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Legal Regulatory Guide Russia

Q3 2021



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Letter to the audience

Dear Readers, we are proud to present you the Regulatory Guide for the Third Quarter of 2021.

The points of focus of this regulatory guide are product compliance, regulatory enforcement and environment protection. Most, if not all, of the topics commented in this guide have strategic importance for the Russian regulatory field.

They have either been long awaited:

- the perspective of the new **Seed Farming Law** has been discussed for the last two years;
- possibility for the issue of **Carbon Units** and CO2 emissions have been largely expected by most of the business community,

or have a long-lasting impact:

- **Chestny Znak** traceability system has been in development since 2018, and currently 16 categories of goods are subject to traceability requirements with many new acts and regulations being enacted every year; responsibility is long-standing;
- the concept of extended product liability, recycling, and payment of **Environmental Fees** has been steadily evolving since 2015 from a low-paced regulation imposing no real obligation to completely indispensable piece of regulation causing a lot of questions for the business, or reshape the system of interaction between the business and the government, like the
- completely new risk-oriented system of administrative inspections which sets out a new full set of rules and requirements to the functioning of business, especially of entities engaged in production and sales of tangible products.

We continue to close monitor the regulatory environment in Russia and will keep you updated on all the most important changes.

Wishing you a very good day and a pleasant reading experience.



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Further steps in seed farming regulation

On April 13, 2021 a draft law On Seed Farming (the “**New Seed Law**” or “**NSL**”) passed the first reading in the State Duma of the Russian Federation (a lower chamber of parliament). This draft is to replace the outdated Seed Farming Law dating back to 1997.

The through-line of the NSL, among other things, is to create conditions for the development of seed production, protect the breeders’ interests, and improve the quality of seeds.

Earlier we published a summary of the first draft of the NSL developed and published by the Government of the Russian Federation in our [Legal Regulatory Guide, Russia, Q 2-3, 2020](#). As a brief reminder, the initial NSL draft reflected rather state than the business view on how to protect the market, thus, prompted widespread criticism.

This article is to highlight that the editions of the draft NSL, the one developed by the Government and the one that passed the first reading in the

State Duma, have significant differences. We may emphasize three fundamental changes in the regulation under development:

- A) Licensing requirements for any activities involving cultivation, production, storage, and sale of seeds by legal entities and individual entrepreneurs have been eliminated.
- B) The new edition of the NSL establishes state control only over varietal and sowing quality indicators deemed mandatory requirements under the Requirements Law. The process of cultivation, production, storage, and sale of seeds is not subject to state control.
- C) Analysis and seed examination activities have been delegated to the accredited laboratories and inspection authorities. In the previous edition of the NSL, this process was monopolized by the government agencies. Additionally, analysis and seed examination are now funded by the state, not seed producers.

Given the above, we may conclude that the authorities took into consideration the opinion of the Russian agricultural business community and amended the draft NSL remarkably.

However, there are still lots of issues faced by the industry that can be improved for the benefit of key market players. For instance, the fee for entering information into the State Register of Breeding Achievements Permitted for Use is considered as unreasonable and burdensome.

It should be noted that the draft law is still under consideration by the State Duma and may be revised after further discussions in the parliament. The officials stressed out that the long-drawn-out process of adopting the NSL is explained by the fact that it concerns the strategic security of the country and it is necessary to adopt a balanced document.

We will keep track of the legislation process and provide key updates.





Review of the Emissions Law

Grounds for the adoption of the new law

The Federal Law On Limitation Of Greenhouse Gas Emissions (the “Emissions Law”) No. 296-FZ dated July 2, 2021 was a consequent result of the ecological trend in the Russian legislation development which is now aimed at the search of effective ways to create a legal basis for eco-friendly economy.

Furthermore, the European Commission intends to introduce a carbon border tax on imports into the European Union of goods from countries that have not committed to carbon neutrality (as part of its “Green Deal” policy). Results of the restrictions imposed by the Emissions Law will allow Russia to be considered as a carbon neutral country and maintain its competitive position on the European market.

Additionally, adoption of the Emissions Law goes along with the participation of Russia in the Paris Agreement under the United Nations Framework Convention on Climate Change.

