

Newsletter

New TMT legislation in Russia

July 6th, 2021

Dear Ladies and Gentlemen,

We would like to inform you of several draft laws in the TMT area, that were adopted by the Russian Parliament, and finally signed by the President. We have prepared a short description for you below.

Law on the activities of foreign entities on the Internet in the territory of the Russian Federation

Russian authorities have not been really satisfied with the Russian regulatory compliance by BigTech corporations, due to various reasons: they do not comply with all the local requirements, while Russian authorities face troubles with enforcement of sanctions against them.

The Law regulates the owners of foreign information resources (websites and software), with a daily audience of more than 500,000 Russian users¹ that meet at least one of the following criteria:

- receive funds from Russian individuals and legal entities;
- distribute advertising for Russian users;
- disseminate information in the Russian language;
- process personal data of Russian users.

The Law also applies to the following information resources, irrespective of their daily audience:

- international hosting providers that host websites used by Russian users;
- digital advertising platforms that distribute advertising for Russian users;
- social media and digital communication platforms (social networks).

Owners of foreign information resources have several obligations:

- to post, on the information resource, an electronic form for communications with Russian citizens and organizations²;
- to register an account on the official website of the Federal Service for Supervision in the Sphere of Communications, Information Technology and Mass Media ("Roskomnadzor") and use it to interact with government bodies of the Russian Federation³;
- to establish a branch/ representative office, or a Russian subsidiary, which shall be responsible for handling of local individuals' and governmental requests, company's representation in courts, and enforcement of decisions made by local authorities (such as to delete unlawful contents from the website, or similar).

¹ Roskomnadzor has developed a draft of the "Methodology for determining the number of users of information resources per day", which is under public discussion. Under this draft, determination of the number of users is carried out by counting users' one-time visits, during the day, to each of the information resources of a foreign person and the software used to access information resources, ensuring their full download. Roskomnadzor has the right to request information, on the number of users, directly from the owners of information resources..

² It is currently not clear what is meant by the "information resource" in relation to hosting providers, most likely the main site of the company is meant. However, the requirements for the electronic form have not yet been developed.

³ The procedure must be developed and approved after the adoption of the Law.

The Law provides for several types of different non-monetary liability for non-compliance with the requirements, including full, or partial, blocking of a website/app. This remains the most material one, and additional sanctions such as removal of a website/app from web search results, prohibition of cross-border transfers of personal data, advertising restrictions, limitation of transfers of funds and acceptance of payments by Russian individuals and legal entities, etc.

Moreover, owners of foreign information resources will be obliged to install software to determine the number of users. Such software will be chosen by the Roskomnadzor.

The obligation of companies to open representative offices comes into force from January 1st, 2022.

Law on the Internet Audience Measurement

This Law is aimed at regulating the mechanism for calculating the Internet audience, at various websites and services.

It applies to TV channels on the Internet, internet media, audiovisual services, news aggregators and other information resources on the network.

Such services are obliged to provide an opportunity for an authorized organization to conduct an audience measurement of the Internet service.

The research will be carried out by installing the software used by the authorized organization and / or by providing the authorized organization with the data necessary for the research.

The authorized organization will be chosen by Roskomnadzor.

The law comes into the force on October 1st, 2021.

Law on the unified system of accounting for advertising on the Internet

To ensure the traceability of advertising on the Internet, a system will be created to provide analytics of the ads posted on the Internet.

The following entities are obliged to post information in the unified system:

- advertising distributors;

- advertising system operators;
- advertising intermediaries.

Information can be posted independently, or through advertising data operators. This obligation does not apply to the social advertising operators.

Roskomnadzor will be given the authority to create and maintain the new system from September 1st, 2022. Roskomnadzor will form a special commission to select operators of advertising data. In addition, Roskomnadzor will maintain a register of such operators.

Internet Advertising (besides advertising on TV, radio programs distributed on the Internet) shall contain:

- the word "advertising",
- indication of the advertiser of such advertising, and (or)
- website, or page, on the Internet containing information about the advertiser.

Law on obligation of audiovisual services to broadcast Russian TV channels

The law obliges audiovisual services to broadcast 20 Russian TV channels, determined by Presidential decree.

Such distribution shall be carried out, based on the agreement with the authorized organization (not with separate broadcasters) and without charging a fee.

Audiovisual services will not be able to make changes to the content of TV channels, nor provide it to third parties and charge users for viewing such content. Audiovisual services shall use the player of the special platform defined by Roskomnadzor, or their own. Such a player shall meet the established requirements, which will be formulated by the commission created by Roskomnadzor. Such a commission has not been yet created.

The obligation of the audiovisual services comes into force on October 1st, 2021.

Law on the blocking of phishing and fraudulent websites

The Law gives the Central Bank the right to initiate the blocking of:

- websites that mislead users: due to the similarity of domain names, design or content, with real financial organizations;
- websites of financial services in the Russian Federation, controlled by persons who are not entitled to provide them;
- websites related to financial pyramids.

The decision on blocking should be made by the Prosecutor General, or his deputy, on the basis of application of the Chairman of the Bank of Russia, or his deputy.

The Law comes into force from December 1st, 2021.

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If you have any questions, please, do not hesitate to contact ALRUD Partner



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Sincerely,
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