GAIDAR INSTITUTE FOR ECONOMIC POLICY

RUSSIAN ECONOMY IN 2013
TRENDS AND OUTLOOKS
(*ISSUE 35*)

Gaidar Institute
Publishers
Moscow / 2014

UDC 330.34(470+571)"2013"
BBC 65.9(2Рос)
Agency CIP RSL

Editorial Board: *S. Sinelnikov-Mourylev (editor-in-chief),*
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R95 **Russian Economy in 2013. Trends and Outlooks.**
(Issue 35) – M.: Gaidar Institute Publishers, 2014. 516 pp.

ISBN 978-5-93255-393-0

The review provides a detailed analysis of main trends in Russia's economy in 2013. The paper contains 6 big sections that highlight single aspects of Russia's economic development: the socio-political context; the monetary and credit spheres; financial sphere; the real sector; social sphere; institutional challenges. The paper employs a huge mass of statistical data that forms the basis of original computation and numerous charts.

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ISBN 978-5-93255-393-0
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Review of Russian Legislation in the Sphere of Tax and Civil Legislation in 2013[1]

This section deals with the most important changes which took place in the existing legislation. Primarily, it is the new procedure for calculation and payment of the corporate property tax which is already applied starting from 2014 by the entire range of taxpayers due to a switchover to payment of the tax on the basis of the cadastre value of the property. The purpose of introduction of a new calculation of the tax is replenishment of the budget of a constituent entity of the Federation on the basis of a real property's value which is set closer the market price. Tax experts agree that the new calculation of the tax on the basis of the cadastre value will contribute to development of territories and ensure a more fair calculation of the property tax. It is known that the balance value of "old" buildings is rather low, so an increase in tax will primarily affect the buildings of the "old" fund, as well as those situated in "prestigious" districts.

Also, the first legislative amendments of Part 1 of the Civil Code of the Russian Federation due to the reform of the civil legislation are analyzed. An entire range of amendments aimed both at small "technical" corrections and specifications of a number of norms and bringing of the Civil Code of the RF in general in compliance with the changed realities directed at harmonization of the Russian legislation with that of European countries was introduced.

Corporate Property Tax: The New Procedure for Calculation and Payment

In accordance with Federal Law No.307-FZ of November 02, 2013 on Amendment of Article 12 of Part One and Article 30 of Part Two of the Tax Code of the Russian Federation a number of real property items in respect of which the corporate property tax base can be determined as a cadastre value was identified.

By general rule of the Tax Code of the RF, the corporate property tax base is determined as the average annual cost of property of the recognized item of taxation (Article 375 (1) of the Tax Code of the RF), that is, the corporate property tax is calculated by legal entities on the basis of the balance-sheet value of the real property. From January 1, 2014, in respect of individual items of real property the above tax can be calculated on the basis of a cadastre value (that is, the value which is maximum close to the market one) as of the first day of the regular tax period.

According to the new procedure for calculation of the tax (Article 378.2 of the Tax Code of the RF), the corporate property tax base is calculated on the base of the cadastre value as regards the following items of real property:

The 1st category: administrative and business centers and trade centers (complexes) (with total floorspace of over 5,000 square meters) and premises in those centers. It is to be noted that deemed as an administrative and business centre is a free-standing nonresidential building

[1] The Review was prepared with assistance of the Konsultant Plus legal system.

(construction and structure) where premises are owned by one or several owners and which building meets at least one of the following criteria:

- the building (construction and structure) is situated on the land plot whose type of permitted utilization allows for placement of office buildings of business, administrative and commercial purposes;
- the building (construction and structure) is meant for utilization or actually used for business, administrative or commercial purposes.

The 2nd category: nonresidential premises whose purpose in accordance with cadastral passports of real property items or documents of technical accounting of real property items envisages placement of offices, retail trade facilities, public catering facilities and public amenities or which premises are actually used for placement of offices, retail trade facilities, public catering facilities and public amenities.

At least 20% of utilization of floorspace for placement of the above facilities is recognized as actual utilization of nonresidential premises for above purposes (Article 378.2 (5) of the Tax Code of the RF).

The 3rd category: nonresidential real property of foreign entities which do not carry out activities in the Russian Federation through their permanent representative offices, as well as such real property items of foreign entities as are not related to the activities of those entities through their permanent representative offices.

