REVIEW OF SOME AMENDMENTS TO THE RUSSIAN LAWS MADE IN JULY 2014

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For further information, please contact Yana Dianova,

Head of Corporate and Commercial Law Department, GRATA Law Firm, Moscow

Tel: +7 (495) 664 97 93, +7 (495) 660 11 84

Mob: +7 916 650 11 49

E-mail: ydianova@gratanet.com
## TABLE OF CONTENT

1 BANKS AND FINANCE .................................................................................................................. 3  
2 STATE PROCUREMENTS ............................................................................................................. 6  
3 INVESTMENT CLIMATE ............................................................................................................... 7  
4 FOREIGN NATIONALS .................................................................................................................. 11  
5 INFORMATION AND COMMUNICATION ..................................................................................... 12  
6 MEDICINE AND PHARMACEUTICALS .......................................................................................... 14  
7 REAL ESTATE ............................................................................................................................. 16
1. BANKS AND FINANCE

1.1. Disclosure of the information on individuals and legal entities by organisations of the financial market

The Federal Law, dated 28 June 2014, No. 173-FZ 'On Specific Features of Financial Operations with Foreign Nationals and Legal Entities, on Amendments to the Code of the Russian Federation on Administrative Violations and Annulment of Certain Provisions of the Legislative Acts of the Russian Federation' ('Law No. 173-FZ'), as effective from 30 June 2014, obliged organizations of the financial markets (including credit companies, insurers engaged in the voluntary life insurance, professional players of security market engaged in the brokerage and(or) securities management, and(or) custody business) to take measures to identify persons among their clients, who are subject to the laws of foreign state on taxation of foreign accounts (foreign taxpayers).

Organization of the financial market may transfer to the foreign tax authority and(or) foreign tax agents the information on the clients being foreign taxpayers only subject to the consent of the latter to such a transfer.

Thereat, organizations of the financial market are prohibited to collect and transfer the information on the following clients to foreign states:

- Russian citizens except for those, who at the same time have foreign citizenship (except for citizenship of member states of the Customs Union) or residence permit in a foreign country;
- organizations established in accordance with the laws of Russia, where over 90 percent of the shares are directly or indirectly controlled by the said citizens of Russia and(or) by the Russian Federation.

If the organization of financial market has justified and documented assumption that the client belongs to foreign taxpayers, but did not provide the requested information to confirm or overcome this assumption, and if the client being a foreign taxpayer failed to provide within 15 business days after the respective request the consent (refusal to provide consent) to transfer information to a foreign tax authority, the organization of financial market may refuse to perform transactions for or on behalf of the client, and(or) in the cases provided for by the Law No. 173-FZ, to terminate the agreement unilaterally with the notice to the client of the decision made.

At the same time, foreign organizations of the financial market are obliged to inform the FTS of Russia the details of the opened accounts (deposits) of Russian citizens and organizations directly or indirectly controlled by Russian citizens. This information shall be provided annually before 30 September of the year following the year when those accounts (deposits) were opened.

The Law No. 173-FZ also supplemented the Code on Administrative Violations of the Russian Federation (hereinafter - the "Administrative Code") with Article 15.27.2 providing for the liability for the failure to meet the requirement to provide information on persons, who are subject to the laws of a foreign country on taxation of foreign accounts, in particular:

- failure of the organization of the financial market to provide the Russian authorities or improper provision with information on clients, who are foreign taxpayers, shall entail an administrative fine on officials in the amount of 20,000 to 30,000 rubles; for legal entities - 300,000 to 500,000 rubles;
provision of a foreign tax authority with the information about a client, who is a foreign taxpayer, when it is prohibited, shall entail an administrative fine on officials in the amount of 40,000 to 50,000 rubles; for legal entities - 700,000 to 1 million roubles.

1.2. Widening the scope of application of the Federal Law 'On Credit Records'

The Federal Law, dated 28 June 2014, No. 189-FZ 'On the Introduction of Amendments to the Federal Law 'On Credit Records' and Certain Legislative Acts of the Russian Federation', which in most shall enter into force on 1 March 2015, significantly changes the rules for compilation of credit records and obtaining information from them.

In addition to the borrowers under the agreement, subjects of credit records will include grantors and principals, in whose respect the bank guarantee was issued or there is an outstanding court decision for the recovery of money from the debtor due to the arrears in payment for housing, utility services, communication, or in connection with the failure to perform of maintenance obligations.

