

COVID-19: Russian legal impact

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Below we list the measures introduced by Russian state authorities in response to and in connection with the COVID-19 pandemic.

High Alert Regime

- All regions of Russia, including Moscow and the Moscow Region, have introduced a "high alert" regime which applies to the operations of state and municipal authorities, organizations and individuals.¹

Essential Drugs and Medical Products

- From 17 March 2020, online retail trade for drugs available without a prescription is permitted (however, the Government will still need to adopt necessary changes to respective regulations in order for this measure to be implemented in practice).²
- From 18 March 2020, the rules relating to the state registration of low-risk medical devices have been amended to simplify and accelerate the state registration procedure.³
- From 2 March until 1 June 2020, export of certain medical devices and medical products is prohibited.⁴
- The Government ordered the introduction of a "green channel" regime, from 20 March until 20 April 2020, for importing certain essential consumer products, drugs and medical devices (which includes a simplification of customs clearance rules and procedures) and a 0% import tariff for certain drugs and medical devices.⁵

Veterinarian Control with Regard to Animals and Animal Products

- From 30 January 2020, veterinarian control measures have been more stringent with respect to the importation of animals and animal products from China (in particular, requesting the disinfection of vehicles used to transport animals).⁶
- From 18 February 2020, there has been a temporary prohibition on the importation of all and any types of exotic and decorative fauna from China.⁷

¹ Federal Law No. 68-FZ "On Protection of Population and Territories from Emergency Situations of Natural and Industrial Character" dated 21 December 1994, Decree No. 12-UM of the Mayor of Moscow dated 5 March 2020 (as amended), Resolution of the Moscow Region Governor No. 108-PG dated 12 March 2020

² Presidential Decree No. 187 dated 17 March 2020

³ Governmental Resolution No. 299 dated 18 March 2020

⁴ Governmental Resolution No. 223 dated 2 March 2020

⁵ Minutes of the Government's meeting taken place on 19 March 2020

⁶ Letter of the Rosselkhoznadzor No. FC-KS-7/2507 dated 30 January 2020

⁷ Letter of the Rosselkhoznadzor No. FS-KS-7/4855 dated 18 February 2020

Travel and quarantine

- From 18 March until 1 May 2020, foreigners are not allowed to enter Russia (with a few exceptions).⁸
- From 20 March 2020, international flights are temporarily restricted for passengers, with only the following flights permitted: scheduled international flights to the capital cities (or other designated city) of foreign countries and charter flights for the purposes of allowing Russian citizens home and foreign citizens to their home countries.⁹
- From 18 March 2020, a 14-day self-quarantine period has been introduced for all individuals arriving in Russia. Such persons, upon arrival, must notify the “hot-line” set up in every Russian region (about their stay abroad and contact information in Russia) and, in case of any health issues, request medical assistance in a timely manner (without visiting the hospital) as well as comply with the quarantine rules. If the individual develops any symptoms of infection, or their condition deteriorates, they will be immediately hospitalized and lab testing of persons contacted by them shall be arranged.¹⁰
- From 26 March until 14 April 2020, so far only in Moscow, all individuals older than 65 as well as those who have certain diseases must undergo self-quarantine at home (including in country houses (dachas)). There is an exception in relation to individuals whose presence is critical for the functioning of their employer organization, as well as for certain specifically designated individuals (in Moscow - by the Headquarters of Measures Aimed at Prevention of Bringing and Spreading of COVID-19 (the “**Headquarters**”). Such individuals on self-quarantine will be provided with state financial assistance (to a total of RUB 4,000) and with social assistance (e.g. the delivery of prescription drugs free of charge or at reduced prices and relief from penalties for utilities debts during this period). These individuals, if employed, will be transferred to a remote working regime, or upon their consent will be provided with annual paid vacation.¹¹

Employment

- Employers must assist employees who have returned from abroad with self-quarantine for 14 days.¹² The nature of this assistance has not been specified. Within the scope of general employment rules, an employer may allow employees to work remotely from home where it is possible; and absence from work is also possible in case of sick leave (confirmed with a medical sick leave certificate).¹³
- On 10 March 2020, the Russian Service for Consumer Protection (Rospotrebnadzor) issued Recommendations on measures to prevent COVID-19, which should be implemented by employers (among others, to ensure that employees may wash or disinfect their hands, temperature measurement, the cleaning of premises, etc.).¹⁴
- In Moscow and the Moscow Region, all employers must:¹⁵

⁸ Governmental Resolution No. 635-r dated 16 March 2020. Exception is made, inter alia, for diplomats, official representatives of foreign states or international organizations, and their family members, automobile transportation drivers, air, sea and water transportation crew members, individuals travelling in connection with the death of close relative, foreigners who permanently reside in Russia (i.e. on the basis of the residence permit) or who are in transit via Russian airports.