The type of actual utilization of buildings and premises in those buildings is determined by the authorized executive authority of a constituent entity of the Russian Federation in accordance with the procedure set by the Ministry of Economic Development of the Russian Federation by agreement with the Ministry of Finance of Russia (Article 378.2 (9) of the Tax Code of the RF). Prior to approval of the relevant statutory act, the procedure recognized by a regulatory statutory act of a constituent entity of the Russian Federation is applied.[1]

The authorized executive authority of a constituent entity of the Russian Federation (Article 378.2 (7) (1) of the Tax Code of the Russian Federation) has to determine on an annual basis not later than the 1st day of the regular tax period the list of real property items which are attributed to the above 1st and 2nd categories.

As a calendar year is deemed as a tax period, the relevant list of real property items is approved not later than January 1. Then, such a list of real property items is sent in an electronic format by the executive authority of a constituent entity of the Russian Federation to tax authorities at the place of location of real property items (Article 378.2 (7) (2) of the Tax Code of the Russian Federation) and places it at its official Web-sites or the official Web-site of a constituent entity of the Russian Federation (Article 378.2 (7) (3) of the Tax Code of the Russian Federation). If within a year a new real property which was not included in the list has been identified, the information on that property is to be included in the list which is being formed for the next tax period (Article 378.2 (10) of the Tax Code of the Russian Federation)[2]. So, in the current tax period the property tax is calculated by a legal entity in accordance with the old procedure on the basis of the average annual value.

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[1] Se Part 2 of Article 4 of Federal Law No.307-FZ of November 02, 2013.

[2] It is to be noted that the data which is to be included into the list is determined by the Federal Tax Service of the Russian Federation (Article 378.2 (8) of the Tax Code of the Russian Federation). Prior to approval by the tax authorities of such an act, relevant powers are granted to the supreme state executive authority of a constituent entity of the Russian Federation by agreement with the Federal Tax Service of the Russian Federation (Article 4 (1) of Federal law No.307-FZ of November 02, 2013).

If the cadastre value is determined for the whole building in which nonresidential premises – the item of the corporate property tax – are situated and the cadastre value of those premises is not determined, the latter is calculated as the share of the cadastre value of the building pro rata the share of the area of those premises in the total floorspace of the building (Article 378.2 (6) of the Tax Code of the Russian Federation).

A special provision is made for foreign entities' real property items specified in Article 378.2 (1) (3) of the Tax Code of the Russian Federation and recognized as items of taxation (the 3rd category): if the cadastre value has not been set in respect of those real property items, the tax base is deemed equal to zero (Article 378.2 (14) of the Tax Code of the Russian Federation).

The specifics of calculation of advance payments on the corporate property tax as regards real property items whose tax base is calculated as the cadastre value has been provided for in Article 378.2 (12-13) of the Tax Code of the Russian Federation. So, by general rule an advance payment is equal to the product of a quarter of the cadastre value of the real property item as of January 1 of the year which is the tax period and the respective tax rate (Article 378.2 (12) (1) of the Tax Code of the Russian Federation). If the cadastre value of the property is not determined or the real property is not included in the list approved by the authorized executive authority of a constituent entity of the Russian Federation as per Article 378.2 (7) of the Tax Code of the Russian Federation, advance payments and the property tax are still calculated on the basis of the average annual cost of the property, that is, without application of special norms (Article 378.2 (12) (2) of the Tax Code of the Russian Federation).

So, the taxpayers do not have to determine individually whether their premises are attributed to administrative and business centers or trade centers; that is the task of the authorities. Owners of the real property have only to see to it that their property is attributed to the list of premises in respect of which the property tax is calculated on the basis of the cadastre value.

In particular, for example, in accordance with Article 378.2 of the Tax Code of the Russian Federation the Government of Moscow has determined the 2014 list of real property items in respect of which the tax base is determined as their cadastre value[1]. The 2014 list includes 1,842 real property items with the total floorspace of over 33m square meters. The list includes buildings with the floorspace of over 5,000 square meters if a type of permitted utilization of the land plot in which that building is situated suggests placement of retail, office, administrative and commercial facilities[2].

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[1] The above list is made up in accordance with provisions of Article 1.1 (1) of Law No.64 of the City of Moscow of November 5, 2003 on The Tax on the Property of Legal Entities; it is specified in the annex to Resolution No.772-PP of November 29, 2013 of the Government of Moscow on Determination of the List of the Real Property Items in Respect of Which the Tax Base is Determined as Their Cadastre Value in 2014.

