

# ClientInsight

29 August – 4 September 2011

## Russian Legislation Update

### Technical Regulation

**On 21 July 2011 the President signed Federal Law No. 255-FZ amending Federal Law No. 184-FZ "On Technical Regulation."**

The Law aims to establish unified principles for technical regulation in Russia and bring the regulatory framework in conformity with the requirements of the Custom Union of Russia, Belarus and Kazakhstan, to eliminate technical and legal barriers to the circulation of goods. Pursuant to the amendments, the Federal Accreditation Service will be responsible for accreditation of certification centers and test laboratories and will replace a number of ministerial authorities. The amendments now allow for the adoption of temporary (no more than three years) standards to confirm products' compliance in the absence of the relevant Russian national standards (e.g., for innovative goods).

The amendments also specify the procedures for declaring goods' compliance and list technical documentation required from an applicant for this purpose. In addition, the amendments establish the procedures for declaring compliance of newly issued goods (previously unknown to the market), subject to mandatory certification. In the absence of standards applicable to newly issued goods, producers of such goods may declare their compliance based on their own proofs and indicate in the declaration documents that mandatory certification of such goods has not been effected.

*The amendments will enter into force on 25 October 2011, save for certain provisions.*

**On 18 July 2011 the President signed Federal Law No. 237-FZ amending the Administrative Offences Code of the Russian Federation.**

The Law strengthens administrative liability for the breach of technical regulation requirements by market participants including producers (Russian and foreign) and sellers.

In addition, the Law expands the scope of administrative offences for which liability may be imposed, to include:

- (i) breach of technical regulation requirements by producers;
- (ii) improper declaration of goods' compliance;
- (iii) breach of the procedure for the sale of goods subject to mandatory compliance confirmation; and
- (iv) submission of false test results.

*The Law will enter into force on 19 January 2012.*

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## State Authorities/Securities

### **On 29 August 2011 the Government adopted Resolution No. 717, "On Certain Issues of the State Regulation in the Sphere of the Financial Market of the Russian Federation."**

The Resolution affirms the competence of the Russian Ministry of Finance to oversee the financial markets and approves the new Regulations on the Federal Service for Financial Markets (the "FSFM"). It was prepared following the recent President Decree No. 270, "On Measures to Improve State Regulation in the Sphere of the Financial Market of the Russian Federation," dated 4 March 2011 (see our update for 28 February – 20 March 2011).

Under the new Regulations, the FSFM is empowered to regulate, control and supervise all areas of financial markets, including insurance, lending cooperation and microfinance activities, commodity exchange, activities of stock agents and brokers. The FSFM powers do not extend to banking and audit activities. It also carries out licensing of professional activities in the securities market, insurance industry (excluding insurance actuaries) and other activities within the scope of its authority.

The FSFM maintains several state registers (e.g., Unified State Register of Subjects of Insurance Industry, Unified State Register of Unions of Subjects of Insurance Industry, and Register on Professional Participants of the Securities Market).

The FSFM and the Ministry of Finance now jointly regulate the activities of joint-stock investment funds, management companies, specialized depositaries, and actuaries on non-state pension compensation, mandatory and professional pension insurance. The FSFM alone exercises control and supervision of these activities.

The Ministry of Finance sets out qualification requirements for managers and employees of professional participants on the securities markets, management companies and specialized depositaries, and some other.

*The Resolution entered into force on 8 September 2011.*