

AEB LEGAL ALERT: Draft Law introducing criminal responsibility for complying to sanctions of foreign states on the Russian territory has been postponed

The Association of European Businesses (AEB) brings to your attention that the 2nd reading of [draft Law № 464757-7 amending the Criminal Code and introducing criminal responsibility for complying to sanctions of foreign states on the Russian territory as well as committing actions contributing to introducing restrictive measures towards Russia by foreign states](#) (hereinafter – draft Law, draft Law on criminal responsibility, draft Law № 464757-7) **has been postponed**.

This decision was taken by the deputies on May 17, 2018 following letters of business associations, amongst them the AEB, and companies who expressed a deep concern in case the Law is adopted. The date of the 2nd reading is not yet defined, the State Duma Council on Legislation is planning to discuss the text on May 23.

At the same time [draft Law № 441399-7 on counter measures regarding unfriendly actions of the United States of America and/or other foreign states](#) **was adopted in the 2nd reading** (hereinafter – draft Law on counter measures, draft Law № 441399-7) on May 17. The date of the 3rd reading is not yet defined.

Brief content of the draft Law № 464757-7 on criminal responsibility

In the terms of the draft law (a new article 2842 to the Criminal Code) complying with sanctions of foreign states on the Russian territory means action (inaction) refusing the Russian citizen, legal entities registered in the Russian Federation, municipal bodies as well as Russian private and public companies in performing ordinary transactions in the framework of restrictive measures against Russia. Consequences of these actions are severe and can include a fine up to 600.000 RUB, imprisonment up to four years, compulsory works or others.

The draft Law also introduces criminal responsibility for committing actions contributing to introducing restrictive measures against Russia by foreign states and can also include a fine up to 500.000 RUB, imprisonment up to three years, compulsory works or others.

The draft Law also gives a general explanation of the ordinary transaction which is not, however, clear and needs to be further analysed, as well as the question of subjects of responsibility.

Brief content of the draft Law № 441399-7 on counter measures after adoption in the 2nd reading

Measures are introduced in cases of USA or any other state's undertake actions aimed at threatening of territorial continuity, security and destabilisation of Russia.

The draft Laws on counter measures contains a general possibility for the Russian President, the Government or in some cases the Security Council to introduce bans and restrictions on organisations under jurisdiction of US or another state, organisations owners of which (possessing directly or indirectly through 3rd parties, or having preponderant participation in more than 25 % in the capital) are organisations under jurisdiction of unfriendly states, officials or persons of unfriendly states that are involved in committing unfriendly actions towards Russia. The list of measures is not exhaustive and can include termination or temporary suspension of international cooperation, ban or limitation of works, services, import/export of goods, raw materials, other measures.

Measures are introduced/cancelled by the Government upon the decision of the President.

In some cases the decision on introduction/cancellation of measures can be introduced by the President based on proposals of the Security Council.

Measures are not applied in the following cases: 1) for vitally important goods analogues of which are not produced in Russia, and 2) for goods imported to Russia by physical persons for personal use.

The Law enters into force on the day of its official publication.

AEB actions

The AEB issued a press-release and sent it positions to state authorities. We are in contact with state bodies and are also closely monitoring the situation on both draft laws. We will inform you on the further developments.

Contact in the AEB

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Additional materials

Translations of draft Law № 464757-7 and draft Law № 441399-7 are attached.

Text of the draft Law № 464757-7 on criminal responsibility amending the Criminal Code
<http://sozd.parliament.gov.ru/bill/464757-7>

Text of the draft Law № 441399-7 on counter measures
<http://sozd.parlament.gov.ru/bill/441399-7>

AEB press-release
https://www.aebrus.ru/en/media/press-releases/index.php?ELEMENT_ID=5346827

State Duma website
<http://duma.gov.ru/news/26987/>

Articles in the press
[https://www.vedomosti.ru/economics/news/2018/05/17/769813-gosduma-prinyala-vo-
vtorom-chtenii-zakonoproekt-o-kontrsanktsiyah](https://www.vedomosti.ru/economics/news/2018/05/17/769813-gosduma-prinyala-vo-vtorom-chtenii-zakonoproekt-o-kontrsanktsiyah)
<http://tass.ru/ekonomika/5204945>
[https://www.finam.ru/analysis/newsitem/zakonoproekt-ob-ugolovnyyu-otvetstvennost-za-
soblyudenie-antirossiyskix-sankciy-vyzyvaet-bespokoiystvo-aeb-20180516-135719/](https://www.finam.ru/analysis/newsitem/zakonoproekt-ob-ugolovnyyu-otvetstvennost-za-soblyudenie-antirossiyskix-sankciy-vyzyvaet-bespokoiystvo-aeb-20180516-135719/)
<https://www.kommersant.ru/doc/3628286>
<https://www.rbc.ru/politics/14/05/2018/5af92f619a794793697e64c8?from=newsfeed>