[2] In reality, a type of permitted utilization of a land plot may not comply with actual utilization of the building. To eliminate conflicts that may arise due to the above, it is determined by Resolution No.772-PP of November 29, 2013 of the Government of Moscow that in case of disagreement with inclusion and/or failure to include the relevant real property to the specified list the interested parties are in a position to turn until December 18, 2013 to the State Inspectorate in Charge of Control over Utilization of Real Property Items of the City of Moscow with an application to check compliance of the actual utilization of the building (construction and structure) with the type of permitted utilization of the land plot in which that building (construction and structure) is situated (construction and structure). The outputs of the examination are sent by the State Inspectorate in Charge of Control over Utilization of Real Property Items of the City to the Department of the Municipal Property of the City of Moscow. On the basis of the results of consideration of the above outputs and in case of confirmation of the facts on noncompliance of actual utilization of the building (construction and structure) with the type of permitted utilization of the land plot in which the building (construction and structure) is situated, draft resolution of the Government of Moscow on introduction of relevant amendments to the above resolution is prepared. In cases

It is to be noted that in new Article 380 (1.1) of the Tax Code of the Russian Federation maximum admissible values of tax rates are set in respect of the real property whose tax base is calculated as the cadastre value. It is to be noted that gradual increase in the upper limit of the above limitation from 1% in 2014 to 2% in 2016 and in subsequent years is envisaged. As regards Moscow, higher maximum rates as compared to other constituent entities of the Russian Federation were introduced for the first two years (*Table 35*).

Table 35

	2014	**2015**	**2016 and in subsequent years**
Moscow	1.5%	1.7%	2%
Other constituent entities of the Russian Federation	1%	1.5%	2%

According to Law No.63 of November 20, 2013 of the City of Moscow on Amendment of Law No.64 of November 5, 2003, the tax rate in respect of real property items whose tax base is determined as their cadastre value is set as follows: 0.9% – in 2014; 1.2% – in 2015; 1.5% – in 2016; 1.8% – in 2017; 2,0% – in 2018.

It is important to take into account that by virtue of Article 378.2 (13) and Article 383 (6) of the Tax Code of the Russian Federation the corporate property tax and advance payments in respect of real property items whose tax base is determined as a cadastre value are transferred to the budget at the place of location of that real property.

Let's examine how evaluation of real property items is carried out. In accordance with Article 24.12 of Federal Law No.135-FZ of July 29, 1998 (as amended of July 23, 2013) on Evaluation Activities in the Russian Federation the state cadastre evaluation of capital development projects is carried out on the basis of a decision of the state executive authority of a constituent entity of the Russian Federation (such an evaluation is to be carried out at least once in five years).

So, in Moscow the state cadastre evaluation of capital development projects was carried out on order of the Government of Moscow. In accordance with Article 24.17 of Law No.135-FZ, the outputs of that examination were approved by Government Resolution No. 752-PP of November 26, 2013 on Approval of the Results of Determination of the Cadastre Value of Capital Development Projects in the City of Moscow and the information on the cadastre value was sent to the Federal Service for State Registration, Cadastre and Cartography (Rosreestr).[1]

As of the moment of preparation of this section, the author can state that the Rosreestr has completed determination of the cadastre value of capital development projects in Moscow. The results of evaluation can be found on the Web-site of the Rosreestr in the Cadastr Accounting Section or order a certificate on the cadastre value of the real property project from any office of the cadastral chamber.

Order No.779 of December 24, 2013 of the Ministry of Economic Development of the Russian Federation on Introduction of Amendments to the List of the Data of Cadastral Plans Approved by Order No.416 of October 19, 2009 of the Ministry of Economic Development of the Russian Federation was registered in the Ministry of Justice of the Russian Federation; at present a public plan of the Rosreestr will become a more detailed one. According to the

established by the legislation, a decision is taken on amendment of the type of permitted utilization of the land plot in which the building (construction and structure) is situated.

[1] The information is published on the official Web-site of the Rosreestr: http://maps.rosreestr.ru/.

amendments, the public cadastral plan placed on the official Web-site of the Rosreestr will be supplemented with the following data:

- on the main parameters of buildings and their values and on the main parameters of uncompleted development projects and their design values;
- on the purpose of buildings and constructions, as well as design purpose of uncompleted development projects.

