



Piksin & Partners

Legal Services

Tel.: +7 (495) 739 55 44

e-mail: moskau@piksin-partners.ru

Fax: +7 (495) 739 55 42

web: www.piksin-partners.ru

Korobejnikov per., 22, bld. 2, office 4, 119034, Moscow

News Bulletin

01/2007

News of the month:

1.	News of the Month.....	01
2.	Banking and Finance.....	01
3.	Securities Regulation.....	02
4.	Business Regulations	02
5.	Taxation.....	03
6.	Real Estate	03
7.	Natural Resources.....	04
8.	Employment.....	04
9.	Court Practice.....	04

This information bulletin is a review of certain legislative developments. Information contained herein is not comprehensive and should not be treated as a legal advice. The readers should seek the advice of advocates and lawyers of Advocates Bureau in case any questions arise.

News of the Month

1. NEWS OF THE MONTH

The Federal Law # 230-FZ of December 18, 2006 “The Civil Code of the Russian Federation. Part Four” was passed.

The fourth part of the Russian Civil Code contains current legislation on copyright law and associated intellectual property rights, trademarks, legal protection of computer software, patent law rules which provides unification of intellectual property rights in civil transactions. The above Law is purposed to codify legislative rules regulating intellectual property rights.

The fourth part of the Russian Civil Code sets forth the new legal institutions regulating intellectual property rights. In particular, the Russian legislation from now on provides for protection of exclusive rights of database producer to content of such database.

Right to work secret (Know-how) is as well brand new for the Russian legislation.

Besides, the fourth part of the Russian Civil Code contains rules regulating the legal status of company names.

One more innovation of the Russian law is the right to business name be distinguished from company name which business name should identify an enterprise as a commercial unit.

Another innovation of intellectual property law is the right to use the results of intellectual activities as part of the uniform technology.

Moreover, several provisions of the part four of the Russian Civil Code regulate protection of authors' rights. The part four contains articles on two main agreements used in the civil transactions involving intellectual property rights. So called “intellectual piracy” shall entail more severe responsibility.

2. **BANKING AND FINANCE**

- 2.1. The Instruction of the Central Bank of the Russian Federation # 1762-U of December 15, 2006 “On Amending the Instruction # 108-I of December 1, 2003 of the Bank of Russia “On Organization of Inspection Activities of the Central Bank of the Russian Federation (Bank of Russia)” was adopted. The amendments set forth that inspections of banks and their branches may be conducted by auditor organizations on the instruction of the Board of Directors of the Bank of Russia. The Chief Inspection of the Bank of Russia is liable for conducting the above inspections.



3. SECURITIES REGULATION

- 3.1. The Federal Securities Markets Service issued Order # 06-126/pz-n of November 2, 2006 “On Amending the Statute on Organization of Trade in the Securities Markets Approved by the Order # 06-68/pz-n of June 22, 2006 of the Federal Securities Markets Service”. The amendments related to disclosure of information on over-the-counter transactions by a stock-exchange based on the reports provided to such stock exchange shall come into force from July 1, 2007.

4. BUSINESS REGULATIONS

- 4.1. The Federal Law # 193-FZ of November 25, 2006 “On Amending the Federal Law “On Consumer Protection” which entitles the Russian Government to regulate relations with regard to organization of selling goods (works, services) to the consumers.
- 4.2. The Federal Customs Service of the Russian Federation issued Letter # 06-73/39543 of November 13, 2006 “On Necessity of Providing Certificates of Conformity” which clarifies that the Federal Law # 116-FZ of June 22, 2005 “On Special Economic Zones in the Russian Federation” does not allow the persons treating their goods under special economic zone customs regime breaking non-economic prohibits and restrictions.
- 4.3. The Federal Customs Service of the Russian Federation published Letter # 01-06-39606 of November 13, 2006 “On Licensing in the Foreign Trade”. The above Letter clarifies that economic prohibits and restrictions should be applied within the framework of customs regimes of production for internal use, export, mastering in the customs territory and mastering for internal use. Economic prohibits and restrictions should not be applied to the goods under other customs regimes.
- 4.4. The Federal Tax Service of the Russian Federation issued Letter # SHT-6-03/1137@ “On Licensing Aircraft Maintenance Activities”. Under this letter aircraft maintenance activities including aero navigation maintenance do not relate to the activities subject to licensing. Moreover, the Letter clarifies that the Russian Aero and Space Agency may not grant license for these activities.



