

# Insight

20 April – 17 May 2015

## Russian Legislation Update

### Employment

#### *Foreign Citizens*

**On 30 April 2015 the Government adopted Resolution No. 424 on requirements to foreign employees working in Russian branches and subsidiaries of foreign companies originating from countries that are WTO members.**

Under Federal Law No. 115-FZ "On Legal Status of Foreign Citizens in Russia," foreign companies originating from countries that are WTO members enjoy a simplified procedure for hiring key (highly skilled) employees (and/or those with specialized knowledge) to work in their Russian representative offices, branches and subsidiaries. The Russian Government now has established the requirements for the qualification and knowledge of such foreign employee. Under the Resolution, the qualification and knowledge of a foreign employee are confirmed on *at least two* of the following grounds: (i) at least four-year work experience in the relevant sphere; (ii) an academic degree or academic status recognized in Russia; (iii) a letter of recommendation from the employing foreign company confirming the qualification level; (iv) a letter of recommendation from a professional association or organization to which the employee or the company belongs; and (v) patents, certificates of authorship, scientific periodical publications, etc.

The relevant confirming documents may be issued in Russia or in a foreign country. The foreign documents must be translated into Russian and the translation must be notarized.

*The Resolution entered into force on 14 May 2015.*



#### Igor Ostapets Partner

+ 7 495 787 3019  
[iostapets@whitecase.com](mailto:iostapets@whitecase.com)

#### Irina Dmitrieva Partner (Tax)

+ 7 495 787 3003  
[idmitrieva@whitecase.com](mailto:idmitrieva@whitecase.com)

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This update is a general summary of recent developments in Russian legislation and should not be treated as legal advice. Readers should seek the advice of legal counsel on any specific question. All translations of terminology in this update are unofficial.

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White & Case LLC  
Tel: + 7 495 787 3000  
Fax: + 7 495 787 3001  
[whitecase.com](http://whitecase.com)

### *Job Qualification Standards*

#### **On 2 May 2015 the President signed Federal Law No. 122-FZ amending the Labour Code and the Law on Education regarding application of job qualification standards.**

Pursuant to the amendments, employers must apply the job qualification standards to determine an employee's skills only if, under the relevant law, the application of the description of an employee's skills established in the relevant standard is mandatory for the employee's permission to perform his/her job function. In other cases, the job qualification standards can be applied as a basis to determine the requirements for an employee's skills.

*The Law will enter into force on 1 July 2016.*

### **Subsoil**

#### **On 2 May 2015 the President signed Federal Law No. 121-FZ expanding the list of subsoil users on the continental shelf of the Russian Federation.**

The legislation provides that the right to use subsoil plots of federal significance of the continental shelf of the Russian Federation, as well as plots located on/or extending into the continental shelf of the Russian Federation, may only be granted to Russian legal entities that are both state-controlled and have no less than five years' experience developing the continental shelf in Russia (e.g., Gazprom, Rosneft).

Pursuant to the current amendments, these restrictions do not apply when the right to use subsoil area is granted for exploration and production of a subsoil deposit discovered during geological study works within the subsoil area of federal significance located on the Baltic Sea, if the right to use that subsoil area for geological study was granted prior to the entry into force of legal provisions introducing such restrictions (i.e. prior to 7 May 2008).

*The Law entered into force on 13 May 2015.*

### **Concession Agreements**

#### **On 28 April 2015 the Government adopted Resolution No. 406 amending the Rules on granting FAS approval for changing the terms of concession agreements.**

The Resolution amends the Rules on granting by the antimonopoly authority of an approval or refusal to change the terms of a concession agreement, as approved by Government Resolution

No. 368 dated 24 April 2014.<sup>1</sup> In particular, the amended Rules now apply when negotiating changes to the terms of a concession agreement, including the extension of a concession, in respect of any type of a concession facility (prior to the amendments this was the case only in respect of public utility facilities). The amended Rules also expand the list of grounds for granting such approvals or refusals to change the terms of a concession agreement in relation to public utility facilities. An application for the approval to change the terms of a concession agreement for public utility facilities is possible if the date of conclusion of the agreement took place at least one year prior to the submission of the application (at least three years prior to the amendments). No such deadline has been set in relation to other types of concession facilities.

*The Resolution entered into force on 8 May 2015.*

### **Environment**

#### **On 22 April 2015 the Government issued Decree No. 716-r approving the Concept on the establishment of a system for recording volumes of greenhouse gas (GHG) emissions in Russia.**

Pursuant to Presidential Decree No. 753 "On Reduction of Greenhouse Gas Emissions" dated 30 September 2013 that sets the target for reducing GHG emissions to 75% below the 1990 level by 2020, the Government issued the decree approving the Concept for the establishment of a system for monitoring, reporting and verifying the volumes of GHG emissions in Russia.

The Concept would create the regulatory framework necessary for the introduction of such a system. The Concept, in particular, outlines the procedure and terms (phases) for introducing mandatory reporting on GHG emissions in relation to certain organizations (e.g., energy organizations, aviation and railway transportation organizations), as well as the procedure for verification of information disclosed in the submitted reports. This will allow the relevant public authorities to obtain the actual data on GHG emission volumes and develop targets for their reduction in Russia as a whole and for individual sectors of the economy.

*The Decree entered into force on 22 April 2015.*

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<sup>1</sup> For details, see our legal update for 14 April – 25 May 2014.