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Russian Law Review

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The purpose of the reviews below is to provide the clients of Maxima Consulting and Law and other interested parties with the latest information on basic amendments to the Russian law which may influence their activities or affect their interests in any other way. Opinions and comments provided in these reviews are not legal opinions and do not cancel necessity in special legal advice on certain issues.

The right to receive compensation for infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time.

The federal law which got into force in 4 May 2010 gives a possibility to citizens of the Russian Federation, foreign citizens, persons without citizenship, Russian, foreign or international entities for infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time which provides a right to levy execution on funds of Russian budget system to submit a petition to court, court of arbitration in reasonable time to get the compensation for such an infringement.

The compensation for infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time can be adjudged if infringement was not connected with the person, who submitted a petition about compensation adjudgement, except for unusual and unavoidable circumstances (force-majeure). However, the violation of case proceeding or judicial act execution terms fixed by the Russian legislature doesn't mean infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time.

Adjudgement of the compensation for infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time doesn't depend on guilt or innocence of court, prosecuting agencies, agencies responsible for judicial acts execution, other government bodies, local self-government bodies and its officials.

The amount of the compensation for infringement of the right to judicial proceeding in reasonable time or right to judicial act execution in reasonable time is determined by the court, court of arbitration on the basis of petitioner requirements, states of the case in which infringement was, the continuity of infringement and importance of it's consequences for the petitioner, and considering principles of rationality, equity and the practice of the European Court of Human Rights.

Ref.: Federal law No. 68-FZ issued on 30 April 2010 "On Compensation for Infringement of the Right to Judicial Proceeding in Reasonable Time or Right to Judicial Act Execution in Reasonable Time".

The list of entrepreneurial activity which can be started by using the notification requirement exceeded.

The types of entrepreneurial activity such as "manufacture of bread, bakery and confectionery products", "manufacture of milk and milk products", "manufacture of juice from fruits and vegetables", "manufacture of sugar", "manufacture of flour products", "manufacture of soft drinks" were specified by works and services, which can be started to execute by using the notification requirement.

According to the Art. 8 of the Federal law issued on 26 December 2008 "On Protection of Legal Entities and Individual Entrepreneurs during exercising state control (monitoring) and local control", carrying out of some activities in Russia by legal entities and individual entrepreneurs should be accompanied by notification the local department of the authorized federal body of executive branch (depending on type of works and services it could be Federal agency on supervision of the consumers property rights protection area and person's wellbeing, Federal agency on transport supervision, Federal biomedical agency).

The notification about the beginning of conducting certain types of entrepreneurial activity is to be given to authorized federal executive body by the legal entity or individual entrepreneur after the state registration and registration with fiscal body to obtain a tax ID number before the beginning of doing real work or providing services.

Ref.: The RF Government decree issued on 14.04.2010 "On making changes to the rules regulating the of notification about the beginning to perform certain types of entrepreneurial activity and the notification recording".

The range of inspections to be conducted only on approval by prosecution authorities has been exceeded.

An amendment was made to the Federal Law "On Protection of Legal Entities and Individual entrepreneurs during exercising state control (monitoring) and local control". In accordance with the amendment, the approval of unscheduled on-site audits by prosecution authorities, which was previously required only in case of small and medium business entities, now shall be required for unscheduled on-site inspections of all legal entities and individual entrepreneurs.

The rule has effect in the case of inspections, conducted in connection with alleged threat or infliction of harm to life, health of citizens, harm to animals, plants, environment, objects of cultural heritage (historical and cultural monuments) of the peoples of the Russian Federation, state security, and threat or occurrence of natural or industrial disasters.

Russian Federal Consumer Rights Protection and Human Health Control Service sent a letter determining the cases which require the prosecution authorities' approval. The letter highlights that the approval is required if the inspection is on-site, unscheduled and conducted on the aforementioned grounds all at the same time.

Ref.: Federal law №66-FZ issued on 26.04.2010. "On amending Article 10 of the Federal Law "On Protection of Legal Entities and Individual Entrepreneurs during exercising state control (monitoring) and local control".

New rules of foreign citizens' labor activities.

The Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation" was amended to determine the specifics of staying and exercising labor activities in the Russian Federation for certain categories of foreign workers.

Specifically, permit to engage and use foreign workers and work permit are not required for individuals, who are employed by foreign legal entities' offices accredited on the territory of the Russian Federation in accordance with the established procedure, provided that these entities are registered in the Russian Federation in accordance with the established legislative procedure, within the number, agreed upon with the authorized accreditor during the accreditation of the aforementioned offices, under reciprocity principle in accordance with international treaties of the Russian Federation.

Besides, new particularities of exercising labor activities are adopted for highly skilled specialists (foreign citizens with work experience, skills or achievements in a particular field, if the conditions of their employment provide for the salary (fee) amounting to no less than 2 million rubles in a period no more than 1 year; the amount can be decreased by the Government of the Russian Federation). These individuals are not subject to the quotas condition. The work permit is issued to the highly skilled specialists for a period up to 3 years (the period can be prolonged repeatedly) on the basis of the employer's petition. The employer, accordingly, does not have to get the permit to engage and use foreign workers. The aforementioned petition shall be considered within 14 working days. Highly skilled specialists and their family members can also get a residence permit.

The said amendments come into effect on the 1st of July, 2010.

Ref.: Federal law №86-FZ issued on 19.05.2010 "On amending the Federal Law "On the Legal Status of Foreign Citizens in the Russian Federation" and individual legislative acts of the Russian Federation.