

AN OVERVIEW OF ECONOMIC LEGISLATION IN MARCH 2015¹

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In March, amendments were introduced in Part One of the RF Civil Code concerning norms in the field of the law of obligations; the conditions of recognizing foreign citizens to be highly qualified specialists were defined in more precise detail; the rules for changing, in 2015, by agreement of the parties thereto, of the deadline for execution of a contract, the price of a contract, the unit price of goods, work, or service, their quantity, and the volume of contracts to be terminated in 2015; and the cases when a client is to be entitled not to stipulate, in the notification concerning the effectuation of a purchase deal, and (or) in a draft contract, the requirement that the execution of a contract for the supply of goods, performance of work, or rendering of services for government and municipal needs should be secured.

I. Federal Laws of the Russian Federation¹

1. 'ON THE INTRODUCTION OF ALTERATIONS TO PART ONE OF THE CIVIL CODE OF THE RUSSIAN FEDERATION', of 8 March 2015, No 42-FZ

The Federal Law will come into force on 1 June 2015.

The adopted alterations are concerned with the general part of the law of obligations, introducing numerous innovations therein.

In particular, the Civil Code is amended by the inclusion of two new articles, 308.1 and 308.2, whereby the concepts of alternative obligation and optional obligation are defined. 'An alternative obligation shall be recognized as an obligation providing for the duty of a debtor to take one of two or more actions (or to refrain from acting) at its discretion, if such discretion is not granted to the creditor or a third party by the law or other regulatory acts, or a contract'. 'An optional obligation shall be recognized as an obligation under which a debtor is to be granted the right to replace the principal performance with another (optional) performance provided for by the conditions of the obligation'.

Also, the changes to the Civil Code introduce therein the institute of *astreinte* – a system of penalty payments imposed on the debtor and awarded to the creditor for the debtor's failure to abide by the respective court's decision. Thus, if the debtor fails to comply with the respective court's decision, upon a claim of the creditor the court may award in the favor of the latter monetary compensation in the amount determined by the court on the principles of equity, proportionality and non-benefiting from illegal or inequitable behavior.

Besides, the law introduces a more precise definition of obligation, alterations to the norms determining the grounds for the emergence of obligation,

alterations thereto, and termination of obligations, the procedure for protection of the rights of a creditor under an obligation, the procedure for altering the terms of an obligation, and the procedure for unilateral refusal to fulfill an obligation, termination of an obligation, fulfillment of an obligation by third parties, the procedure for determining the timelines and place for the fulfillment of an obligation, the use of the methods designed to secure the fulfillment of an obligation, including surety, the notion and content of framework agreement; also, the law introduces the notion of an option for the conclusion of a contract and an option contract, and a contract to be executed on demand (service contract).

2. 'ON THE INTRODUCTION OF ALTERATIONS TO ARTICLE 13.2 OF THE FEDERAL LAW "ON THE LEGAL STATUS OF FOREIGN CITIZENS IN THE RUSSIAN FEDERATION" AND ARTICLE 6 OF THE FEDERAL LAW "ON THE INTRODUCTION OF ALTERATIONS TO THE FEDERAL LAW "ON THE LEGAL STATUS OF FOREIGN CITIZENS IN THE RUSSIAN FEDERATION" AND SOME LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION"', of 8 March 2015, No 56-FZ

Article 13.2 of the Federal Law, of 25 July 2015, No 115-FZ, 'On the Legal Status of Foreign Citizens in the Russian Federation' was amended by the inclusion of a new item whereby it is stipulated that, in the event that highly qualified specialists [of foreign citizenship] should have a break (intermission) in their employment in the Russian Federation because of disease, unpaid leave, or other circumstances due to which, during the said intermission period, no salary payments were made, or salary payments were made but not in full, the conditions of employment of the said highly qualified specialists [of foreign citizenship] with regard to the amount of their salary are to be considered to have been complied with, if the total amount of their salary for three calendar months dur-

¹ The overview has been prepared with the aid of ConsultantPlus legal database.

ing a given reporting period is three times the monthly amount of their salary.

In accordance with the newly introduced alterations, the period of a patent issued in 2014 in the territory of an RF subject, in the event of a decision concerning the prolongation of the patent in the territory of an RF subject, is to be deemed to be prolonged for the duration of the period for which personal income tax in the form of a fixed advance payment has been paid in accordance with the procedure established by legislation of the Russian Federation taxes and levies as of the date of actual payment of the said tax. In this case, no application to a government migration agency is to be required.

The total period for which a patent may be issued cannot be longer than 12 months from the date of issuance of the said patent, and the period of temporary stay of a foreign citizen in the RF is to be extended when the patent issued to that foreign citizen is prolonged.