General overview

The Emissions Law specifies the regulatory framework for control over greenhouse gas emissions and provides for the following measures:

- A) state accounting of greenhouse gas emissions. The Emissions Law imposes reporting obligations upon legal entities to gather statistical data for environmental control;
- B) setting targets for their reduction;
- C) support of activities to reduce emissions and increase absorption of greenhouse gases.

Which legal entities are vested with reporting obligations?

Reporting obligations are imposed over the legal entities which meet both of the following criteria:

A) Quantitative criterion

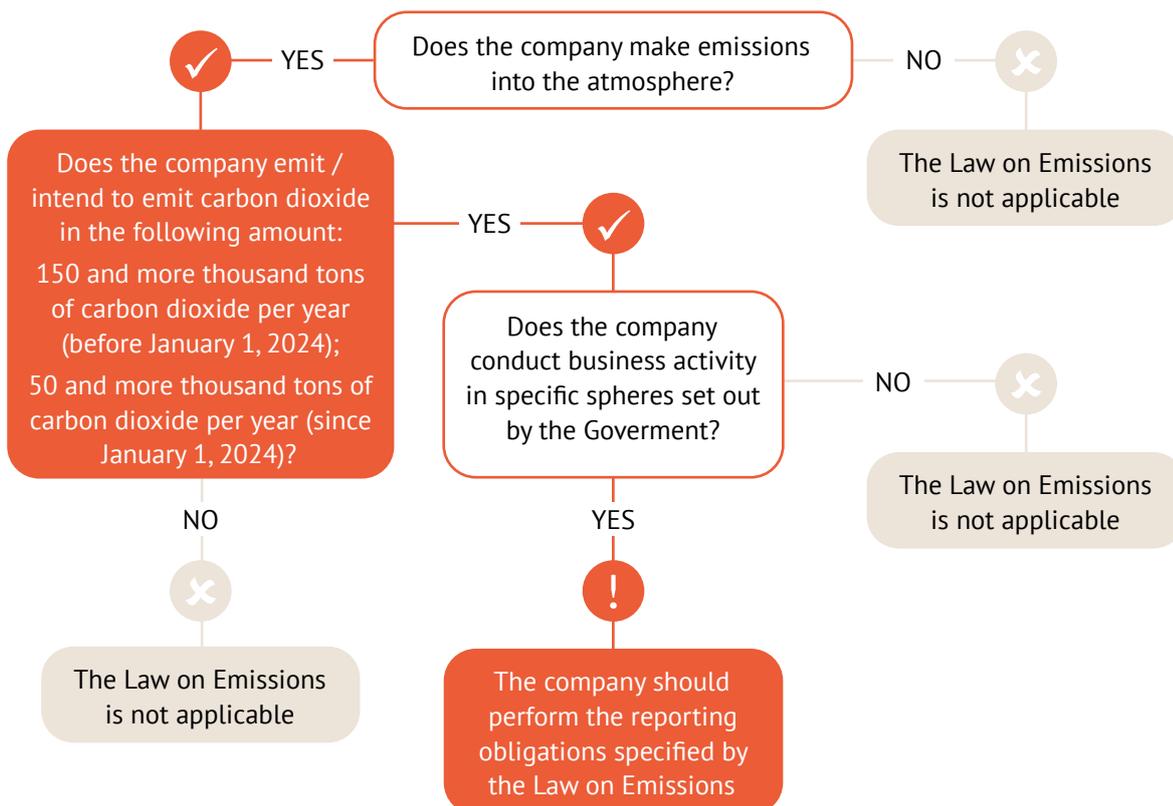
Before January 1, 2024 – reporting obligations are applied to legal entities emitting 150 and more thousand tons of carbon dioxide per year;

Since January 1, 2024 – reporting obligations are applied to legal entities emitting 50 and more thousand tons of carbon dioxide per year.

B) Additional qualifying criteria

Lists of types of economic and other activities and indicators of such activities will be specified later by the authorized bodies.

