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Information sheet

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This news bulletin provides information only about certain modification in the law of the Russian Federation. Information provided is not encyclopedic and is not a legal advice. In case of questions to the issues discussed in this bulletin, we kindly ask you to contact the lawyers and consultants of the Law Office.

News of the month:**1. STATE ADMINISTRATION FRAMEWORK**

- 1.1. Order of the President of the Russian Federation No. 41 dd. 02.02.2016 “On some matters of state control and supervision in the financial and budget sector”, which abolished the Federal Service for Financial and Budget Supervision (Rosfinnadzor).
- 1.2. Order of the President of the Russian Federation No. 40 dd. 02.02.2016 “On the abolishment of the Federal Agency for State Border Infrastructure Development”, which abolished the Federal Agency for State Border Infrastructure Development (Rosgranitsa).

2. INTERNATIONAL LAW

- 2.1. Federal Law No. 6-Φ3 dd. 31.01.2016 “On the ratification of the Agreement between the Government of the Russian Federation and the Government of the People’s Republic of China for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and the Protocol thereto, as well as Protocol on amendments to the Agreement between the Government of the Russian Federation and the Government of the People’s Republic of China for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income”, by which Russia ratified new agreement with China for the avoidance of double taxation signed in Moscow on October 13, 2014, as well as Protocols thereto.

3. COURT ORDERS AND PROCEDURAL LEGISLATION

- 3.1. Decree of the Constitutional Court of the Russian Federation No. 3-П dd. 15.02.2016 “On the matter of constitutionality of the provisions of Part 9 of Article 3 of the Federal Law “On the amendments to subsections 4 and 5 of Section I of Part 1 and to Article 1153 of Part 3 of the Civil Code of the Russian Federation” due to a claim of citizen Ye.V. Pototskiy”. The Constitutional Court of the Russian Federation recognized Part 9 of Article 3 of the Federal Law “On the amendments to subsections 4 and 5 of Section I of Part 1 and to Article 1153 of Part 3 of the Civil Code of the Russian Federation” as non-complying with the Constitution of the Russian Federation to the extent to which the matter of the application of the provisions of par. 2 of clause 2 of Article 200 of the Civil Code of the Russian Federation on the fact that limitation period cannot exceed 10 years from the day of the onset of circumstances, the period of execution of which is not determined or determined by the time of demand, to claims, the time of submission of which was determined by the previously valid legislation and did not expire till September 1, 2013 (date of entry into force of individual provisions of this Law) is decided on the grounds thereof. By virtue of this regulation of the Federal Law, limitation period and the rules of its determination established in the provisions of the Civil Code of the Russian Federation (as amended by this Law) apply to claims, the time of submission of which was determined by the previously valid legislation and did not expire till September 1, 2013. In this case, according to par. 2 of clause 2 of Article

200 of the Civil Code of the Russian Federation, limitation period of liabilities, the period of execution of which is not determined or determined by the time of demand, shall begin from the date of submission of a creditor's claim on the performance of liabilities, and if the debtor is provided with a term to perform such a demand, limitation period shall begin upon expiration of the term provided for the performance of such a claim. In this case, limitation period cannot exceed 10 years from the date of the occurrence of liabilities. As a result of the new procedure for determining beginning of limitation period for liabilities, the period of execution of which is not determined or determined by the time of demand, to legal relations that arose prior to the adoption of this Law, a creditor who submits claims to a debtor on the performance of liabilities existing for over 10 years between the parties 2 month after the publication of this Law, has no possibility to defend his violated rights in court. The federal legislator has the right to make corrections to the transitional provisions of this Law by establishing a reasonable period of time, during which the limitation period is not considered expired and a creditor can count on the effective judicial protection.

- 3.2. Federal Constitutional Law No. 2-ΦКЗ dd. 15.02.2016 "On the amendments to Article 43.3 of the Federal Constitutional Law "On arbitration courts in the Russian Federation" and to Article 2 of the Federal Constitutional Law "On the Supreme Court of the Russian Federation", which establishes that the Court for intellectual rights as the first instance court shall consider cases on challenging acts of the federal executive authorities in the field of patent rights and rights to selection achievements, rights to topographies of integrated circuits, rights to trade secrets (know-how), rights to the means of individualization of legal entities, goods, works, services and businesses, rights to use the results of intellectual activity in the composition of single technology containing explanations of the legislation and having regulatory properties. The Supreme Court of the Russian Federation is authorized to consider administrative cases on challenging acts of the federal executive authorities, other federal public authorities, Bank of Russia, public non-budgetary funds, including Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation and Federal Fund of Compulsory Medical Insurance containing clarifications of the legislation and having regulatory properties as the first instance court. The Federal Constitutional Law shall come into force 30 days after its official publication.
- 3.3. Federal Law No. 18-ΦЗ dd. 15.02.2016 "On the amendments to the Arbitration Procedural Code of the Russian Federation and Administrative Procedure Code of the Russian Federation with regard to the establishment of procedure of judicial consideration of cases on challenging individual acts". According to the amendments to the Arbitration Procedural Code of the Russian Federation, it is provided that arbitration courts shall consider cases on challenging acts of the federal executive authorities containing clarifications of the legislation and having regulatory properties if the consideration of such cases of the Arbitration Procedural Code of the Russian Federation is within the competence of the Court for intellectual rights. The Court of intellectual rights as the first instance court shall consider cases

on challenging acts of the federal executive authorities in the field of patent rights and rights to selection achievements, rights to topographies of integrated circuits, rights to trade secrets (know-how), rights to the means of individualization of legal entities, goods, works, services and businesses, rights to use the results of intellectual activity in the composition of single technology containing explanations of the legislation and having regulatory properties. The Court for intellectual rights shall consider such cases according to the general rules of proceedings provided by the Arbitration Procedural Code of the Russian Federation with certain peculiarities. Procedure for the publication of a decision of the Court for property rights in cases on challenging acts having regulatory properties is established. According to the amendments to the Administrative Procedure Code of the Russian Federation, the supreme court of the republic, territory, region, federal city, autonomous region or territory shall consider administrative cases on challenging acts containing clarifications of the legislation and having regulatory properties as first instance courts. The Supreme Court of the Russian Federation shall consider administrative cases on challenging acts of the federal executive authorities, other federal public authorities, Bank of Russia, public non-budgetary funds, including Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation and Federal Fund of Compulsory Medical Insurance containing clarifications of the legislation and having regulatory properties as the first instance court. Also, the Administrative Procedure Code establishes the procedure of proceedings in administrative cases on challenging acts containing clarifications to the legislation and having regulatory properties. The Federal Law shall come into force 30 days after its official publication.