On March 18, 2019, the President of Russia signed Federal Law No. 34-FZ “On Amendments to part 1, 2 and article 1124 of part 3 of the Civil Code of Russian Federation” (the “Law”, the “Law on digital rights”). The Law includes digital rights in the list of objects of civil rights and provides other changes to the Civil Code of Russia.

The key amendments introduced by the Law are the following.

1. **First, the Law directly recognizes digital rights as civil law objects.**

   With that, the Law does not establish a definition and forms of digital rights. According to the Law, claims (any rights to obtain money, services, property, etc. irrespectively of the grounds of such rights) and other rights named in the laws (for now, there are no such laws) as digital rights will be recognized as digital rights. The content and terms of fulfillment of such rights should be defined by the rules of an information system, which shall also meet the requirements of the laws (presumably to be adopted).

   Thus, the list of digital rights will be exhaustive. Digital rights, which are not directly mentioned by the laws or which exist within a framework of an information system, which does not meet the legal requirements, will not be considered as digital rights.

2. **Second, the Law provides for new rules on the writing form of the deeds concluded in electronic form.**

   According to the Law, writing form of a deed will be recognized as complied when it is made by electronic or other means, which allow to reproduce the entire content of the deed in an unchanged form on a tangible carrier.

   The requirement to have a signature will be met when any method of authentication is used that can reliably identify the party. The parties may stipulate the requirements for positive identification.

   It should be mentioned that the current version of the article regulating forms of deeds (Article 160 of the Civil Code) does not contain any rules about making deeds in electronic form. Moreover, it is stipulated by Article 160 that use of an electronic signature is allowed only in cases and in a manner expressly stated by the legal acts or stipulated by the parties.

   Thus, the Law simplifies the rules on making deeds in electronic form.

3. **Finally, the Law introduces an article regulating contracts on the provision of information services.**

   This amendment is the least meaningful of all. The new article, in fact, does not cover any outstanding issues, appearing in practice.

   The amendments will come into force on October 1, 2019. The Law on Digital Rights was adopted first among several other laws aimed at developing digital economics in Russia. It is expected that the Law “On Digital Rights” will be followed shortly by two other laws – the Law “On Digital Financial Assets” and the Law “On Collection of Investments with Use of Investment Platforms,” which are currently before the State Duma as draft laws.

   A few days ago, it was reported that the draft law “On Digital Financial Assets”, which shall set the requirements for the forms of digital rights and digital platforms, is ready for the second reading.
Contacts

Victor Naumov
PhD in Law, Partner, head of the Russia IP, IT and Telecommunications practice
T: +7 812 325 8444
E: victor.naumov@dentons.com

Ruzanna Akhobekova
Associate
T: +7 812 325 8444
E: ruzanna.akhobekova@dentons.com