Please find below the scheme illustrating how to apply the abovementioned criteria:



Reporting obligations

The amount of greenhouse gas emissions should be reported annually by legal entities bearing reporting obligations. The report is submitted to the Federal Service for Supervision of Environmental Management, which enters data into the greenhouse gas emissions registry. July 1 of the year following the reporting year is the deadline for submission of the report. The report should indicate the mass of emissions and the information based on which the calculation

is made. Failure to submit reports, as well as providing false information, entail administrative liability.

Companies, which do not bear reporting obligations, will be able to submit reports on greenhouse gas emissions on a voluntary basis.

N.B. Presently, the Law on emissions does not establish an obligation to reduce the amount of emissions.

The greenhouse gas emissions registry

State accounting of greenhouse gas emissions should be kept in the greenhouse gas emissions registry (the “Registry”).

The Registry should be maintained by the authorized federal executive body which will be specified later according to the procedure for creating and maintaining the greenhouse gas emissions registry established by the Government of the Russian Federation afterwards.

Furthermore, the results of the state accounting of greenhouse gas emissions will be taken into account when preparing the greenhouse gas cadaster.

Carbon units and climate projects

The Emissions Law introduces the concept of a carbon unit.

Carbon units are generated during the implementation of climate projects - measures to reduce

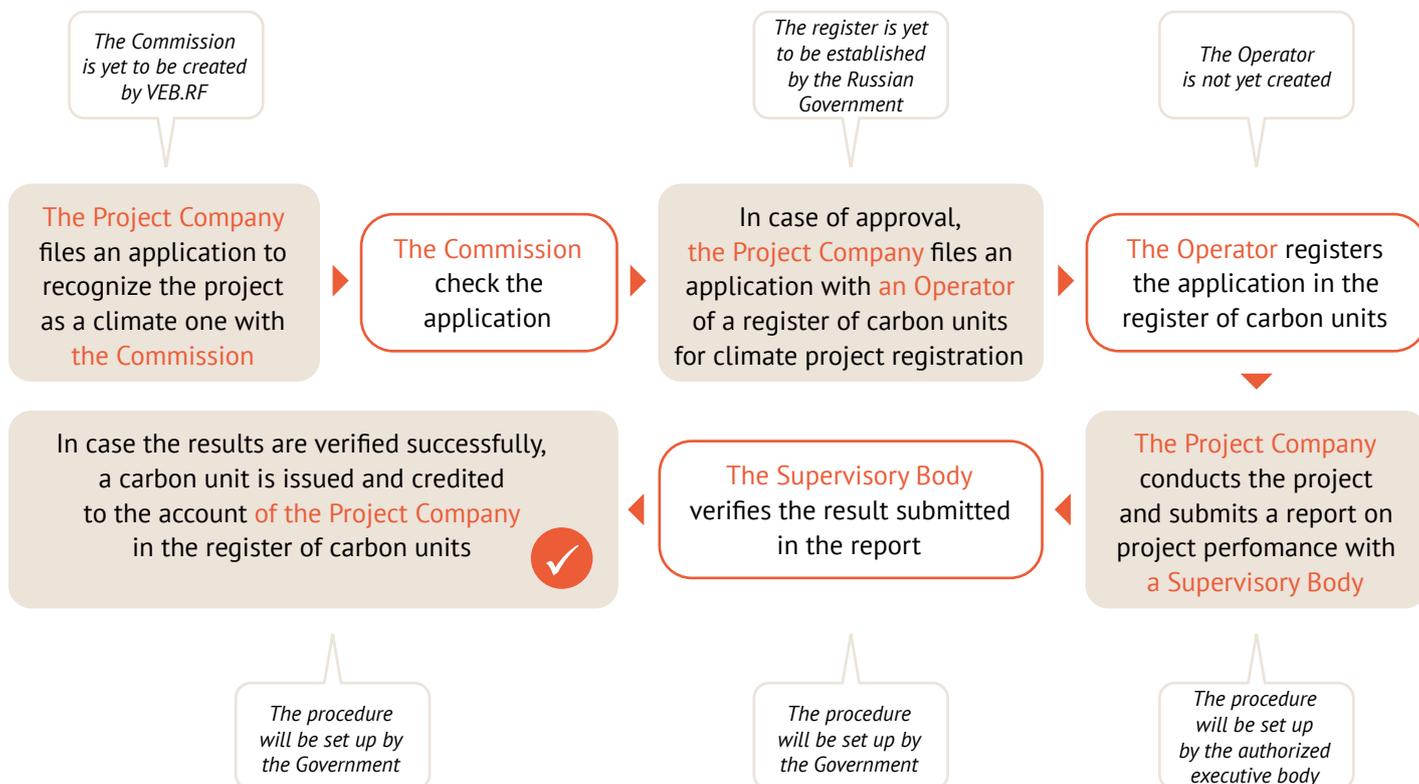
or prevent greenhouse gas emissions or increase the absorption of greenhouse gases. Carbon units are credited to the account of the performer of the climate project in the carbon units registry after verification, the procedure for which has yet to be established by the Government of the Russian Federation.