Accordingly, the range of persons who may send information to the credit bureaus (sources of credit record compilation) increases and now includes:

- lending organization - creditor under a loan agreement;
- organization which is a beneficiary under the court decision to collect money from the debtor in connection with the failure to for pay the living room, utility and communication services, and this decision was not executed within 10 days after the entry into force;
- the FBS of Russia, when collecting money from a debtor under the court decision not enforced within 10 days after the entry into force, which related to the outstanding maintenance obligations, rental payments, payments for utility and communication services;
- guarantor, which is a credit or insurance company undertaken to pay to the principal's creditor a certain amount.

Credit, microfinance institutions and credit cooperatives will continue to be obliged to submit information for the credit records compilation. Other lending organizations under the loan agreements will provide such information voluntarily. However, they will be obliged to provide information about the repayment of loans, details of which was previously sent to credit bureaus. All of the above entities will have to provide the credit bureau with certain information, if they are subject to bankruptcy proceedings or under liquidation.

An administrative fine is established in the amount of 30,000 - 50,000 rubles for the failure of or delay in submission by microfinance institutions and credit cooperatives of the information contained in the credit records to credit bureaus, as well as for other lending organizations for the failure to provide credit bureaus with information on repayment of loans (Article 15.26.5 of the Administrative Code as amended by the Law No. 189-FZ).

1.3. Changes in the regulation of private pension funds, securities market, banking activities, currency regulation

The Federal Law, dated 21 July 2014, No. 218-FZ, as effective from 2 August 2014 (except for certain provisions), makes comprehensive changes in some legislative acts governing the operation of securities market and banking activities, in particular:

Federation’ (which change the classification and names of the forms of business entities)
the Federal Law ‘On Joint Stock Companies’ (hereinafter – the “JSC Law”), was amended to provide that the provisions of the JSC Law regarding open joint stock companies shall apply to public joint stock companies to the extent not contradicting the Civil Code of the Russian Federation, as effective from 1 September 2014;
b. the Federal Law ‘On Securities Market’ was supplemented with the article establishing features of participation in the general meeting of persons, whose rights to securities are asserted by nominal holder; Russian and foreign accounting institutions were granted the right to take part in the meeting on behalf of the owners of securities, without a power of attorney; organizations, which by their personal law and not being legal entities take part in the civil turnover, are entitled to open accounts in the Russian books accounting system.

Changes were made in the procedure for the issue of bonds, in particular:

- new concept of the bonds program as the first part of the decision to issue certain types of documentary bonds with obligatory centralized custody without collateral;
- possibility to issue bonds, including within the bonds program without collateral placed by closed subscription, without state registration of the issue (additional issue), registration of the bonds prospectus, state registration of the report on the outcome of issue (additional issue) of bonds in simultaneous observance of certain conditions.

In addition, the procedure for admission of securities of foreign issuers to the Russian organized biddings was amended;

c. The Criminal Code of the Russian Federation was supplemented with Article 172.1, which establishes criminal liability for falsifying financial accounting documents and statements of financial institutions, including credit organizations, insurance companies, professional players of the securities market, private pension funds, etc.;
d. The Federal Law ‘On Private Pension Funds’ was supplemented with the following requirements: to the charter capital and equity of a private pension fund, to fund management and officials, to the arrangement of internal control in the fund, to permitted assets (investment objects) of pension savings. In addition, the changes clarify implications of the revocation of licenses of private pension funds, the procedure for reorganization and liquidation of private pension funds, regulation of relations on investment of pension savings of insured persons;
e. the Federal Law ‘On Insolvency (Bankruptcy)’ was amended to facilitate the submission of the creditors claims within the bankruptcy procedure of credit institutions for inclusion into the register of creditors’ claims provided that the credit institution has relevant information. In addition, now there is a possibility for citizens, who are bank clients with deposits exceeding 700 thousand rubles and subject to insurance, to receive the amount of 300 thousand rubles on a priority basis within the bankruptcy procedure of the bank;
f. the Federal Law ‘On Combating Legalization (Laundering) of Proceeds of Crime and Financing of Terrorism’ was amended to provide for the right of professional players of the securities market, managing companies of investment funds, mutual investment funds and private pension funds to assign a credit institution under the contract to identify the individual client, client’s representative, beneficiary and beneficial owner, and to specify liability of credit institutions for the failure to comply with the requirements of identification or simplified identification and obligation of these organizations to transfer data obtained in the course of identification or simplified identification in the procedure prescribed by the contract;
g. the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia) was amended to clarify the procedure for observance by banks of reserve requirements of
the Bank of Russia (by applying averaging ratio of required reserves in addition to the reserve requirements), and provide that the subsequent pledge of property pledged as a security for the obligations of a credit institution to the Bank of Russia is only allowed when it is established by the agreement between the Bank of Russia and the credit institution, and clarify the procedure for the implementation of such pledged property;

