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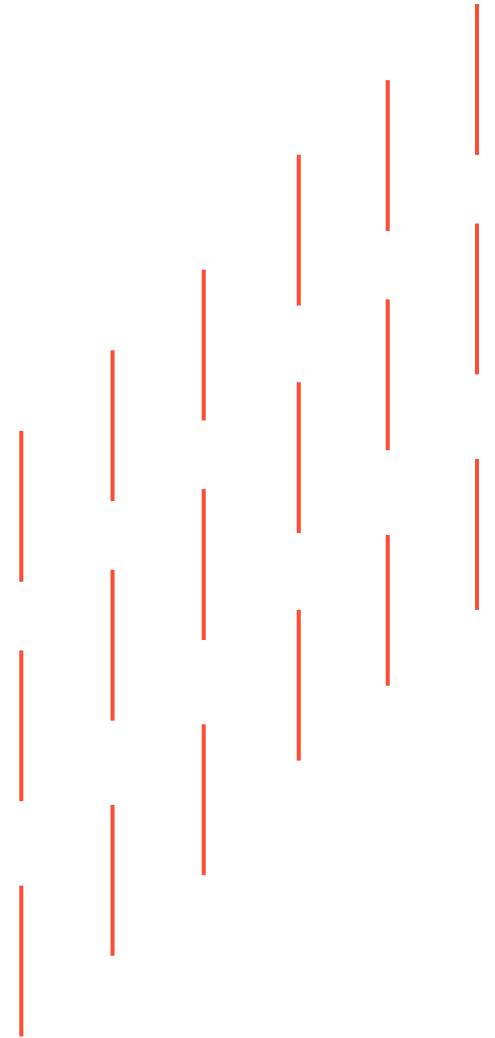
Checklist: Reducing the administrative burden on business

Dear Colleagues!

On July 25, 2022 amendments to the Russian Code of Administrative Offences (**Code**) came into force. From now on, in certain cases, companies and officers will be able to mitigate their administrative liability.

We have created a checklist to guide you through the ways to reduce the administrative burden.

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Warning instead of a fine

Now the liability of **any company*** may be limited to a warning given the following circumstances

- A first-time offence**

- The offense was found during state or municipal control

- The warning is not cited by the relevant article of the Code or regional law

- No threat of a natural or man-made emergency

- No property damage caused

- No harm (or threat of harm) to the life and health of people, animals, the environment, cultural heritage or state security

* Previously, the replacement of a fine with a warning was available only for **non-profit organizations, small and medium-sized businesses and their employees**

** Exceptions – the fine **cannot be replaced** if the offense is listed in Part 2, Article 4.1.1 of the Code

Discounted fine

Starting from 25 July, companies may be entitled to a **50%** discount in the event

- The offense was found during state or municipal control

- The offense is not listed in Part 1.3-3, Article 32.2 of the Code

- **Less than 20 days** have passed since the ruling on the penalty was handed down (or the term was restored)

- No deferment or installments apply to the fine

Fines for all labour and health & safety violations can be subject to a discount

A discount may also apply to a company's officer

Minimum fine

A minimum fine is imposed under the Code or regional legislation if



The offense was found during **state or municipal control**



Damages were recovered, any harm was prevented or eliminated **before the fine was imposed**



There are **maximum/minimum limits for the fine** under the relevant article



A fine **below the minimum amount** cannot be imposed

Deferred payment of the fine

This term has been extended to **6 months** (instead of 1). Deferral is applied if



The company **motioned for a deferral within 60 days** from the date when the ruling on the penalty came into force



The **absence of the financial ability** to pay the fine is proved



The offense **is not listed** in Part 3, Article 31.5 of the Code

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We hope you find this checklist useful!

ALRUD specialists have extensive expertise and will be glad to provide any legal support on issues related to a company being subjected to administrative liability.