All operations with the account in the carbon units registry are performed by an operator in accordance with the order of the owner of this account.

One carbon unit equals to 1 ton of carbon dioxide, and the performer of the climate project can use it to reduce its carbon footprint or sell it to other companies to reduce their carbon footprint and comply with their greenhouse gas emission quotas.

The introduction of carbon units should encourage organizations to adopt and implement climate projects in Russia instead of paying carbon fees to countries that buy Russian products. At the moment, Russia is negotiating the recognition of carbon units on the international market with the participants of the Paris Agreement under the United Nations Framework Convention on Climate Change.

Please find below the scheme illustrating the stages of climate project consideration:



Climate projects have the following goals:

To keep record of measures taken by legal entities to reduce greenhouse emissions;

- A) to assess the achievement of ecological rates;
- B) to assess the achievement of ecological rates;
- C) to incentivize legal entities for conducting climate projects.

The information on greenhouse gas emissions contained in the Registry should be publicly available and free of charge.

The Emissions Law sets forth only common procedures when it comes to greenhouse gas emission control. The more specific procedures will be set forth by the authorized state bodies later.

Please find below the table illustrating which issues are yet to be specified.

Framework nature of the Emissions Law

ISSUE TO BE SPECIFIED	AUTHORIZED BODY
Adoption of the procedure for creating and maintaining the greenhouse gas emissions registry	The Government of the Russian Federation
Adoption of the procedure for submitting reports on greenhouse gas emissions by legal entities to the authorized federal executive authority, approval of the forms of such reports and the procedure for checking such reports by the authorized federal executive authority	The Government of the Russian Federation
Determination of the target indicator for reducing greenhouse gas emissions for the economy of the Russian Federation and its separate branches	The Government of the Russian Federation
Determination of criteria of legal entities which are vested with reporting obligations	The Government of the Russian Federation
Adoption of the procedure on verification of the report on the implementation of the climate project	The Government of the Russian Federation
Adoption of the procedure of creation and maintenance of the carbon units registry	The Government of the Russian Federation
Adoption of methods of quantitative determination of greenhouse gas emissions and greenhouse gas removals including calculation and instrumental methods for determining the volume of greenhouse gas emissions and greenhouse gas removals	Federal executive authorities determined by the Government of the Russian Federation
Adoption of the procedure for preparing the greenhouse gas cadaster and its structure	Federal executive authorities determined by the Government of the Russian Federation
Adoption of criteria for attributing projects implemented by legal entities, individual entrepreneurs or individuals to climate projects and the procedure for such attribution	Federal executive authority
Form of the report on the implementation of the climate project for verification	Federal executive authority
Approval of documents of the national standardization system when it comes to limitation of greenhouse gas emissions	Standardization federal executive authority

Chestny ZNAK system. Liability provisions

In recent years, the Russian state authorities shifted the special focus to elaboration of mechanisms of keeping control over the products, which often subject to counterfeit. A national track & trace digital-labelling system called Chestny ZNAK was created to achieve this end. A general overview of the system can be found in our newsletter entitled “[The Russian Government has adopted rules for digital labelling of new products and order of access to labelling information](#)” or on the [official website of Chestny ZNAK](#) (the latter is available in English and Chinese languages).

This summer, the Russian Parliament adopted a number of amendments aimed to create incentives for the business to carefully follow the labelling requirements and specified and supplemented some provisions related to administrative and criminal liability.