h. the Federal Law 'On Currency Regulation and Currency Control' was amended to provide for the option to enter into accounts of resident individuals opened:

(i) in banks located outside of the territory of the Russian Federation, certain types of payments received from non-residents, including salary and other payments related to the labor duties of resident individuals, pensions, scholarships, alimony and other social payments, as well as insurance payments made to non-resident insurers;

(ii) in banks located in the member states of OECD or FATF, amounts received from non-residents, including proceeds from the lease (sublease) the real estate and other property of the resident individual located outside of the territory of the Russian to non-residents, grants, income on foreign securities (including dividends, bonds, bills, payments in decreasing the charter capital of foreign securities emitter).

1.4. Insurance of liability of a person being the debtor of the obligation secured by the mortgage

Federal Law dated 23 June 2014 No. 169-FZ, as effective from 25 July 2014, amended the Federal Law 'On Mortgage (Mortgage of Real Estate)', concerning the mechanisms of insurance of liability of a person being the debtor under the obligation secured by the mortgage, as well as financial risk of the lender of incurring losses due to the insufficient value of the mortgaged property.

Moreover, the amendments identified:

- beneficiaries under the contract for insurance of liability of the borrower and the contract for insurance of the lender's financial risk;
- insurance events under the above contracts;
- amount of insurance under the contracts and procedures for payment thereof;
- terms of the contracts, procedures for the insurance payments.

The changes also provide for the right of the insuring lender when signing the contract for insurance of the lender's liability for the period of obligation secured by the mortgage to decrease the insurance payment in case of repayment of over 30 percent of the principal amount in commensurate with a corresponding decrease and for the corresponding revision of the insurance premium under certain conditions.

2. STATE PROCUREMENTS

2.1. Expansion of the list of procurement cases from a single supplier

The executive and local authorities are now entitled to make procurements from a single supplier, in case of contracts are signed for the purchase of premises of economy class and the following conditions are met:

- the single supplier, in accordance with the provisions of the Town Planning Code of the Russian Federation, signed an agreement for the development of the territory for the construction of economy housing, or agreement for the integrated development of the territory for the construction of economy housing (hereinafter - territory development agreements);
- the territory development agreements provide the option to enter into the state and(or) municipal contracts.

2.2. Ban on the procurement of foreign engineering products

The Resolution of the Government of the Russian Federation dated 14 July 2014 No. 656 approved the list of engineering goods prohibited to purchase in order to meet that state and municipal needs, including three groups of products:

The first group products (in particular, cranes, trucks, trailers for trucks) are prohibited to purchase, if the country of origin is not a member of the Customs Union.

The second group products (including cars) cannot be purchased in the following circumstances:

- a sufficient number of production operations listed in the notes to the list was not performed in the territory of the Customs Union in respect of such products;
- the products were not produced by economic entities included in the list approved by the Decision of the Customs Union Committee dated 27 January 2010 No. 169; and
- the products were not produced in the mode prescribed by the Agreement for free (special) economic zones in the customs territory of the Customs Union and customs procedure of free customs zone dated 18 June 2010.

The third group products (including buses, trucks) are prohibited to purchase, if a sufficient number of production operations listed in the notes to the list was not performed in the territory of the Customs Union in respect of such products.