It is to be noted that due to a number of reasons the cadastre value of real property items can be much higher than the market value of the real property item. As a rule, the above is related to the so-called “mass” evaluation[1], which is a rather labor-intensive process where the executive authorities may encounter such problems as insufficiency (asymmetry) of the information of the state cadastre of real property, lack of the complete and required volume of the data on a real property item and other.

Law No. 135-FZ includes norms which provide for the opportunity to individuals and legal entities to appeal against the results of determination of the cadastre value at the court of arbitration or the commission on consideration of disputes as regards the results of determination of the cadastre value in case the results of determination of the cadastre value affect the rights and obligations of those persons.

In particular, Article 24.19 of Law No.135-FZ grants the owners of real property the right to appeal against the determined cadastre value in the following order:

1) pretrial process provides for making of an appeal at special commissions which were established under the Rosreestr within six months from the day of entry of the cadastre value into the state cadastre of real property;

2) legal process provides for making of an appeal against the decision of a special commission at the court of arbitration if the owner does not agree with that decision or the period of six months set by the law for making of an appeal against the results of evaluation at commissions has passed.

The same article 24.19 of Law No.135-FZ provides for the following two reasons for revision of the results of cadastre evaluation:

1) Unreliability of the data on the real property item used in determination of the cadastre value of that property;

2) Determination of a market value in respect of a real property item as of the date on which the cadastre value of the property was set.

In case of pretrial appeal against the cadastre value, the documents which are required for submission to the commission for revision of the cadastre value are specified by Law No.135-FZ (Article 24.19). They include the following:

- An application for revision of the cadastre value;
- A cadastre passport of a real property item;
- A notary copy of a title establishing document or title certification document on the real property item in case an application for revision of the cadastre value is submitted by a person who has the title to the real property;
- Documents certifying the fact that the data on the real property item – which data is used in determination of the cadastre value – is unreliable in case an application for revision of the cadastre value is submitted on the basis of unreliability of the above data;

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[1] That is a unified procedure for evaluation of a large number of real property items as of the specific date with utilization of certain standard methods of statistical analysis.

- A report in case an application for revision of the cadastre value is submitted on the basis of determination of the market value in respect of the real property item;
- A positive expert opinion prepared by an expert or experts of a self-regulating organization of appraisers whose member is an appraiser who prepared a report on compliance of the report on evaluation of the market value of the real property item with the requirements of the legislation of the Russian Federation on evaluation activities.

At the same time, in addition to the above documents the applicant has the right to submit other documents to the commission for consideration.

In case of litigation, a claim is filed by the applicant (plaintiff) against a state executive authority of the constituent entity of the Russian Federation which is authorized to pass a decision on carrying out of state cadastre evaluation in the territory of the constituent entity of the Russian Federation with the above and other documents enclosed.

It is important to pay attention to the fact that as per Article 12 (3) (4) of the Tax Code of the Russian Federation legislative (representative) authorities of a constituent entity of the Russian Federation are entrusted with powers to set the specifics of determination of the tax base as regards regional taxes and, consequently, the corporate property tax.

As regards privileges introduced by regions, let's take for example the regulations introduced in the city of Moscow. The Moscow State Duma approved Law No.63 of November 20, 2013 on Amendment of Law No.64 of November 5, 2003 of the City of Moscow; according to Article 4.1 of the above Law privileges in the form of a tax deduction of the cadastre value of 300 square meters of floorspace were established. The tax base is reduced with simultaneous compliance by a legal entity-taxpayer with the following requirements:

1) a legal entity-taxpayer is an entity of a small business;

2) a legal entity-taxpayer has been registered with a tax authority for at least three calendar years preceding the tax period;

3) during the previous tax period the average number of workers of the business entity amounted to at least 10 persons and the sum of the revenue received from sales of goods (jobs and services) per worker amounted to at least Rb 2m.

In addition to the above, the amount of the tax has been reduced to 25% of the calculated tax amount in respect of those real property items which are utilized for carrying out of educational and medical activities, as well as research organizations which engage in R&D using budget funds.

Also, privileges in the form of tax exemptions are envisaged for all the state-financed entities, entities which are registered at special economic zones and are part of innovation centers, city public transport organizations and metro, housing cooperatives, housing associations and condominium partnerships, entities which employ disabled persons, car-making companies, defense facilities, cultural heritage facilities and religious organizations.