¹⁾ Part 1 of art. 6.34 of the Code of Administrative Offences of the Russian Federation

²⁾ Hereinafter references to the mandatory labelling with identification means has the meaning of labelling provided for by Chestny ZNAK

³⁾ Art. 15.12.1 of the Code of Administrative Offences of the Russian Federation

Administrative liability

It is notable that in general administrative liability connected with labelling in the Chestny ZNAK system has changed in the following ways:

- 1) the Parliament introduced responsibility for production or sale of medicals for human use without applying identification means on them or in violation of the procedure for their application if these actions (omission) are not crimes in a form of seizure of goods and fines for¹:
 - a. legal entities up to RUB 100,000;
 - b. responsible officials up to RUB 10,000;
- 2) the Parliament introduced responsibility for failure to provide information and (or) violation of the terms and procedure for submission of information provided for by the rules of the goods subject to mandatory labelling with identification means², or submission of incomplete and (or) inaccurate information to the operator of the Chestny ZNAK system entailing a warning or a fine for legal entities and responsible officials of the same rate as in (1) above³;

- 3) the legislator expanded the grounds of responsibility for manufacture, sale, as well as storage, transportation, or purchase of goods for distribution purposes without labelling and violating the labelling procedure by adding a new activity – placing goods on the market⁴.

Criminal liability

Already existing clauses of the Criminal Code of the Russian Federation establishing criminal liability⁵

for production, purchase, storage, transportation for distribution purposes, or sale of goods in general and food products in particular, without labelling were supplemented by the following crimes.

Taking effect on December 1, 2021 art. 171.1 of the Criminal Code of the Russian Federation has criminalized production, purchase, storage, transportation for distribution purposes, or sale of goods (including food products) using falsified means of identification for labelling.

No	ISSUE TO BE SPECIFIED	RESPONSIBILITY
1.	Production, purchase, storage, transportation for distribution purposes, or sale of goods using falsified means of identification for labelling on a large scale ⁶ .	<ul style="list-style-type: none"> • a fine up to RUB 300,000 for the goods in general and up to RUB 400,000 for the food products or the equivalent of an income for a period of up to 2 years of a person convicted, or • community service for a period of up to 3 years, or • imprisonment for a period of up to 3 years with a fine of up to RUB 80,000 or the equivalent of an income of a convicted person for a period of up to 6 months
1.1	The same crime committed as part of criminal conspiracy.	<ul style="list-style-type: none"> • a fine up to RUB 300,000 (approx. EUR 3,700) or the equivalent of an income of a convicted person for a period of up to 3 years, or • community service for up to 4 years, or • imprisonment for up to 4 years with or without a fine of up to one RUB 100,000 or the equivalent of an income of a convicted person for a period of up to 1 year
1.2	The same crime committed by an organized group or on a particularly large scale ⁷ .	<ul style="list-style-type: none"> • fine up to RUB 500,000 or the equivalent of an income of a convicted person for a period of up to 3 years, or • community service for up to 5 years, or • imprisonment for up to 6 years with a possible fine of up to RUB 1,000,000 or the equivalent of an income of a convicted person for a period of up to 5 years

⁴ Art. 15.12 of the Code of Administrative Offences of the Russian Federation

⁵ Applies only individuals, not legal entities as a general principle of the Russian criminal law

⁶ Large scale for goods in general means the sum over RUB 2,250,000

⁷ Particularly large scale for goods in general means the sum over RUB 9,000,000

No	ISSUE TO BE SPECIFIED	RESPONSIBILITY
2.	Production, purchase, storage, transportation for distribution purposes, or sale of food products using falsified means of identification for labelling on a large scale ⁸ .	<ul style="list-style-type: none"> • fine up to RUB 400,000 or the equivalent of an income of a convicted person for a period of up to 2 years, or • community service for a period of up to 3 years, or • imprisonment for a period of up to 3 years with a fine of up to RUB 80,000 (approx. EUR 1,000) or the equivalent of an income of a convicted person for a period of up to 6 months
2.1	The same crime committed as part of criminal conspiracy, by an organized group, or on a particularly large scale ⁹ .	<ul style="list-style-type: none"> • fine up to RUB 700,000 or the equivalent of an income of a convicted person for a period of up to 3 years, or • community service for up to 5 years, or • imprisonment for up to 6 years with a possible fine of up to RUB 1,000,000 (approx. EUR 12,400) or the equivalent if an income of a convicted person for a period of up to 5 years

Civil liability

It should also be noted that above-mentioned criminal or administrative liability does not exclude the risk of being liable under the general provisions of the Civil Code of the Russian Federation towards the counterparties and customers (contractual and (or) tort liability as the case may be).