3. INVESTMENT CLIMATE

3.1. Changes in regulation of concession agreements


The main changes introduced by Law No. 265-FZ include:

a. Persons that meet the established criteria (absence of a decision on liquidation of the legal entity or the termination by an individual of activities as an individual entrepreneur, absence of a court ruling on initiation of bankruptcy proceedings, absence of arrears on taxes, fees, other obligatory payments to the budget for the previous calendar year exceeding 25 percent of the book value of assets of the entity, availability of funds of at
least five per cent of the investment declared in the concession agreement) will be entitled to take the initiative to sign a concession agreement and the competent authorities will be obliged within 30 calendar days after the receipt of the respective proposals to make a decision on the possibility or impossibility to sign a concession agreement in relation to specific immovable property or real property and movable property technologically interconnected and intended for the implementation of activities under the concession agreement. In this case, the denial to sign concession agreements is only allowed in cases specified by laws.

b. Federal executive authorities, state authorities of Russian entities and local authorities will be required to approve the list of objects, which are subject to the concession agreements, and place it on the official website in the Internet in order to inform potential concessionaires. In this case, the absence in the list of any object is not an obstacle to the conclusion of concession agreement with initiating persons.

c. The concessionaire will have a pre-emptive right to purchase the object of the concession agreement, subject to the faithful performance thereby of the terms of the concession agreement in the case when such an object is included in the forecast plan (program) of federal property privatization, in the document of planning privatization of property owned by the subject of the Russian Federation, or municipal property for the period after the expiry of the concession agreement.

d. The term of a concession agreement should be established in view of the term of creation or reconstruction of the object of the concession agreement, volume of investment in the creation or reconstruction of the object, payback period, period for receiving by the concessionaire of gross revenues as defined by the concession agreement, period of performance of other obligations of the concessionaire or grantor under the concession agreement.

e. Extending the term of the concession agreement, under which the grantor is the subject of the Russian Federation or the municipal structure, will be made upon consultation with the competition authority (therefore, such approval will not be required, if the grantor is the Russian Federation).

f. List of essential terms of the concession agreement was supplemented with conditions such as the obligations of the grantor or the concessionaire to prepare the territory required for the creation or reconstruction of the concession object, or for the operations specified by the concession agreement, the amount of the gross proceeds received by the concessionaire under the concession agreement, including for each year of the concession agreement, if the concession object are public utilities.

g. The grounds and procedure for amendment of the material terms of the concession agreement at the request of the concessionaire and the grantor were clarified. The changes provide, inter alia, the obligation of the grantor to consider the requirements of the concessionaire in respect of amendments to the material terms of the concession agreement, when performance of the concession agreement became impossible within the periods so established as a result of: force majeure; in the case of a material change in circumstances; in case of legally effective decision of a court or federal competent authority on the impossibility of performance by the concessionaire or the grantor of obligations established by the concession agreement;

h. The procedure of the tender for the concession agreement was clarified.

i. The changes also established the possibility to sign concession agreement without a tender with a person owning and using under several lease agreement the property (heating facilities, centralized systems of hot water, cold water and(or) water discharge, individual objects of such systems), which can be used as the concession object and required for the implementation of activities under the concession agreement, subject to certain conditions.

3.2. Changes in the regulation of the investment partnership agreement
The Federal Law dated 21 July 2014 No. 220-FZ 'On the Introduction of Amendments to the Federal Law 'On Investment Partnership' (hereinafter – the 'Law No. 220-FZ'), as effective from 2 August 2014, is to clarify main provisions regulating the investment partnership agreement in order to development of such a form of joint activities for investment purposes.

The concept of 'joint investment activity' was changed so that the common property of the partners can now be invested in any investment objects permitted by federal law and the investment partnership agreement (earlier the list of investment objects was confidential). The policy for joint activity (investment declaration), which is part of the investment partnership agreement, should establish a set of obligatory conditions to be met by the managing partner, including the requirements to the list of investment objects, composition and structure of the common property of the partners, and(or) to the degree of performance under transactions concluded by one, several or all managing partners.

It was also established that the investment partnership agreement is not terminated in case of a party replacement due to the assignment under the investment partnership agreement to another person, including by succession, as well as in case of joining of a new party to the agreement.

A new party may join the agreement by signing an accession agreement with the managing partner defining the conditions, procedure and terms of contribution of a new party to the joint activity as effective from the date of notarization.

The changes also clarified the procedure for evaluating and contributing by the partners into the common property, as well as accounting of the rights to the common property, in particular, securities.

Law No. 220-FZ, on one hand, provides for the possibility to establish in the investment partnership agreement a ban on the participation of the managing partner simultaneously in two or more investment partnership agreements.