Part One of the Civil Code of the Russian Federation: New General Guidelines for Deals, Representation, Decisions of Meetings and Legal Limitation

In 2013, numerous amendments were introduced to Part One of the Civil Code of the Russian Federation; the above amendments deal with transactions including grounds and consequences related to invalidity of those deals, legal limitations and rules of calculation thereof, meetings to which the law attributes civil and legal consequences for all the persons who had the right to participate in that meeting, as well as other persons. The main amendments were introduced by Federal Law No.100-FZ of May 7, 2013 (other amendments were introduced by Federal Law

No.302-FZ of November 02, 2013) on Amendment of Subsection 4 and Subsection 5 of Part 1 and Article 1153 of Part III of the Civil Code of the Russian Federation.

In the Civil Code of the Russian Federation, new Article 157.1 "Consent on a Deal" was introduced. If a consent of the third party, a body of the legal entity, a state authority or local government authority is required by virtue of the law to make a deal, the third party or a respective authority informs about its consent or refusal to grant its consent to the person who asked for such a consent or other interested party within a reasonable period from the day of receipt of the request for a consent. In particular, consent of third persons on a deal is needed in case a person with a limited ability or a minor (at the age of 14 years old to 18 years old) intends to make a deal which he/she has no right to make at his/her own discretion. Consent is to be granted by a parent (adoptive parent) or a fiduciary (Article 26, Article 30 and Article 33 of the Civil Code of the Russian Federation).

A consent on the deal can be a preliminary one and a subsequent one (Article 157.1 (3) of the Civil Code of the Russian Federation). According to the above Article, a preliminary consent is to be expressed for transacting a deal, while the subsequent one, after the deal was finalized, so, it is also called an approval. In the preliminary consent, the subject of the transaction to which consent has been granted is to be determined. In the subsequent consent (approval), the very transaction to which consent has been given, rather than the subject of the transaction alone is to be specified. However, in Article 157.1 of the Civil Code of the Russian Federation the form of the consent has not been determined. In addition to the above, it is specified that silence is not regarded as consent on the deal, except for cases established by the law.

Amendments were introduced to Article 161: a reference to the minimum monthly wage was replaced by a lump sum of Rb 10,000. So, transactions are to be made in a simple written form, except for deals which need be notary certified:

1) deals between legal entities and between a legal entity and an individual (as was provided for by the Article before);

2) deals between individuals for the amount which exceeds Rb 10,000, while in cases provided for by the law – regardless of the amount of the deal.

By a general rule, if the Civil Code of the Russian Federation or other Federal Law provides for state registration of deals, legal effects of such deals take place only after registration. A deal which alters conditions of the registered deal is subject to state registration, too (Article 164 of the Civil Code of the Russian Federation). So, a consistent approach which was formed in the judicial practice has now been confirmed by the legislator. A reduced legal limitation has been established in cases where a party to the deal evades state registration or notary certification of the deal: a legal limitation of one year instead of a three-year legal limitation (Article 165 of the Civil Code of the Russian Federation).

New Article 165.1 "Legally Important Messages" was introduced; applications, notifications, notices, requirements and other legally important messages which by the law or under the deal have civil and legal consequences for another person entail such consequences for that person from the day of delivery of a relevant message to that person or his/her representative. A message is regarded as delivered also in cases if it was delivered to the person whom it was sent to (the addressee), but due to circumstances depending on that person it was not handed in or the addressee did not familiarize himself/herself with it. The above rules are applied unless otherwise is provided for by the law or the terms of the deal, nor entails from the custom or practice which were formed in the relations between the parties. Actually, it means

that if any legally important message was sent to the addressee, but due to circumstances depending on the addressee it was not handed in to the addressee or the addressee failed to familiarize himself/herself with that message, the message is considered as delivered.

Important amendments and adjustments were introduced to Paragraph 2 on invalidity of deals. So, a deal carried out in violation of the law is recognized now as a voidable one (the grounds for voidability of a deal are completely specified in the Civil Code of the Russian Federation) and not as a null and void deal. A deal can be recognized as null and void only in case of a simultaneous existence of the following three conditions if the deal violates the requirements of the law or other statutory act and infringes upon public interests or rights and the third party's interests protected by the law and in addition to the above there is no mention in the law that such a deal is a voidable one or other consequences of a violation which are not related to invalidity of the deal should be applied.

