

ClientInsight

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Russian Legislation Update

Universal Electronic Card

On 1 August 2011 the Ministry of Economic Development, the Ministry of Finance and the Central Bank issued Order No. 387/90n/2669-U concerning banks willing to participate in the universal electronic card project.

The Order was registered with the Ministry of Justice on 23 August 2011.

According to the Federal Law "On Organization of Rendering State and Municipal Services," as of 1 January 2012 Russian citizens will have an opportunity to receive a so-called "universal electronic card" (based on an individual application). It is planned that the card will allow individuals to access and pay for various state, municipal and commercial services, in particular, pay for taxes, stamp duties, fines, utilities and transportation (for more information, please visit www.uecard.ru).

The Order approves the requirements to be met by Russian banks willing to join the universal electronic card project (certain amount of own funds, credit rating and others), as well as the requirements to agreements to be concluded among the banks and JSC Universal Electronic Card – the federal authorized entity specially created for this purpose.

The Order entered into force on 9 September 2011.

Environmental

On 10 June 2011 the Federal Forestry Agency issued Order No. 223 approving the Rules for using forests for reconstruction and use of linear facilities.

The Order was registered with the Ministry of Justice on 3 August 2011.

Following the recent amendments to the Forest Code, the Order represents an updated version of the Rules for using forests for construction, reconstruction and use of electric power transmission lines, communication lines, roads, pipelines and other linear facilities. The Rules also specify obligations of legal entities which own or possess such linear facilities to ensure their safe use and operation.

The Order entered into force on 4 September 2011, replacing the February 2010 Order No. 28 of the Ministry of Agriculture on the same matter.

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Pharmaceuticals/Customs Union

On 16 August 2011 the Customs Union Commission issued Decision No. 748 amending the Regulation on Import of Medicines and Pharmaceutical Substances to the Customs Union.

The Decision restates in a new version the "Regulation on Import of Medicines and Pharmaceutical Substances to the Customs Union" originally introduced by Decision No. 19 of the Interstate Council of the Eurasian Economic Community on 27 November 2009.

According to the restated Regulation, medicines and pharmaceutical substances which have limited or restricted circulation (as listed in Chapter 2.14 of the Unified List of Goods) can be placed under certain customs procedures only if they are included in the state register of medicines of the Member of the Customs Union within the Eurasian Economic Community. This restriction applies to the following customs procedures: (i) issue for the internal consumption, (ii) recycling for the internal consumption, (iii) re-import, and (iv) disposal in favour of the state.

Circulation of medicines that are brought in for clinical trials, expertise, state registration, as well as unregistered medicines imported as humanitarian aid, can only be conducted based on permissions issued by authorised state bodies.

The Decision will enter into force on 2 October 2011.

First reading: Antimonopoly

On 9 September 2011 the State Duma adopted in the first reading Draft Laws No. 576274-5 and 576277-5 amending the Russian Competition Law and other legislative acts, including, the Russian Code on Administrative Offences and the Criminal Code.

The Draft Laws are widely referred to as the "third antimonopoly package" and aim to liberalize and clarify certain provisions of the antimonopoly legislation. The amendments impact, in particular, the extraterritorial regulation and application of the Competition Law; economic coordination; monopoly high prices; agreed-upon actions; agreements limiting competition; clearance of M&A transactions; tenders and execution of the agreements on the tenders and liability.

The Draft Laws will apply if adopted by the State Duma in three readings, approved by the Federation Council, signed by the President, and officially published.