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Newsletter

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News of the month:**1. FUNDAMENTALS OF PUBLIC ADMINISTRATION**

- 1.1. Resolution of the Government of the Russian Federation No 1503 of December 30, 2015 On Approval of the Rules for Providing Federal Budget Subsidies to Russian Entities for a Partial Reimbursement of Costs for Developing Improved Medicines having Similar Pharmacotherapeutic Effects and being Analogous to Existing Innovative Medicines, which establishes the procedure for providing subsidies for developing improved medicines with similar pharmacotherapeutic effects and being analogous to existing innovative medicines used in treatment of some socially significant diseases. Subsidies will be granted for the reimbursement of up to 50% of actual costs incurred from January 01, 2015, which are stipulated by the project business plan. The subsidy shall be provided not more than twice a year. To be granted with the subsidy, an entity shall submit an application to the Ministry of Industry and Commerce of the Russian Federation on or prior to April 5 and October 5 of the current year, with all necessary documents attached. The subsidies will be allocated on or prior to June 30 and December 31 of the current year, respectively.
- 1.2. Order of the Ministry of Healthcare of the Russian Federation No. 866 of November 30, 2015 approves the Concept of Creating the Federal State Information System for Monitoring the Flow of Pharmaceuticals from the Manufacturer to the Final Consumer Using Markings. The System is developed to provide for continuous monitoring of the flow of pharmaceuticals from the manufacturer to the final consumer using individual and group coded marking (serialization and aggregation) and medicine packs identification, in order to effectively control the quality of medicines being circulating and to prevent the medicine falsification.

2. CIVIL LAW

- 2.1. The Provision On the Procedure for Confirmation of Circumstances of Insuperable Force (Force Majeure) by the Chamber of Commerce and Industry of the Russian Federation (Attachment to the Resolution of Management Board of the Chamber of Commerce and Industry of the Russian Federation No. 173-14 of December 23, 2015) has been approved. According to this Provision, circumstances of insuperable force are acts of God (earthquakes, floods, and hurricanes), fire, mass diseases (epidemics), strikes, military actions, acts of terrorism, interdiction of commerce, including by separate countries due to imposing international sanctions, and other circumstances beyond the reasonable control of the Parties to the agreement (contract). The following circumstances cannot be considered as circumstances of insuperable force (force majeure): business risks, such as failure to fulfill their obligations by the Debtor's contracting parties, unavailability of the goods required for fulfillment of the obligations at the market, the Debtor having no cash resources, as well as financial and economic crisis, changes in foreign exchange rates, national currency devaluation, and other circumstances which the contracting Parties have excluded from those of insuperable force. Circumstances

of insuperable force (force majeure) shall be confirmed by preparing and issuing a Force Majeure Certificate. The list of data and documents required to issue a Force Majeure Certificate, the procedure for submitting of such documents, the procedure for consideration of documents submitted by the Applicant, as well as the condition for preparation and issuance of a Force Majeure Certificate have been determined. A charge for preparation and issuance of a Force Majeure Certificate shall be payable in accordance with the tariffs established by the Chamber of Commerce and Industry of the Russian Federation. No charge shall be payable for consideration of the application submitted and any attachment to it, as well as for issuance of a motivated refusal to issue a Force Majeure Certificate.

3. LABOR LAW

- 3.1. Federal Law No. 434-FZ of December 30, 2015 introduces amendments to Article 142 of the Labor Code of the Russian Federation. As amended by the above Federal Law, if case of any delay in payment of salaries for more than 15 days, an employee has the right to suspend his/her work for the whole period until the amount delayed in payment is paid out. In doing so, the employee has the right to not be present at his/her workplace during the period of work suspension. The right to refuse to do work is a form of protection of employee's rights stipulated by the legislation in order to stimulate the employer to pay a salary stipulated by the employment agreement to the employee within the established time period.

4. JUDICIAL PRACTICES AND PROCEDURAL LAW

- 4.1. Federal Law No. 382-FZ of December 29, 2015 On Arbitration (arbitration proceedings) in the Russian Federation has been enacted. The above Federal Law regulates the procedure for creation and activities of arbitration courts and permanent arbitration institutions in the Russian Federation, as well as arbitration (arbitration proceedings). Any disputes which arose between the parties of civil law relations may be submitted to arbitration as agreed by the parties, unless otherwise stipulated by the Federal Law. Chapter 7 (Challenging the Validity of Arbitral Award) and Chapter 8 (Enforcement of Arbitral Award) of Federal Law No. 102-FZ of July 24, 2002 On Arbitration in the Russian Federation have been declared void. The above Federal Law will become effective from September 1, 2016.
- 4.2. On December 23, 2015, the Presidium of the Supreme Court of the Russian Federation approved the Review of Judicial Practice of the Supreme Court of the Russian Federation No. 4 (2015). The document describes, including, but not limited to, the following: practice of settlement of disputes which arise from contractual binding relations, disputes relating to labor and social relations or child-rearing; practice of consideration of cases which arise from administrative or other public relations; procedural matters associated with consideration of civil and

criminal cases; procedure for criminal sentencing; practice of application of the Code on Administrative Offenses of the Russian Federation; and review of the practice of international UN treaty bodies and the practice of the European Court of Human Rights.

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