almi GmbH established a Russian subsidiary – Almi LLC. Since April 2016, it has been successfully selling food additives and spices under the brand "Almi" to the Russian enterprises of the meat and fish industry and providing them with technological support.

Almi LLC runs effective business with the qualified staff and 8 separate divisions all over Russia. The list of the offered products consists of more than 1000 units and the list of the clients includes over 700 companies, among which there are the most famous majors of the meat processing market.

www.almi.at/ru



Assessment Systems

Assessment Systems is the leading HR consulting and Human Capital advisory group in Central and Eastern Europe. We serve clients in over 40 countries in Europe, the Middle East, South-East Asia, and America.

We are a multinational team of innovative trend-setters who are dedicated to help you grow by growing human capital. We help our clients select, develop, lead, organise and retain talent across their organisations, from CEOs to blue-collar workers.

We were founded in Prague in 2001 and are driven by the satisfaction of our clients; we have grown ever since by helping our clients grow.

<https://ru.asystems.as>



Boskalis

Boskalis is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world with services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection.

In addition, Boskalis also offers a wide variety of marine services and contracting for the oil and gas sector and offshore wind industry as well as salvage solutions.

Furthermore, Boskalis has a number of strategic partnerships in harbor towage and terminal services (Kotug Smit Towage, Keppel Smit Towage, Saam Smit Towage and Smit Lamnalco). With a versatile fleet of more than 900 vessels and floating equipment and 10,700 employees, including associated companies, Boskalis operates in over 90 countries across six continents.

www.boskalis.com



CS Construction Solutions

CS Construction Solutions UK (Ltd) is an engineering company that was established in UK in 2006.

The strategy of the company is to ensure the implementation of complex projects in the oil and gas sector, energy, chemical industry in any part of the world in the shortest possible time.

The mission of the company is to constantly improve the quality of the services provided through the use of the most advanced technologies and the involvement of highly professional personnel providing control over the execution of the entire cycle of services provided by the company.

The company's major areas of business are:

- project management in the field of design and construction of industrial facilities;
- development of application software using virtual and augmented reality;
- development of 3D simulators using virtual reality technology for training of technological personnel of the industrial plant;

- full cycle of engineering services;
- development of project and tender documentation, obtaining all necessary licenses and permits;
- staff training;
- putting objects into operation.

<https://csconstructionsolutions.com>



Duracell

Duracell is the world's leading manufacturer of high performance alkaline batteries, specialty cells and rechargeables. Since its foundation in the early 1940s, the company has become an iconic personal power brand, trusted for compact and longer-lasting batteries. And at the heart of it all has been the Duracell Bunny.

Duracell is the world's number one consumer battery company by market share and the leading manufacturer of high performance alkaline batteries, specialty cells and rechargeables.

Since the launch of the brand in 1965, it has grown to become a global consumer icon, known for its commitment to quality, reliability and innovation.

Duracell employs over 3,300 people around the world and has global regional headquarters in the USA, EIMEA, and Asia.

On 1 March 2016, the company became a permanent part of the Berkshire Hathaway group.

Duracell has a rich history of innovation through continuously developing batteries that are more compact, more powerful, more efficient, and longer lasting than competitor brands.

Since the 1940s when the roots of the original company were founded, Duracell has been responsible for many industry firsts, including the first alkaline AA and AAA batteries and the first hearing aid cell button.

www.duracell.ru



ETL Facility

The Finnish-Russian company ETL Facility is engaged in complex maintenance of engineering systems of buildings and constructions, internal and external cleaning, as well as construction control.

We take on technical maintenance of industrial, warehouse, office, retail and entertainment facilities on the public tendering and provide business owners a comfortable environment to do the main activity.

The average savings from cooperation with our company ranges from 10% to 30% with a guarantee of quality, compared to the maintenance of facilities independently or by multiple contractors at the same time.

We insure all our properties in large amounts, constantly check and improve the qualification of our employees, and actively expand the list of accepted objects.

In 2017 we have served more than 500 thousand sq m throughout the entire territory of the Russian Federation. Over the past 3 years the company's turnover increased by 7 times and is more than 300 million roubles.

Our main clients are Skolkovo, Leroy Merlin, OBI, Adidas Group, Rosneft, Bridgestone, Weatherford, VTB 24.

www.etservice.ru



Expocentre

Expocentre is one of the leading exhibition companies in Eastern Europe and the largest organiser of international exhibitions and conventions in Russia and the CIS.

Annually, Expocentre Fairgrounds hosts about 100 exhibitions with more than 30,000 exhibitors from over 100 countries participating. The number of visitors exceeds two million people. It accommodates over 800 conventions, symposia and conferences. Expocentre Fairgrounds' total exhibition space: 165,000 sq m; indoor space: 105,000 sq m; outdoor space: 60,000 sq m.

Expocentre Fairgrounds has eleven fully equipped exhibition pavilions (Central and Centre-Forum Pavilions are temporary pavilions), halls for conventions, press conferences, meetings and symposia; it offers any type of services connected with holding of exhibitions and conventions.