⁸) Large scale for food products means the sum over RUB 400,000

⁹) Particularly large scale for food products means the sum over RUB 1,500,000





Environmental fee regulation shifts

Nowadays, a great attention is paid to the concept of extended responsibility of manufacturers and importers for environmental safety. The new measures to ensure due waste disposal continue to be taken by the Russian state authorities. Please find below the draft laws and recommendation concepts in environmental fee control which have been worked out up to this point.

The new concept of extended responsibility of manufacturers and importers of goods

In order to enhance the recycling trend in manufacturing and importing, the Government approved the new Concept of extended responsibility of manufacturers and importers of goods and packaging of the Russian Federation

on December 28, 2020 No. 12888p-P11 (the “Concept”).

The Concept stipulates that starting from January 1, 2022 it is reasonable to introduce a new system of extended responsibility of manufacturers and importers of goods and packaging. According to the Concept, entrepreneurs would need to either dispose of wastes on their own (at their facilities and through contracts with contractors) or pay an environmental fee to the state authorities. The concept underlines that it is necessary to develop a mechanism for confirming the fact of fulfilling the obligation to dispose of waste, as well as to regulate what is recognized as waste disposal for each group of goods and packaging.

The Concept considers the specifics of handling individual waste as the ones requiring regulatory consolidation due to the presence of industry-specific features of waste collection, processing, and disposal. When fulfilling obligations under

the extended responsibility of manufacturers, the Concept considers it necessary to ensure that the size of the environmental fee corresponds to the characteristics of a particular product supplied to the market, including the duration of the service life of the product, the possibility of its repair, presence of hazardous substances, suitability for disposal, as well as the state of the recycling market.

The updated Concept of extended responsibility provides that the standard for packaging recycling should be increased fivefold since 2022, from the current 20% to 100%.

Later, on March 31, 2021 the Deputy Prime Minister of the Russian Federation Mrs. Abramchenko approved the Roadmap for the implementation of the Concept (the “Roadmap”). The Roadmap specifies the certain steps which should be taken pursuant to the Concept and, inter alia, points out the following main measures:

- Making amendments to the Federal Law On Production and Consumption Waste No. 89-FZ dated June 24, 1998 concerning:
 - the procedure for the formation and calculation of the amount of the environmental fee to bring it in accordance with the principles of the Concept;
 - establishment of responsibility for the disposal of packaging waste in an amount equal to the amount of packaging released into circulation since January 1, 2022;
 - establishment of the requirement to enter information about the goods in the goods and packaging registry in the relevant state information system to be able to sell them in the Russian Federation;
 - establishing the requirement to use packaging produced with a certain proportion of secondary raw materials;
 - establishing the requirements of the “depth” of processing and disposal of waste from the use of goods, the specifics of handling certain types of waste due to the presence of industry specifics of their collection, processing, and disposal, etc.

- Preparation of a draft Decree of the Government of the Russian Federation On Approval Of the Standards For The Disposal Of Waste From The Use Of Goods And Packaging from the standpoint of a phased increase in recycling standards of at least 10% per year, with the exception of certain types of packaging for which a 100% recycling standard is introduced.
- Establishment of measures aimed at limiting the circulation of certain types of goods and packaging, waste from which cannot be disposed of or is poorly extracted from waste, and their disposal is practically impossible.
- Preparation of proposals on the establishment of the obligation to use part of the packaging created using a certain proportion of secondary raw materials.

Draft law on the disposal Standard

Pursuant to the Roadmap, the Draft Federal Law On Amendments To The Federal Law Production and Consumption Waste No. 1096229-7 was proposed by the deputies of the State Duma.

