



Legal alert

On the measures of state support to Russian businesses in the context of international sanctions, and new export and import restrictions

1. Measures of state support to Russian businesses and individuals

- 1.1. On 8 March 2022, the Russian President signed Federal Law No. 46-FZ *On Amending Individual Items of Legislation of the Russian Federation* (the “**Law**”). The Law stipulates various economic measures for supporting individuals and businesses in Russia.
- 1.2. Among other measures, the Law enables the Russian Government (the “**Government**”) to impose a moratorium until the end of 2024 on scheduled audits of small and medium-sized entities (SMEs) in 2022 and IT-companies with state accreditation.
- 1.3. In addition, the Law expands considerably the Government’s authority in public procurement under Federal Law No. 44-FZ dated 5 April 2013. Among other things, the Government is invested with the following powers:
 - To determine the grounds for single source procurement;
 - To establish the situations and procedure for writing off penalties that the customer has assessed but not written off in connection with a breach of obligations under a contract;
 - To determine the procedure for keeping the register of sole suppliers of medicines and medical products. Those included in the register will be eligible parties to contracts that may be signed further to a single-source procurement transaction.
- 1.4. Moreover, parties to a public (municipal) procurement transaction will be able to amend material terms of a contract entered into before 1 January 2023, if, during the performance of the contract, they face circumstances beyond their control, which result in the parties being unable to perform the contract. Such an amendment must be approved by the state authority (the Government, a higher state executive body of a constituent entity of Russia or by a local administration, if the purchase is made for federal needs, needs of the constituent entity or municipal needs, respectively).
- 1.5. Pursuant to article 18 of the Law the Government may take decisions with the view of supporting businesses and individuals in various areas, for instance:
 - To enable all or some of the categories of persons with expired licenses or other permits to continue their activities for a certain period without new licenses or permits being obtained / reissued, and without such persons being held liable. The Government may also determine situations and conditions in which professional activities requiring a permit may be carried out without such a permit;
 - To allow holders of licences or permits not to undergo an assessment of conformity with the requirements for licenses or permits; to impose a moratorium on the qualification exam for a specific period; to establish particular aspects of procedures for obtaining or reissuing a permit, for assessing products manufactured in Russia in terms of their conformity, for testing, examining and importing into Russia the products subject to compulsory confirmation of conformity;
 - To determine the list of goods that can be excepted from application of individual provisions of the Russian Civil Code regarding the protection of IP rights;
 - To establish the specifics of employment regulation;
 - To amend the conditions for classifying legal entities and individual entrepreneurs as SMEs.
- 1.6. The law also sets out a few particular aspects regarding application of the Russian legislation on business entities in 2022, namely:



- If the value of net assets of a limited liability company or a joint stock company is reduced below the amount of its issued capital by the end of 2022, this does not lead to a reduction in the issued capital or a liquidation of the company;
- In 2022, the board of directors of a joint stock company will be responsible for determining the deadline for accepting shareholders' proposals to include issues in the agenda of the annual general meeting of shareholders and proposals to nominate candidates to executive bodies of the company; such date must be set no later than 27 days before the date of the annual general meeting of shareholders;
- Up to and including 31 December 2022, public joint-stock companies may acquire the shares they have placed, only if they meet certain conditions (previously set out in the Russian President's Decree No. 79 dated 28 February 2022).

1.7. The law also stipulates 'repayment holidays' being introduced for legal entities and individual entrepreneurs, as well as SMEs. According to article 13 of the Law the above persons having entered into a loan agreement before 1 March 2022 may file an application with the lender between 1 March and 30 September 2022 for a deferral of or reduction in loan payments.

2. Export and Import Restrictions

2.1. In line with amended legislation¹ the Government is invested with the power to limit the export from the Russian Federation of medical products that have previously been imported into the Russian Federation from foreign countries that have decided to introduce restrictive economic measures against Russia.

2.2. Alongside with the Law, the Government adopted Resolution No. 302 dated 6 March 2022 ("**Resolution No. 302**") whereby the export of the relevant medical products was temporarily prohibited (except when such products are exported by individuals for personal use, and when international humanitarian assistance is provided to foreign states by resolution of the Government). We note that the export ban extends to medical products that had been placed under the customs procedures before Resolution No. 302 was adopted.

2.3. Apart from limiting the export of medical products the Government has adopted Resolution No. 297 dated 6 March 2022 ("**Resolution No. 297**") to simplify the procedure for purchasing medical equipment, consumables for such equipment, and assistive devices by using the mechanism of electronic requests for quotation. To support pharmaceutical activities in Russia, article 16 of the Law sets out provisions enabling the simplification of the licensing process in relation to such activities, as well as activities involving the production of medicines and maintenance of medical products.

2.4. Resolution No. 297 allows for a simplified procedure to be used in situations when the initial price of the contract does not exceed RUB 50,000,000 (previously - RUB 3,000,000), provided that the annual volume of purchases of such medical products does not exceed RUB 750,000,000 (previously - RUB 100,000,000). In addition, Decree No. 297 instructs the Russian Ministry of Healthcare together with the Federal Treasury and the Federal Service for Surveillance in Healthcare to provide monthly monitoring of prices for such medical products.

2.5. Please note that export and import restrictions will not apply exclusively to the area of medical products. On 8 March 2022, the President signed Decree No. 100 *On Applying Special Economic Measures in the Area of Foreign Trade to Ensure Safety of the Russian Federation* (the "**Decree**"). In line with the Decree the Government will determine the list of products and/or raw materials of which the export outside of Russia and/or import into Russia will be banned or limited until 31 December 2022. The Government will also determine the lists of the relevant foreign countries.

¹Article 38 of Federal Law No. 323-FZ On the Fundamentals of Protecting Public Health in the Russian Federation dated 21 November 2011.



- 2.6. This material is provided for information purposes and is not to be construed as advice or a legal memo. Should you have any questions on this alert, please contact us at alerts@rgd.legal.

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