On the other hand, the powers of the managing partner are expanded and specified, in particular, the following rights of the managing partner are set:

a. to make a decision on accession of a new party to the investment partnership agreement;
b. to place funds included in the common property of the partners to bank deposits and to provide loans out of such funds, to dispose of common property of the partners (Law No. 220-FZ establishes a tentative list of expenses out of such property);
c. to make decisions relating to the common affairs of the partners, unless otherwise provided by law or investment partnership agreement (investment partnership agreement may provide for the establishment of a special committee of partners (investment committee));
d. to delegate some of its powers to conduct the common affairs of the partners to other person or persons, by giving them the power of attorney subject to notarization or signing agency agreements, contracts of agency or commission contracts (unless otherwise provided by the investment partnership agreement);
e. to transfer the rights and obligations of the managing partner under the investment partnership agreement in the manner prescribed in such an agreement;
f. to make changes to the terms of the investment partnership agreement in terms of the total amount of the common property of partners, the composition of their contributions and ratio of shares of each of the partners in the ownership to the common property of the partners in the case of changes in the number of parties to the investment partnership agreement and upon the occurrence of certain other circumstances.
In this case, powers of the managing partner to enter into transactions and maintain other common affairs of the partners on behalf of all the partners are based on the investment partnership agreement and their implementation does not require power of attorney to the managing partner from the other partners.

The provisions relating to the liability of partners with respect to the joint investment activity were changed as follows:

- conditions of the joint liability of managing partners for the consequences of actions (or omission) committed by one of the managing partners were clarified;
- liability of the partners-contributors under common obligations arising not from the agreement is limited to the cases when the court finds their guilty in violating such common obligations;
- limits of the joint liability of managing partners were extended;
- liability for the contractual obligations not related to the joint investment activity performed by the partners shall be borne by a partner, who has undertaken the said obligations in violation of the ban on such activities.

In addition, the changes added grounds for termination of the investment partnership agreement, provided the procedure for notifying the debtors and creditors of such termination and making settlements therewith.

3.3. Public control over the competent authorities and organizations


Public control will be performed on a voluntary basis by citizens both personally (as public inspectors and public experts) and as a part of public associations and other non-profit organizations (public chambers, councils, supervisory committees, inspections, public control groups).

Law No. 212-FZ provides for the open list of the public control forms, including public monitoring, public review, public examination, public discussion and public hearings, and regulates the procedure for implementation of each form of control, the rights and obligations of the subjects of public control.

Controlled authorities and organizations, which include government authorities and local self-government authorities, state and municipal agencies, as well as other authorities and organizations exercising certain public powers under the federal law, are obliged to:

1) provide the subjects of public control information about their activities being of public interest in certain cases and procedure;
2) consider requests from the subjects of public control within the specified procedure and term, and provide the requested information, except for the restricted information;
3) consider final documents based on the results of public control, and in the cases provided by law, follow the proposals, recommendations and findings contained in the final documents, and take the necessary measures to protect the rights and freedoms of citizens, rights and legitimate interests of non-state non-profit organizations.
In cases stipulated by the laws, final documents based on the results of public control will be taken into account when assessing the effectiveness of the relevant authorities and organizations.

3.4. Gambling area in the Republic of Crimea


Law No. 278-FZ also provides that the boundaries of the existing gambling zone in the territory of the Krasnodar region are defined by the Government of the Russian Federation within the limits of land plots allocated for the location of Olympic facilities of federal significance, financing and construction of which was not made at the expense of the appropriations or funds of the Olimpstroy State Corporation on the basis of proposals of the state authorities of the Krasnodar region.

4. FOREIGN NATIONALS

4.1. Simplified procedure for granting Russian citizenship for foreign businessmen and investors

Pursuant to the Federal Law dated 23 June 2014 No. 157-FZ ‘On the Introduction of Amendments to the Federal Law 'On Citizenship of the Russian Federation', as effective from 5 July 2014, the following foreign nationals may obtain the Russian citizenship in the simplified procedure:

- those, who received vocational education in Russia after 1 July 2002 and works in Russia in the aggregate at least 3 years;
- individual businessmen doing business in Russia for over 3 years, with an annual revenue from the economic activities specified by the Government of the Russian Federation in the amount of not less than 10 million rubles;
- investors, whose share to the charter capital of Russian organizations operating in Russia on the economic activities specified by the Government of the Russian Federation is not less than 10 percent (provided that the amount of the charter capital is not less than 100 million rubles);
- those, who have been working in Russia for at least 3 years on the position included in the special list approved by the Russian Ministry of Labor.

