

Irina Tolmacheva

Review of the Economic Legislation¹

In November, the following changes were introduced in the legislation: the list of grounds for approval by the Ministry of Justice of a decision on permission to include in the name of a non-profit organization of the official names -- “the Russian Federation “ or “Russia”-- was supplemented; the rules of calculation of the insurance compensation in case of damage caused to the health of a person who was injured in a road accident were approved; the Government of the Russian Federation plans to develop and put into service the federal public information system which ensures the process of extrajudicial appeal of decisions and actions made by officials in provision of public and municipal services; Rosfinmonitoring reports that the procedure for mandatory control over some types of operations related to securing by non-profit organizations of cash funds or other property has become effective.

I. Resolutions of the Government of the Russian Federation

1. Resolution No. 1165 of November 15, 2012 ON AMENDMENT OF ITEM 5 OF THE RULES OF ISSUING OF PERMISSION TO INCLUDE IN THE NAME OF A NON-PROFIT ORGANIZATION OF THE OFFICIAL NAME -- “THE RUSSIAN FEDERATION” OR “RUSSIA” -- AS WELL AS DERIVATIVES FROM THAT NAME.

The list of grounds for approval by the Ministry of Justice of the Russian Federation of decisions on permission to include in the name of a non-profit organization of the official names “the Russian Federation” or “Russia” has been supplemented.

Earlier, to secure a permit the non-profit organization had to comply with a number of criteria: the entity has to carry out for at least three years activities aimed at realization of foundations of the constitutional system of the Russian Federation and development of its national, historical and cultural traditions or render unique services valuable to the community (realize the relevant produce) and comply with a number of requirements which reflect the extent of the activities (the non-profit organization needs to have structural units or members (permanent residents) in the territory of more than one-third of constituent entities of the Russian Federation or its representative offices in each federal district and be a part or member of international organizations).

By amendments it has been established that such a decision is also taken in case the founder of the non-profit organization is a public company, a state corporation and an entity in whose charter (reserve) capital the share of participation of the Russian Federation amounts to over 50% or an entity which uses the official name -- “the Russian Federation” or “Russia” – as well as derivatives from that name by operation of law or on the basis of permission secured in accordance with the procedure established by the Government of the Russian Federation and the activities of the non-profit organization are aimed at realization of the foundations of the constitutional system of the Russian Federation and development of its national, historical and cultural traditions. Also, it is envisaged in which cases a decision on issuing of permits to a non-profit organization is taken by the Ministry of Justice of the Russian Federation on the basis of

¹ The review was prepared with assistance of the KonsultantPlus legal system.

instructions of the Chairman of the Government of the Russian Federation. In particular, if a non-profit organization has carried out activities for less than three years.

2. Resolution No. 1164 of November 15, 2012 ON APPROVAL OF THE RULES OF CALCULATION OF THE AMOUNT OF THE INSURANCE COMPENSATION IN CASE OF DAMAGE CAUSED TO THE HEALTH OF THE INJURED PERSON.

The value of the insurance compensation paid to the person injured in a road accident will depend on the nature and the extent of damage caused to that person's health.

According to the approved Rules, the amount of the insurance compensation is to be calculated by the insurer by way of multiplying the insurance sum specified in relation to that risk in the insurance agreement by percentage norms. The norms depend on the nature and extent of damage caused to the health. So, with a complete lung loss the insurance payment norm will amount to 60%, while in case of a loss of a lower limb, to 50% and so on. In case of several injuries, the norms are totaled. The amount of payment of the insurance compensation due to physical disability is determined depending on the extent of imbalance of functions of the injured person's system and the disability group (the 1st disability group, as well as disabled children are paid Rb 2m while the 2nd disability group and the 3rd disability group, Rb 1.4m and Rb 1m, respectively).

It has been envisaged that payment of an insurance compensation due to determination of disability is carried out in the amount of the difference between the sum of the insurance compensation due to disability and the earlier made payment depending on the nature and the extent of damage caused to the injured person.

The above rules will become effective from January 1, 2013.

3. Resolution No. 1198 of November 20, 2012 ON THE FEDERAL PUBLIC INFORMATION SYSTEM ENSURING THE PROCESS OF PRE-TRIAL (EXTRAJUDICIAL) APPEAL OF DECISIONS AND ACTIONS MADE IN RENDERING OF PUBLIC AND MUNICIPAL SERVICES .

From January 1, 2014, it is expected to develop and put into service the federal public information system which ensures the process of extrajudicial appeal of decisions and actions made by officials in provision of public and municipal services. Such complaints can be submitted to the system via the specialized Internet-site, by mail through the multifunctional center for provision of public and municipal services, via the official site of the authority providing public and municipal services and via the Single Web-Site of Public and Municipal Services, as well as by applicant personally. The Ministry of Economic Development of the Russian Federation has been authorized to maintain the information resources of the system; the Minkomsvyaz of Russia was authorized as the operator of the system.

II. Instructions, Letters and Orders

1. Information Message of Rosfinmonitoring on AMENDMENTS TO FEDERAL LAW NO.115-FZ OF AUGUST 7, 2001 ON PREVENTION OF LEGALIZATION (LAUNDERING) OF INCOMES RECEIVED BY CRIMINAL MEANS AND FINANCING OF TERRORISM COMING INTO EFFECT .

Rosfinmonitoring informs that from November 21, 2012 some types of operations related to receipt by non-profit organizations of cash funds or other property are subject to mandatory control. Namely, amendments to the Federal Law on Prevention of Legalization (Laundering) of Income Received by Criminal Means and Financing of Terrorism will come into force; under the above amendments operations related to receipt by any non-profit organization of cash funds and other property from foreign states and international and foreign organizations (foreign nationals and stateless persons) if the sum of the operation is equal to or exceeds Rb 200,000 (or the equivalent of that sum in foreign currency) are subject to mandatory control.

Rosfinmonitoring draws attention of the entities which are obligated to report the data on such operations to the fact that they have to introduce changes into their in-house control rules in submitting of the information on operations which are subject to control and notifies of the type code – 9001 – assigned to such operations (at present relevant additions are being prepared to the directory of codes of operation types provided for by Instructions No. 245 of October 5, 2009.).