The draft law repeals the standard for the disposal of packaging waste and establishes obligations for manufacturers and importers to dispose of 100% of packaging waste. The draft law is yet to pass the first hearing in the State Duma.

Draft law on the Extended Producer Responsibility Fund

According to the Draft Federal Law On Amendments To The Federal Law On Production And Consumption Waste and Article 8 of the Federal Law On The Basics Of State Regulation Of Trade Activities In The Russian Federation proposed by the Ministry of Natural Resources and Ecology of the Russian Federation, the Russian authorities intend to introduce a new scheme of environmental fee payment next year, creating a new supervising body Extended Producer Responsibility Fund which will accumulate the

environmental fee and will be operated by a special company Russian environmental operator. This step, if implemented, will mean that public authorities will pay much more attention to the procedure of collection and calculation of environmental fee.

The draft law also envisages an annual increase of 10% in the standards for the payment of environmental fee for goods.

Moreover, it is proposed to create the new electronic system of accounting and control of waste disposal and goods which will contain information about each product and packaging that are produced in Russia or have been imported, as well as about the disposal of them. Since 2024, it is intended to prohibit selling goods without entering information about them into the abovementioned electronic system.

The law is still being drafted.

Recent court practice

Recent court practice has focused on distinguishing processing from utilization.

Russian courts imply that mere processing does not equate to the recycling standard of utilization (for instance, Decision of the Supreme Court of

the Russian Federation dated March 25, 2021 No. 307-ES21-1980, case No. A44-9091/2019). Sorting, pressing, disassembly, and shredding were also attributed by the courts to the preliminary preparation of waste for further disposal but not to the stages of utilization itself (for example, Resolution of the Arbitration Court of the North-Western District dated April 2, 2021 No. F07-816/2021, case No. A21-14348/2018).

Therefore, the recent draft laws show that the state authorities intend to toughen the attitude towards environmental fee issues and adopt higher disposal standards in the future.





New types of inspections: what has changed?

Federal Law On State Control (Supervision) And Municipal Control In The Russian Federation dated July 31, 2020 No. 248-FZ (the “[Control Law](#)”) introduced the new system of control and supervisory measures aimed at ensuring compliance with the requirements.

The general concepts of the Control Law, as well as some issues directly connected to the inspections of the business (reducing the duration of inspections, ways to reduce the probability to be subject to the planned inspections and guarantees of persons under control), were covered in our [Legal Regulatory Guide, Russia, Q 2-3, 2020](#) and [Legal Regulatory Guide, Russia, Q 1-2, 2021](#). This article is intended to review the particular types of control and supervisory measures the Russian state authorities can take since July 1st, 2021.

Subject matter

The so-called ‘regulatory guillotine’ in Russia, limiting the number of requirements of mandatory nature to follow affected the inspections as well. Thus, the subject matter of inspections logically concerns observation of the requirements (including licensing ones) and the decisions taken by the authorized bodies during inspections.

Grounds

A certain business site may become a subject to control and supervisory measures, in case:

- A) the state (municipal) body is informed about infliction of harm (damage) or the threat of harm (damage) to legally protected values;
- B) the state (municipal) body reveals that the controlled object matches the risk indicators of

violation of the requirements or deviates from the named parameters;

- C) the deadline for the planned control (supervisory) measure falls due;
- D) there is an instruction of the President of the Russian Federation, the Government of the Russian Federation;
- E) the prosecutor requests holding the measures based on the materials and appeals received by the prosecutor's office;
- F) the deadline for the execution of the decision of the control (supervisory) body to eliminate the revealed violation of the requirements expires; or
- G) the event specified in the program of inspections occurs.

Key changes

Historically, the inspections conducted by the state and municipal authorities were divided into the following types:

- A) depending on frequency:
 - scheduled;
 - unscheduled;
- B) depending on a form of inspection:
 - documentary;
 - on-site;
- C) regime of permanent state control (supervision) for the persons operating high-risk facilities (i.e. hazard category 1 facilities);
- D) raid inspections of specially protected natural areas, forest areas, hunting grounds, land plots, water areas, areas of internal sea waters, territorial sea, continental shelf and exclusive economic zone of the Russian Federation, attractions and vehicles (may trigger conducting an unscheduled inspection); and

- E) unscheduled onsite inspection.