These categories of foreign nationals are no more subject to the condition on the period of residence on the territory of Russia.

In addition, the Law clarifies the procedure for granting citizenship to foreign nationals and stateless persons permanently and legally residing in the territory of the Russian Federation and recognised as native Russian speakers: they may apply for citizenship of the Russian Federation in the simplified procedure provided that they undertake to follow the Constitution of

¹ There are current gambling zones in the Altai region, Krasnodar region, Primorsk territory and Kalinigrad region.
the Russian Federation and the Russian legislation, have legitimate source of livelihood, and rejected their existing foreign citizenship (unless otherwise stipulated by an international treaty of the Russian Federation).

4.2. **Clarification of the procedure for issuing work permits**

The Federal Law dated 21 July 2014 No. 230-FZ 'On the Introduction of Amendments to the Federal Law 'On the Legal Status of Foreign Citizens in the Russian Federation', as effective from 22 July 2014, provides that a foreign national arrived in Russia in the procedure that does not require a visa, in order to obtain a work permit or a patent must submit a migration card indicating 'work' as the goal of the visit to the Russian Federation.

Work permit to a foreign national arrived in Russia in the visa-free procedure will not be issued, if he does not indicate in the migration card work as the goal of the visit.

4.3. **Requirements to the Russian language proficiency for labor migrants**

On 1 January 2015, the Federal Law dated 20 April 2014 No. 74-FZ enters into force, which introduces the obligation of foreign nationals to confirm the proficiency of the Russian language for obtaining a temporary residence permit, residence permit, work permit.

Knowledge of the Russian language needs to be confirmed either a document of the establishment form issued in the territory of the former Soviet Union before 1 September 1991 or in the territory of Russia after the specified date, or by a certificate.

To obtain a certificate, foreign nationals need to pass an examination, in particular, in the Russian language in an educational organization included in the special list.

The Order of the Russian Ministry of Education and Science dated 1 April 2014 No. 255 'On the Approval of the Levels of Proficiency in Russian Language as a Foreign Language, and the Requirements Thereto', as effective from 1 July 2014, established 7 levels of proficiency in Russian as a foreign language, including elementary (TEU/A1) and basic for labor migrants (TBUM/A1).

Labor migrants must, inter alia:

- be able to read short, simple texts from different sources (names of newspapers, magazines, signs, etc.) and to determine the topics of the texts;
- be able to write exposition with the elements of composition, exposition with a creative task;
- be able to comprehend basic information of short monologues and dialogues of social nature;
- be able to create their own coherent and logical statements, to understand an interlocutor, to determine HIS communicative intents in a limited number of situations of social life;
- have the lexical minimum of up to 850 units.

5. **INFORMATION AND COMMUNICATION**

5.1. **Treatment of personal data of Russian nationals received via the Internet**

In accordance with the Federal Law dated 21 July 2014 No. 242-FZ 'On the Introduction of Amendments to Certain Legislative Acts of the Russian Federation in terms of Clarification of
the Procedure for Treatment of Personal Data in the Information and Telecommunication Networks’, as effective from 1 September 2016, when collecting personal data, including via the Internet, the operator will be required to provide a record, classification, accumulation, storage, updating, retrieval of personal data of Russian nationals using databases located in the territory of Russia. Exceptions are some case of personal data treatment, when such treatment is required to:

- achieve the objectives stipulated by international treaties of the Russian Federation or by law, in order to implement and perform the functions, powers and duties assigned to the operator by the legislation of the Russian Federation;
- execute justice, enforce judgement or an act of another authority or official;
- to exercise powers of the state authorities and local self-governments, state extra-budgetary funds as well as functions of the organisations engaged in the provision of public and municipal services;
- to perform professional activities of a journalist and(or) the lawful activities of a mass media, or scientific, literary or other creative activities.

Information on the location of such databases must be provided by the operator to the Federal Supervision Agency for Information Technologies and Communications as a part of the notice on the personal data treatment.