⁹ Direction of the Government No. TG-P12-2111 dated 20 March 2020

¹⁰ Order of the State Chief Doctor No. 7 dated 18 March 2020

¹¹ Decree No. 12-UM of the Mayor of Moscow dated 5 March 2020 (as amended)

¹² Order of the State Chief Doctor No. 7 dated 18 March 2020. Note that sick-leave pay (on account of the Federal Social Fund) is calculated based on the employee's average per-day-salary. A reduction of 60% is applied for employees with a length of service of less than 5 years (and a reduction of 80% is applied for employees with a length of service of less than 8 years)

¹³ Order of the State Chief Doctor No. 7 dated 18 March 2020

¹⁴ Letter of the Russian Consumer Protection Service No. 02/3853-2020-27 dated 10 March 2020

¹⁵ Decree No. 12-UM of the Mayor of Moscow dated 5 March 2020 (as amended), Resolution of the Moscow Region Governor No. 108-PG dated 12 March 2020

- Ensure that employee temperatures are measured and that those with increased temperatures are suspended (from accessing the workplace);
 - Assist employees with self-quarantine when it is required;
 - Provide the Headquarters and Federal Consumer Protection Service for Moscow Region respectively upon their request with information about employees infected with COVID-19 and their interactions with others in the course of the performance of their duties at work, and ensure the disinfection of premises where the infected individual(s) might have been present;
 - Prevent employees who have been issued with a quarantine requirement from an authorized doctor from attending the workplace.
- In Moscow, all public schools are closed from 21 March through 12 April 2020. To date, the Moscow authorities have made no announcements with respect to arrangements for working parents (for the time being, such arrangements can be made with the employer on a case by case basis); however, consideration is being given to whether working parents should be given the right to obtain a medical sick leave certificate.
- From 18 March 2020, new applications for the employment of foreigners (including for the issuance of work visas, work permits and permits to employ foreign citizens) were temporarily suspended.¹⁶

Deferrals for Tax and Social Contributions

- The Government ordered the suspension, until 1 May 2020, of the initiation of any new state control audits (such as with regard to compliance with fire safety requirements, communication requirements, industrial safety, as well as tax and customs audits (with a few exceptions)).¹⁷
- *Taxpayers operating in tourism and air transportation as well as in sport, culture, and cinematography:* The Government ordered the Federal Tax Service (FTS) to defer until 1 May 2020 any enforcement measures aimed at the collection of taxes and mandatory social contributions (MSC). It further ordered the Ministry of Finance to take steps to amend the Tax Code to the effect that respective taxpayers may apply for deferral of taxes on a no-interest basis.¹⁸
- *Small and medium sized businesses (SMB):* The Government ordered the deferral, for three months, of payment of MSC and rentals for the lease of state and municipal property.¹⁹

Shareholders' Meetings by way of Absentee Voting

- In 2020 general shareholders' meetings with an agenda including matters, which require voting in person under the Russian JSC Law (i.e. election of the board of directors, election of the audit committee, approval of the auditor, approval of the annual accounts), can be held by way of absentee voting, if so decided by the board of directors.

Bankruptcy

- The Russian Government is preparing a draft of a federal law for submission to the State Duma introducing a moratorium upon the initiation of bankruptcy proceedings.
- The Russian Government ordered the FTS, state corporations and federal executive authorities to postpone the submission of bankruptcy applications against persons owing debts in respect of the state budget, or to federal executive authorities and state corporations (as well as their subordinated organizations) until 1 May 2020.²⁰ The Russian Government also recommended that executive bodies of Russia's constituent subjects and the Central Bank of Russia (CBR) take the same actions

¹⁶ Governmental Resolution No. 635-r dated 16 March 2020

¹⁷ Direction issued by the Russian Government on 18 March 2020

¹⁸ Directions issued by the Russian Government on 18 and 20 March 2020

¹⁹ Minutes of the Government's meeting taken place on 19 March 2020

²⁰ Direction issued by the Russian Government on 19 March 2020

in relation to persons with debts owed in respect of regional budgets, or to regional executive authorities and credit organizations.

CBR initiatives to soften certain regulatory requirements

- On 20 March 2020, the CBR published a press-release announcing certain measures to support the Russian economy in view of the COVID-19 pandemic. Such measures are aimed at ensuring additional protection for retail borrowers, increasing the availability of funds to small and medium-sized enterprises and softening certain regulatory requirements for financial institutions as well as joint stock companies generally. In particular, the CBR proposed that joint stock companies may be permitted to increase standard time periods for carrying out corporate procedures, allowing them not to take into account 2020 financial results for the purposes of calculating their net assets to charter capital ratio (generally, the decrease of net assets below the charter capital leads to a mandatory decrease of the charter capital or even the liquidation of the company), allowing for a simplified procedure for the buyback of shares on a stock exchange, and permitting delayed disclosure of 2020 annual and interim financial statements, as well as certain other measures. Implementation of such measures will require amendments to certain laws and subordinate legislation.

Force-majeure

- The Mayor of Moscow declared on 23 March 2020, that the spread of the virus, and introduction of the "high alert" regime caused by it, are force-majeure circumstances.²¹ We will be providing a separate update on this.

Leisure activities

- On 17 March 2020, the Russian Ministry for Culture (Mincult) ordered museums, exhibitions, theatres, philharmonics, cinemas, and other art organizations subordinated to Mincult to suspend their activities.²²
- In Moscow, sport, entertainment, public and other mass events are prohibited until 10 April 2020; and leisure events (including in the spheres of culture, sport, and education) with more than 50 participants are temporarily suspended.²³
- In the Moscow Region, starting from 13 March 2020, all sport, entertainment, public and mass events with more than 5,000 participants are temporarily prohibited. Events with fewer than 5,000 participants are not recommended.²⁴

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²¹ Decree No. 12-UM of the Mayor of Moscow dated 5 March 2020 (as amended)

²² Order of the Ministry for Culture No. 363 dated 17 March 2020

²³ Decree No. 12-UM of the Mayor of Moscow dated 5 March 2020 (as amended)

²⁴ Resolution of the Moscow Region Governor No. 108-PG dated 12 March 2020