II. Decrees of the Government of the Russian Federation

1. 'ON THE ENDORSEMENT OF THE RULES FOR CHANGING, BY AGREEMENT OF THE PARTIES THERETO, OF THE DEADLINE FOR CONTRACT EXECUTION AND/OR CONTRACT PRICE, AND/OR THE UNIT PRICE OF GOODS, WORK, SERVICES, AND/OR THE QUANTITY OF GOODS, VOLUME OF WORK OR SERVICES SPECIFIED IN THE CONTRACTS WHICH ARE TO BE TERMINATED IN 2015', of 6 March 2015, No 198

The Decree will be in force until 1 January 2016.

The newly introduced Rules are to be applied to the contracts denominated in Russian rubles and concluded for periods longer than 6 months, which it will be impossible to be executed for reasons beyond the control of the parties thereto without altering the conditions stipulated therein, the object of the said contracts being as follows:

- the supply of goods, performance of work, or rendering of services included in the lists approved by federal bodies of state authority (federal government bodies); the administrative bodies of the government off-budget funds of the Russian Federation; ROSATOM State Nuclear Energy Corporation; the most significant federal state institutions operating in the fields of scientific research, education, culture, and education (defined in accordance with legislation of the Russian Federation); or the supreme executive bodies of state authority of RF subjects; or by local administrations, in the framework of purchases for federal government needs (made by the said federal bodies of state authority (federal government bodies)), or purchases for the needs of the administra-

tive bodies of the government off-budget funds of the Russian Federation and the customers subordinated to them, or for the needs of the most significant federal state institutions operating in the fields of scientific research, education, culture, and education (defined in accordance with legislation of the Russian Federation), or for the needs of an RF subject, or for municipal needs. In this connection, the contract price must be in excess of Rb 1m when the purchased are intended for satisfying federal government needs; or the amount established by the supreme executive bodies of state authority of RF subjects, or by local administrations, when the purchased are intended for satisfying the needs of an RF subject or municipal needs respectively, the price cap being set at Rb 5m if the contract is concluded with the purpose of satisfying the needs of an RF subject or municipal needs of the basis of the results of competitions, electronic auctions, requests of proposals, where the only participants in purchases could be small-sized entrepreneurial subjects and not-for-profit organizations oriented to social support of the population;

- construction, reconstruction, technical re-equipment of capital construction objects, including the acquisition of equipment included in the budgets for the construction, reconstruction, technical re-equipment, and (or) preservation of cultural heritage properties (historic and cultural monuments) of the peoples of the Russian Federation, with the exception of scientific and methodological guidance.

2. 'ON THE EVENTS AND CONDITIONS WHEN AND UNDER WHICH, IN 2015, A CLIENT SHALL BE ENTITLED NOT TO ESTABLISH THE REQUIREMENT AS TO SECURING THE EXECUTION OF A CONTRACT IN THE NOTIFICATION OF THE EFFECTUATION OF PURCHASE AND (OR) IN A DRAFT CONTRACT' of 18 March 2013, No 199

The events in connection with which, in 2015, a client is to be entitled not to stipulate the requirement of securing the execution of a contract, are as follows:

- the conduct of competitions, electronic auctions, requests of proposals, where the only participants in purchases are small-sized entrepreneurial subjects and not-for-profit organizations oriented to social support of the population;
- the draft of a contract contains stipulations concerning the provision of special banking services for the effectuation of the contract;
- the draft of a contract contains stipulations concerning the transfer, to the supplier (contractor, executor), of advance payments to the account opened for a territorial body of the Federal Treasury or for the financial body of an RF sub-

- ject or a municipal formation with the Bank of Russia's banking institution;
- the draft of a contract envisages advance payments in the amount of no more than 15% of the contract price in the framework of a purchase transaction for federal government needs, or in another amount as established by the supreme executive bodies of state authority of RF subjects or by local administrations in the framework of purchases for the needs of an RF subject or for municipal needs respectively; and also envisages settlements between the client and the supplier (contractor, executor) with the payment in the amount of no more than 70% of the price of each delivered consignment of goods (completed phase of work, or volume of services) for federal government needs, or in another amount as established by the supreme executive bodies of state authority of RF subjects or by local administrations in the framework of purchases for the needs of an RF subject or for municipal needs respectively, with the final settlement to take place only after the receipt, by the client, of all delivered goods, completed work or services envisaged in the contract, and complete fulfillment, by the supplier (contractor, executor) of other obligations envisaged in the contracts (with the exception of guarantees);
 - the participant in a purchase transaction is a budget-funded institution or an autonomous institution, and they are offered a contract price that has been reduced no more than by 25% of the initial (maximum) contract price. ●