Violators will be included into the special register of the Federal Supervision Agency for Information Technologies and Communications in order to limit access to the information in the Internet.

A person, whose personal data are treated with violations, will be entitled to file to the Federal Supervision Agency for Information Technologies and Communications an application for the measures to restrict access to such data under the effective judicial act.

5.2. **Ban on SMS-messaging without the consent of a subscriber**

Pursuant to the Federal Law dated 21 July 2014 No. 272-FZ ‘On the Introduction of Amendments to the Federal Law ‘On Communication’, from 21 October 2014, the messaging through the mobile network (including advertising by short text messages) can only be implemented with the prior consent of a subscriber expressed through the commitment of actions that uniquely identify the subscriber and enable install his consent to messaging. In this case, the burden of proof of the prior consent of the subscriber to the messaging is on the messaging customer or mobile operator.

Messaging through the mobile network made in violation of the said requirements is illegal, except for messages informing a subscriber on the transfer of subscriber number and other communications which the operator is required to inform in accordance with the law, as well as messaging initiated by the state authorities.

A subscriber will be entitled to apply to the operator with the requirement to stop sending to his equipment short text messages with indication of the phone number or unique identification code contained in such messages and which the subscriber refuses to receive, except for messages sent by the operator in accordance with the legislation of the Russian Federation, and the operator must stop the messaging free of charge.
6. MEDICINE AND PHARMACEUTICALS

6.1. Changes in the Rules for state registration of medical products


The list of documents that must be submitted for the state registration of medical products now includes:

- information confirming the clinical efficiency and safety of medical products (if any);
- draft plan of clinical testing of product with supporting materials (if any).

Now there is a possibility to file an application for amending the registration certificate and for the issue to the applicant of a registration certificate or notice on denial of the state registration of medical products in electronic form via telecommunication channels.

With respect to expert institutions there is a ban to directly request from the applicants and other persons the materials required for the examination of the quality, efficiency and safety of the medicinal product: to obtain such materials, the head of the expert institution will have to apply to the registering authority, which will forward the request to the applicant. The applicant must within 50 business days after the receipt of the request send the required materials to the registration authority, which will forward them to the expert institution.

The Resolution determines the procedure and timing of making changes at the applicant's initiative to the application for state registration and other documents submitted therewith.

Moreover, the Resolution increases the terms for verification of the completeness and reliability of the information provided by the applicant (up to 5 business days), making amendments to the registration certificate (up to 15 business days), and the issue of the duplicate registration certificate (up to 7 business days).

6.2. Changes in the procedure for state registration of medical products


The Administrative Regulations define the timing and sequencing of administrative procedures (actions) of Roszdravnadzor to be taken within the provision of public services, as well as the procedure for interaction between structural units of Roszdravnadzor, its officers, Roszdravnadzor with applicants, other public authorities and local governments, agencies and organizations when rendering public services.

The following maximum terms of performance by Roszdravnadzor of its functions are established:

- state registration of a medical product - 50 business days. This term does not include the period of the clinical testing;
- amending the registration certificate for medical product - 10 business days after the decision to consider the application for the introduction of amendments and required documents;
issue of the duplicate registration certificate for medical products - 3 business days after the receipt of the required documents.

The Regulations also provide for the exhaustive lists of documents required for state registration of a medicinal product, for amending the certificate of registration, for obtaining a duplicate registration certificate, and the annex to the Order approving the Regulations provide for the forms of documents used in the state registration.

There is also an exhaustive list of grounds for suspension or refusal to provide a public service, procedure, amount and grounds for charging fee for the provision of services in connection with the state registration of the medical products, pre-trial procedure for appealing the validity of decisions and actions (omissions) of Roszdravnadzor and its officials.

The Administrative Regulation shall enter into force in 10 days after the official publication.

6.3. Procedure for licensing of activities related to the manufacturing and technical support of medical equipment

The Order of the Ministry of Healthcare of the Russian Federation dated 28 November 2013 No. 876n approved by the Administrative Regulations of the Federal Service for Supervision in Healthcare (Roszdravnadzor) for the provision of public services on licensing the manufacturing and technical support (except when support is provided to satisfy the own needs of a legal entity or individual businessman) of medical equipment, as effective from 29 July 2014.