Expocentre is a member of the following international organisations:

- UFI – the Global Association of the Exhibition Industry; Expocentre's 25 events are approved by UFI;
- ICCA – the International Congress and Convention Association;
- AIPC – the International Association of Convention Centres;
- IFES – the International Federation of Exhibition and Event Services;
- EMECA – the European Major Exhibitions Centres Association;
- IAEE – the International Association of Exhibitions and Events;
- RUEF – the Russian Union of Exhibitions and Fairs; Expocentre's 26 events are RUEF certified.

Exhibitions held by Expocentre are supported by Russian federal ministries and agencies and enjoy auspices of the Russian Chamber of Commerce and Industry. Event programmes are formed with direct involvement of industry associations.

www.expocentr.ru

HIKVISION®

Hikvision

Hikvision is the world's leading provider of innovative security products and solutions. Started from a small organisation in 2001 with 28 members the company transformed into a global corporation with over 25 000 employees and 10 000 R&D engineers.

Featuring the industry's strongest R&D workforce, Hikvision advances core technologies of audio and video encoding, video image processing, and related data storage, as well as forward-looking technologies such as cloud computing, big data, and deep learning.

In addition to the video surveillance industry, Hikvision extends its reach to smart home tech, industrial automation, and automotive electronics industries to achieve its long-term vision. Always creating value for its customers, global Hikvision network is represented by the headquarters in China and operates 38 regional subsidiaries in Europe, Asia and America. Hikvision products are successfully used in more than 150 countries.

Dynamic growth and unique products enable Hikvision to remain No. 1 manufacturer of video surveillance equipment in the world (according to the IMS Research "World Market for CCTV and Video Surveillance Equipment Report"). For several years the company features in the A&S Security 50 rating, including 50 best companies of the world security market (No. 1, "Video surveillance" category).

Hikvision market capitalisation on the stock exchanges is USD 12.1 billion.

www.hikvision.ru



Lincoln International

Lincoln International is a mid-market investment bank. It is globally integrated across 20 offices in 15 countries encompassing the top 10 global economies.

Lincoln International specialises in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions.

Lincoln International also provides fairness opinions, valuations and joint ventures and advisory services on a wide range of transaction sizes. With nineteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies.

The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources.

The Russian office of Lincoln International was established in 2011 by experienced corporate finance professionals and is currently specialised in M&A and capital raising transactions.

www.lincolninternational.com



Macro-Advisory

Macro-Advisory is a leading independent, Moscow-based consultancy, providing international companies, governments, and investors with strategic advisory services throughout the CIS-Eurasia region. Our team of experts – drawn from banking and analytic backgrounds – has combined experience of over 100 years working in the region. We cover economics, politics, industry and social trends to provide comprehensive analysis and recommendations for our clients, in the form of reports, presentations and oral briefings, often at a main board level. Our reports always come with commercially relevant recommendations.

Our flagship, high-level monthly report on macro-economic and political developments in Russia/CIS (45-50 pages) commands wide respect throughout the market. Our country, sector, and special reports (e.g. Belt and Road) are similarly highly-regarded.

For several clients, including some of the world's largest multinational companies, we are trusted advisors in our region and provide hands-on, actionable support, on issues such as market entry, sanctions, business development, and M&A.

www.macro-advisory.com



Polar

Polar Logistics Group is one of the leading international logistics companies.

Established in 2001, Polar has offices in Russia, Belarus, Ukraine and Kazakhstan with the HQ in Finland.

In Russia the offices are in Moscow, Saint Petersburg, Vyborg, Novorossiysk and Nakhodka.

In 2017 Polar became part of the NTG Group and now has group companies and partners in over 100 countries.

Polar presents a wide range of logistics and customs services: we specialise in land, sea, rail and air freight, consolidated (groupage) transportation, customs clearance and many other high-quality logistics solutions.

www.polarlog.com



SENDER & COMPANY

SENDER & COMPANY is an internationally oriented management consulting and engineering practice which bases on more than 20 years of know-how and expertise of the team.

Core competences are services as management, consulting, engineering as well as tailor made complete solutions and contracting models for all project stages, starting from concept design and ending after successful implementation with the commissioning of building.

Our name is our commitment to our clients, partners and projects – with SENDER & COMPANY we sign for successful solutions and a “plus” on added value for the business development of your company.

www.sendler-company.com



SPEAKUS

SPEAKUS

SPEAKUS is a cloud-based Interpretation Delivery Platform for remote simultaneous interpretation of multilingual conventions, meetups, webinars, conference calls and live broadcasts with the audience size from 5 to 30 000 people. Arranging simultaneous interpretation for your event has never been easier.

There is no need to rent and set up any professional equipment on stage; the only thing required is a stable Wi-Fi connection and a notebook. Simultaneous interpretation is delivered to the attendees’ mobile devices via SPEAKUS App, so you will not need to deal with infrared headphones anymore.

It takes us an hour at max to find the best interpreter for your event no matter where it takes place and what the required languages are.

Professional simultaneous interpreters certified by SPEAKUS have a unique ability to operate remotely from cost-effective locations, thus saving on transfer and accommodation. Only the actual platform usage and interpretation time is charged, we do not apply any full- or half-day tariffs.

We are also happy to provide on-stage support services in countries covered by our representatives: Ireland, UK, Australia, Germany, Spain, Israel, Kazakhstan, and Ukraine.

<https://speakus.club/>

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