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Review of the Economic Legislation¹

Late in December 2012 and January 2013, the following amendments were introduced in the legislation: Part 1 of the Civil Code of the Russian Federation was revised; the list of socially oriented non-profit organizations' activities carried out with state support has been supplemented; amendments have been introduced in the legislation on the legal status of foreign nationals.

I. Federal Laws of the Russian Federation

1. Federal Law No. 302-FZ of December 30, 2012 on AMENDMENT OF CHAPTERS 1, 2, 3 AND 4 OF PART ONE OF THE CIVIL CODE OF THE RUSSIAN FEDERATION

The approved Law is the first “package” of amendments to the Civil Code of the Russian Federation within the frameworks of the civil legislation reform which is carried out at present and it is aimed at substantial upgrading of the most general and principal provisions of the Russian civil law. The Federal Law provides, in particular, for the following amendments into:

- ☐ fundamental principles of the civil legislation (the notion of a “common practice” is introduced, that is, apart from business practice any practice which is not limited to a line of business is specified among the sources of the civil law; the civil legislation is supplemented by an obligation of every person to act in good faith);
- ☐ procedure for state registration of titles to property (new Article 8.1 is introduced and it determines the main guidelines for state registration of property titles (primarily, real property titles); it is required to specify in the state register the data which permits to determine the following: the project to which the title is established, the holder of the title, the scope of the title and the grounds on which it arises; also the person who knew or was to be in the know of the invalid data of the state register has no right to refer to the respective data of the register);
- ☐ - procedure for state registration of deals (from March 1, 2013 registration of such transactions with real estate as are listed in Part Two of the Civil Code of the Russian Federation, that is, the existing system of double registration (titles and transactions) of real-estate projects is abolished);
- ☐ limits of fulfillment of civil rights (Article 10 was revised. It bans evasion of law for illegal purposes which activity is deemed as a sort of abuse of right; the same implications that were established for abuse of right will be applied to activities aimed at evasion of law unless otherwise is specified in the Civil Code of the Russian Federation – a complete or partial refusal by the court to protect the right and other measures; if abuse of right resulted in violation of the right of another person, the latter is in a position to demand compensation for the damage caused);

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

- ☐ instances and procedure for compensation of damage caused by lawful actions of public authorities and local authorities (new Article 16.1 was introduced – up to the present day the obligation to compensate such damages was imposed on public and legal establishments only for such activities carried out by them as carriers of power authorities as were recognized as inconsistent with the law; amendments now permit to demand compensation in cases where public and legal authorities issue a legal act and commit a lawful action);
- ☐ procedure for recognition of a person as disabled and limitation of disability of a person, establishment of trusteeship and fulfillment by guardians and trustees of their obligations (in respect of persons with mental disorders who are able to understand implications of their actions a possibility is provided for to recognize them as partially disabled persons and, as a result, they will be able to participate to a limited extent in civil turnover, as well as carry out individual transactions on their own account; grounds for limitation of a person's ability consist in the fact that as a result of taking to gambling, alcohol and drugs a person puts his/her family in a difficult financial situation due to which his/her ability to act can be limited by a court of law and it is only the court of law that can change the extent of the person's ability to act);
- ☐ general procedure for establishment of peasant's (farming) enterprises (the main novelty consists in the fact that a peasant's (farming) enterprise can be registered as a legal entity; in terms of regulation of a peasant's (farming) enterprise it resembles an economic partnership; a person can be a member of only one peasant's (farming) enterprise established as a legal entity; members of a peasant's (farming) enterprise established as a legal entity are subsidiary responsible for liabilities of the enterprise).

The Federal Law will become effective from March 1, 2013, except for individual provisions. For the purpose of exclusion of unjustified obstacles and difficulties for participants in civil turnover in carrying out by them of their rights and obligations, the Law provides for transition provisions. It has been envisaged that no re-registration of earlier established peasant's (farming) enterprises and titles to real property will be required due to coming into effect of the Federal Law.

2. Federal Law No. 325-FZ of December 30, 2012 on AMENDMENT OF ARTICLE 31.1 OF FEDERAL LAW ON AMENDMENT OF ARTICLE 31.1 OF FEDERAL LAW ON NON-PROFIT ORGANIZATIONS

The list of socially-oriented non-profit organizations' activities carried out with state support has been supplemented. So, it is envisaged that public authorities and local authorities may render support to socially orientated non-profit organizations, provided that the latter carry out, among other things, activities related to:

- ☐ formation of intolerance to corrupt practices;
- ☐ development of inter-ethnic cooperation, preservation and protection of identity, culture, languages and traditions of peoples of the Russian Federation.

3. Federal Law No. 320-FZ of December 30, 2012 on AMENDMENT OF FEDERAL LAW ON THE LEGAL STATUS OF FOREIGN NATIONALS IN THE RUSSIAN FEDERATION

The most important changes consist in the fact that foreign nationals who temporarily reside in the Russian Federation do not have to secure a work permit. Earlier the above norm was applied only to foreign nationals with residence permit.

The procedure for attraction of high-skilled foreign experts (HSE) and foreign workers to ship crews has been somewhat upgraded. So, in particular, employers (consumers of work and services) are granted the right to send to the Federal Migration Service of the Russian Federation requests for attraction of high-skilled foreign experts (applications for renewal of work permits issued to such persons) in the form of an electronic document with use of information and telecommunications technologies in general use, including the Internet and the Single Web-Site of Public and Municipal Services.

II. Resolutions of the Government of the Russian Federation

Resolution No. 19 of January 21, 2013 on AMENDMENT OF THE RULES OF MIGRATION REGISTRATION OF FOREIGN NATIONALS AND STATELESS PERSONS IN THE RUSSIAN FEDERATION

A notification of the arrival to the Russian Federation of high-skilled experts and members of their families can be submitted through a multifunctional center for provision of public and municipal services (MFC). It is envisaged that the receiving party should submit a notification of the arrival to the territorial agency of the Federal Migration Service of the Russian Federation directly or through the MFC (except for individual instances established by the Federal Law on Migration Registration of Foreign Nationals and Stateless Persons in the Russian Federation) or by mail.

A notification on arrival is to be submitted to the territorial agency of the FMS of the Russian Federation through a MFC within one business day following the day it was submitted to the MFS. The person who submits a notification on arrival to the MFC has to produce an identification document.