The Regulations shall determine the composition, timing and sequence of administrative actions of Roszdravnadzor when exercising duties on licensing the following activities:

a. manufacturing of medical equipment, including under individual orders for personal use;
b. technical support of medical equipment, including assembly and adjustment, control over technical conditions, periodic and ongoing support and repair of medical equipment.

In particular, there are the following terms for the provision of public services on licensing:

- making decision to grant (refusal to grant) a license - 45 business days after the receipt by Roszdravnadzor of an application for a license and required documents (information);
- making decision to re-register (refusal to re-register) a license - 10 or 30 business days (depending on the reason) after the receipt by Roszdravnadzor of an application for the re-registration and required documents (information);
- issue of a license - 3 business days after the signing and registration of the license in the license register;
- provision of a duplicate license, copy of the license - 3 business days after the receipt of the application and other documents.

The Order established an exhaustive list of documents required for the provision of this public service and an exhaustive list of grounds for suspension or denial of such a service, procedure, amount and grounds for charging fee for the provision of services on licensing, and pre-trial procedure for appealing decisions and actions (omission) of Roszdravnadzor and its officials.

6.4. A new list of drugs for medical use subject to the strict record keeping and storage

The Order of the Ministry of Healthcare of the Russian Federation dated 22 April 2014 No. 183n (as registered with the Ministry of Justice of the Russian Federation on 22 July 2014 No. 33210
effective in 10 days after the official publication) approved a new list of drugs for medical use that are subject to the strict record keeping and storage.

List consists of three parts:

1. drugs - pharmaceutical substances and medicinal preparations containing narcotic drugs, psychotropic substances and their precursors (salts, isomers, stereoisomers) included in the lists II, III, IV of the list of narcotic drugs, psychotropic substances and their precursors that are subject to control in the Russian Federation, in combination with a pharmacologically inactive substances, as well as medicinal preparations containing narcotic drugs, psychotropic substances and their precursors in combination with pharmacologically active substances (when included in the list as a line item);

2. drugs - pharmaceutical substances and medicinal preparations containing potent and toxic substances (salts, isomers, esters and ethers, mixtures and solutions, regardless of concentration), included in the list of potent and toxic substances for the purposes of Article 234 and other articles of the Criminal Code of the Russian Federation, in combination with a pharmacologically inactive substances, as well as medicinal preparations containing potent and toxic substances in combination with pharmacologically active substances (when included in the list as a line item);

3. combined drugs that besides small amounts of narcotic drugs, psychotropic substances and their precursors contain other pharmacologically active substances.

The list of drugs subject to the strict record keeping and storage in pharmacy institutions (organizations), wholesalers of pharmaceuticals, medical institutions and private practitioners approved by the Order of the Ministry of Healthcare of the Russian Federation dated 14 December 2005 No. 785 is invalidated.

7. REAL ESTATE

7.1. Changes in the regulation of the emergence, termination and exercising the rights to land plots


In particular, the changes:

− define the features of the acquisition by citizens and legal entities of land plots owned by the state or municipality through the auction and without bidding, as well as for a fee and free of charge;
− provide for the possibility of use by citizens and legal entities of lands owned by the state or municipality, without the allocation of land plots;
− clarify the legal rules defining the concept of 'land plot' and establishing the procedure for the formation of land plots, content of the proprietary and other rights to the land plots, types and conditions of transactions with the land plots;
− regulate relations in the area of servitude creation, land reallocation, transfer of land plots being under federal ownership into municipal ownership or ownership of the subjects of the Russian Federation.
From 1 March 2015, the land plot owned by the state or municipality can only be leased through the auction, except for the cases provided for by the Land Code of the Russian Federation (hereinafter - the “Land Code”), when the lease agreement for a plot within public lands is signed without bidding. In this regard, the Land Code provides for the provision, which cancel the pre-emptive right of lessee of land plots owned by the state or municipality and leased until 1 March 2015 to conclude a lease agreement for such a land plot for a new term without bidding.

The Civil Code of the Russian Federation was supplemented with the article providing for the disposal of assets under construction due to the termination of a lease agreement for the land plot owned by the state or municipality.

In addition, the Forest Code of the Russian Federation, Town Planning Code of the Russian Federation, the Federal Law 'On the State Real Estate Cadastre', as well as a number of other federal laws brought into line with the changes made to the Land Code.