5. TAXATION

- 5.1. The Federal Tax Service issued Letter # GV-6-05/1148@ “On Cancellation of the Letter Issued by the Russian Ministry of Taxation” which cancels the Letter # 05-0-09/20@ of July 5, 2004 “On Setoff of Overpaid Mandatory Pension Insurance Premium” with regard to Ministry of Justice’s refusal to register the above-said act.
- 5.2. The Federal Tax Service published Letter # SHT-6-03/1157@ of November 30, 2006 “On Imposing VAT on the Rent for Using Land Plots from January 1, 2006”. The above Letter informs that there are no grounds for imposing VAT on the rent for using the governmental or municipal land plots in the opinion of the Ministry of Finance of the Russian Federation.
- 5.3. The Federal Tax Service issued Letter # MM-6-21/1159@ of November 30, 2006 “On Land Tax” which contains clarifications # 03-06-02-02/138 of November 16, 2006 of the Ministry of Finance related to application of certain provisions of Chapter 31 “Land Tax” of the Tax Code of the Russian Federation.
- 5.4. The Federal Tax Service published Letter # MM-6-21/1088@ of November 9, 2006 “On Land Tax”. The above Letter contains the Letter of the Ministry of Finance # 03-06-01-02/36 of September 8, 2006 on imposing land tax on the land plots title to which was accrued or terminated within the taxable period.

6. REAL ESTATE

- 6.1. The Federal Law # 232-FZ of December 18, 2006 “On Amending City-Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation” was adopted. The amendments imply removing administrative curbs in order to increase the volume of housing construction as well as to improve the mechanism of involvement of the land plots for housing construction. The above law came into force from January 1, 2007 save for certain provisions which shall come into force in other terms.
- 6.2. The Russian Government issued Resolution # 710 of November 22, 2006 “On Amending the Rules of Running Uniform State Register of Rights to Immovable Property and Transactions Therewith”. This resolution defines the list of information to be indicated in Uniform State

This information bulletin is a review of certain legislative developments. Information contained herein is not comprehensive and should not be treated as a legal advice. The readers should seek the advice of advocates and lawyers of our firm in case any questions arise.



Register of Rights to Immovable Property and Transactions Therewith with regard to inserting information on foreign holder of title to immovable property.

7. NATURAL RESOURCES

- 7.1. The Federal Law # 201-FZ of December 4, 2006 carried into force the new Forestry code of the Russian Federation. The main part of the provisions contained in this Forestry Code regulates issues of use, protection, producing of the forests as well as state surveillance and control issues.

8. EMPLOYMENT

- 8.1. The Federal Customs Service published Letter # 01-06/40308 of November 17, 2006 "On Calculation Average Salary". The Federal Customs Service clarified the procedure of calculation average salary in connection with the amendments in the Labor Code of the Russian Federation inserted by virtue of the Federal Law # 90-FZ of June 30, 2006.
- 8.2. The Federal Labor and Employment Service issued Letter # 1904-6-1 of November 20, 2006 which clarifies the following. Previously leaves were paid based on actual salary for the past three months; currently average salary is to be calculated based on the salary for the past 12 months. New calculation procedure should be applied in the event a leave was taken after October 6, 2006.

9. COURT PRACTICE

- 9.1. The Presidium of the Higher Arbitrazh Court of the Russian Federation published Ruling # 11253/06 of December 14, 2006 related to challenging the Letter # MM-6-03/18@ of January 13, 2006 of the Federal Tax Service which clarified certain matters of refund of the VAT paid within the framework of buying exported goods transportation services. The Presidium of the Higher Arbitrazh Court adjudged that the lower instance court lacked jurisdiction to hear the case since the challenged act was not a regulatory legal act.
- 9.2. The Plenum of the Supreme Court of the Russian Federation published its ruling # 52 of November 16, 2006 "On Application by Courts of the Legislation Regulating the Employees' Material Responsibility for the Harm Inflicted to the Employer". The Plenum of the Supreme

This information bulletin is a review of certain legislative developments. Information contained herein is not comprehensive and should not be treated as a legal advice. The readers should seek the advice of advocates and lawyers of our firm in case any questions arise.



Court of the Russian Federation explained the issues regarding jurisdiction of such cases and state duty payment. Considering this Ruling the Ruling # 1 of March 01, 1983 of the Plenum of the Supreme Court of the Russian Federation was declared invalid.

- 9.3. The Plenum of the Supreme Court of the Russian Federation published ruling # 64 of December 28, 2006 according to which tax consultants of the companies may be recognized accessories of illegal tax activities by court and may be brought to criminal responsibility.

This information bulletin is a review of certain legislative developments. Information contained herein is not comprehensive and should not be treated as a legal advice. The readers should seek the advice of advocates and lawyers of our firm in case any questions arise.