The legal limitation as regards claims to apply the consequences of invalidity of a null and void transaction and recognize such a deal as invalid amounts to three years. It is to be noted that the legislator has introduced an important adjustment that the period of legal limitation as regards the above claims starts from the day on which fulfillment of a null and void transaction began, while in case of filing of a claim by a person who is not a party to the deal, from the day that person learnt or was to learn about the beginning of fulfillment of that deal. It is to be noted that the period of legal limitation for a person who is not a party to the deal should not exceed at all events ten years from the day of the beginning of fulfillment of the deal.

At present, the court has the right to apply individually the consequences of invalidity of a null and void deal only in case it is needed for protection of public interests or in other cases provided for by the law (Article 166 of the Civil Code of the Russian Federation). Earlier, it was it was done only on the basis of an application of a party, but not on the initiative of the court. Also, earlier any interested party could demand application of consequences of invalidity of a null and void transaction by judicial means. With amendments introduced, such a claim can be made only by the party to the deal, while other persons are in a position to turn with such claims to a court only in cases provided for by the law.

The right of the party to appeal against the deal (Article 166 of the Civil Code of the Russian Federation) has been limited, in particular, in the following cases:

- the party knew or was to know about the existence of grounds for making of an appeal against the deal and at the same time demonstrated by its behavior the intention to preserve the validity of that deal and then appealed against the deal on those very grounds;
- after finalization of the deal the behavior of the party gave grounds to believe that the deal was a valid one, however, later that party declared that the deal was invalid.

The above rule is aimed at protection of that bona fide party which relied on assurances or behavior of the other party as regards the voidable transaction and acted with intention to fulfill it.

From Article 173 of the Civil Code of the Russian Federation, a mention of the lack of the license as special grounds for invalidity of the deal was excluded. Consequently, deals transacted with lack of the license if such a license was required by virtue of law can be appealed against on the basis of Article 168 of the Civil Code of the Russian Federation as being contradictory to the law because the law established a requirement as regards availability of the license. Also, the list of persons who may demand recognition of the deal as null and void on the basis of Article 173 of the Civil Code of the Russian Federation has changed; excluded from the list are state authorities which carry out control and supervision over activities of the legal

person. The only grounds preserved in Article 173 of the Civil Code of the Russian Federation for making an appeal against a deal are inconsistence of the deal with the goals of the legal entity's activities which are definitely limited in the founding documents provided that the counterparty knew or was to know about that limitation. If such goals are limited by the law alone, the above norm is not applied.

Some other articles of the Civil Code of the Russian Federation were revised, too. A deal which was transacted to the detriment of the interests of the represented person can be recognized as invalid if the counterparty acted jointly with the representative or knew (was to know) about the deal's malice (Article 174 of the Civil Code of the Russian Federation) and consequences related to fulfillment of the deal in respect of the property which disposition is prohibited or limited have been determined. The scope of the party's error in essentia which serves as grounds for invalidity of deals (Article 178 of the Civil Code of the Russian Federation) has been specified. Fraudulent concealment can be recognized as fraud which factor constitutes grounds for invalidity of deals (Article 179 of the Civil Code of the Russian Federation).

In the Civil Code of the Russian Federation, new Chapter 9.1 "Decisions of Meetings" was introduced; at present its norms are applied by default to any general meetings (from September 2013 Article 181.1 and Article 181.2), that is: decisions of collegial governing bodies of a legal entity; decisions of meetings of creditors in case of a bankruptcy and other. However, establishment in the Civil Code of the Russian Federation of those general provisions on decision of meetings does not exclude application of a special legislation.

So, a decision of the meeting to which the Law attributes civil and legal consequences gives rise to legal consequences – at which the decision of the meeting is aimed at – for all the persons who had the right to take part in that meeting (participants in the legal entity, co-owners, creditors in case of a bankruptcy and other participants in the company), as well as other persons if it is established by the law or stems from the substance of relations. Decisions of the meeting are deemed as passed if they were voted for by a majority of participants in the meeting and at least 50% of the total number of participants of a relevant company took part in the meeting. Decisions of the meeting can be taken by absentee voting (it is to be remembered that such a practice can be prohibited by individual laws). It is to be noted that in the Civil Code of the Russian Federation there is not mention of the fact that a meeting can be held in a mixed form (in person and in absentia).