Following the adoption of the Control Law, the above-mentioned system has been expanded to below types of control and supervisory measures:

- F) with interaction with the controlled persons¹⁰:
 - documentary inspection (duration – up to 10 working days; documents are examined at the location of the control (supervisory) body; the authorities may use the documents they already have or request the necessary ones from the person being inspected);
 - on-site inspection (duration – up to 10 working days; the person being inspected receives a notice at least 24 hours prior to the inspection; examination is conducted at the location of the person/object (i.e. production site) being inspected);
 - raid inspection (duration – up to 10 working days; conducted to assess compliance of production facilities owned, used, or managed by several persons located in an area where several persons being inspected are located);
 - unscheduled onsite inspection (no prior notice; duration varies; the inspector simply buys products, pays for works/services);
 - monitoring buy (no prior notice; duration varies; the inspector sends bought products / results of work performed / services rendered for further testing);
 - inspection visit (no prior notice; duration – up to 1 working day; the inspector interacts with the person being inspected and (or) owner (user) of a production facility); and
 - spot audit (no prior notice; duration varies; the inspector conducts instrumental examination and (or) sampling of products to confirm their compliance with the requirements for safety and (or) quality, provided assessing compliance in other ways is impossible);
- G) without interaction with the person being inspected:
 - examination of («наблюдение») compliance with the requirements (safety monitoring) (duration is not established by the Control Law; is similar to examination of documents); and

¹⁰ On-site inspection and inspection visit may be conducted remotely (audio or video communication)

- on-site examination («обследование») (no prior notice; duration – up to 1 working day; conducted in a form of inspection of publicly accessible production facilities).

Categorizing the control and supervisory measures as scheduled and unscheduled remains the same, however, the latter, as a rule, may be conducted exclusively upon the preliminary coordination with the prosecutor. In contrast, only on-site inspections passed the same procedure before implementation of the Control Law.

The inspection can be started only after the information about such a measure is listed in the unified registry of control (supervisory) activities, except for the measures conducted without interaction with the persons being inspected (as described in (B) above), as well as the cases when the registry is down.

One of the distinctive features of on-site inspections under the new rules is that they may be initiated if only it is impossible to: (i) verify the completeness and reliability of the information at the disposal of the control (supervisory) body; (ii) assess the compliance of the activities, actions (omissions) of the person being inspected and (or) the objects of control without going to the location of the person / object being inspected and performing the necessary control (supervisory) activities.

Specific types of inspections

Following the idea to reduce the intensity of control and supervisory measures, the Control Law proposes to conclude the agreement on permanent monitoring for at least 1 year with the control body. During the specified period, the authorized body will distantly collect and analyze information about the person and the object being inspected, for example using special technical means. The key advantage of the monitoring is that the persons under monitoring are exempt from the scheduled inspections.

¹¹⁾ The analytical report prepared by the Russian Union of Industrialists and Entrepreneurs (RSPP) and the HSE University is available in Russian at http://www.goskontrol-rspp.ru/upload/iblock/854/M2021_v.10.0.pdf

The remaining ones, permanent state control (supervision) and permanent raid, imply ongoing presence of inspectors at the objects being inspected to be specified by the relevant federal laws. Pursuant to the Control Law, the former is conducted during supervision of the industrial safety, safety of hydraulic structures and assay.

Frequency

The next significant novelty provided by the Control Law is the direct correlation between the frequency of the scheduled control and supervisory measures and the category of risk assigned to the object being inspected.

No	CATEGORY OF RISK	FREQUENCY OF SCHEDULED INSPECTIONS
1.	Extremely high risk	Min. 1, max. 2 in a year
2.	High and significant risk	Min. 1 in four years, max. 1 in two years
3.	Medium and moderate risk	Min. 1 in six years, max. 1 in three years
4.	Low risk	Not conducted

It is worth mentioning that the elaborations of the Control Law were aimed at reducing the administrative burden on the Russian business. The recent studies¹¹ show that the number of inspections in 2021 has decreased compared to before the pandemic, but precise conclusions about the effectiveness of the reform are to be drawn later.



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