General rules of keeping minutes of a meeting are provided for. An individual decision on each issue on the agenda is to be taken unless otherwise is established by a unanimous decision of the meeting. General requirements to the minutes of the meeting have been set. Those requirements depend on the form of the meeting. The minutes of the meeting which is held in an in-person format (in the form of joint attendance) should include the following information: date, time and place of the meeting; information on persons who took part in the meeting; the results of voting on each issue on the agenda; information on persons who counted votes and information on persons who voted against the decision and demanded to make an entry about that fact into the minutes. In the minutes on the results of the absentee voting, the following information is to be specified: the date until which the documents which included the information on voting by members of the company were received; the information on persons who took part in voting; the results of voting on each issue of the agenda; the information on persons who counted votes and information on persons who signed the minutes. The minutes are to be executed in a written form.

Unless otherwise is established by the law, the decision of the meeting is null and void in the following cases: a decision was taken on the issue which was not included in the agenda (it is to be noted that the rule does not work if all the participants/members of the relevant body take part in the meeting); the decision was taken in the absence of the required quorum; the decision was taken on the issue which is not within the competence of the meeting; the decision is in conflict with the fundamentals of the rule of law or good morals (the above grounds are new ones). It stems from Article 181.5 of the Civil Code of the Russian Federation that the list of grounds for recognition of meeting decisions as null and void is a closed one. Consequently, decisions of meetings in case of violation of other norms of the law can be appealed against (Article 181.3 of the Civil Code of the Russian Federation).

An important amendment was introduced to Article 186 on a power of attorney; the above amendment eliminates a power of attorney's maximum period of validity of three years. At present, it is established that any period can be specified in the power of attorney. As before, unless a period of validity is specified in the power of attorney it remains in force within a year from the day of its issue.

A notary certification is not required in respect of powers of attorney issued by way of substitution by legal entities and managers of branches and representative offices of legal entities. Prior to introduction of amendments to Article 187 of the Civil Code of the Russian Federation, a lack of notary certification of powers of attorney issued by way of substitution was admissible only in respect of powers of attorney to receive a person's wages or other income and etc (Article 185 of the Civil Code of the Russian Federation).

A representative who delegated authorities to another person by way of substitution does not lose his/her authorities in respect of the original power of attorney, however, otherwise can be specified in the power of attorney or the law (Article 187 of the Civil Code of the Russian Federation). Also, by general rule a subsequent substitution is not admissible, that is, a person who received authorities from the original representative is not in a position to assign them to somebody else. Though otherwise can be provided for only by the law or the original power of attorney, it can by no means be vested in the power of attorney issued by way of substitution. Initiation of bankruptcy proceedings against the represented person (a representative) can constitute grounds for termination of a power of attorney.

It is worth mentioning introduction of new Article 188.1 "Irrevocable Power of Attorney" which is issued for the purpose of fulfillment or enforcement of fulfillment of obligations of the represented person before the representative or persons on whose behalf the representative acts. If such an obligation is related to carrying out of business activities, the represented person may specify in the power of attorney issued to the representative that such a power of attorney cannot be cancelled before expiry or can be cancelled only in cases provided for in the power of attorney. In any event, such a power of attorney can be canceled after termination of the obligation for which fulfillment or enforcement of fulfillment it was issued and also at any time in case of abuse by the representative of his/her powers, as well as in case of circumstances which explicitly point to the fact that such an abuse of power can take place. An irrevocable power of attorney is to be notary certified.

Also, other amendments were introduced to the Civil Code of the Russian Federation, in particular, amendments of provisions as regards legal limitation (Article 196, Article 200, Article 202 and Article 207 of the Civil Code of the Russian Federation). In particular, in any event the legal limitation cannot exceed 10 years from the day of the beginning of fulfillment of the deal (Article 181 (1) of the Civil Code of the Russian Federation). Earlier, there was no

such a limitation in the Civil Code of the Russian Federation. An exception is made only for one case, that is, indemnification of damage caused to the property as a result of a terrorist act. In such a case, legal limitation as regards a claim is set within the limits of the legal limitation of criminal proceedings brought against a person for commission of a crime.

The rules of calculation of legal limitation have been changed as regards obligations whose date of fulfillment was either not determined or determined as the date of demand. At present, legal limitation is calculated from the day of creditor's demand as regards fulfillment of that obligation. Earlier, the beginning of legal limitation was regarded the date on which the creditor has received the right to make such a demand. However, at any event legal limitation cannot exceed 10 years from the day of creation of the obligation.

In addition to a penalty, security or surety, additional requirements include interests. So, with expiry of legal limitation in respect of the main demand the legal limitation is considered expired, too, in respect of interests, including those accrued after the expiry of legal limitation as regards the main demand.