

# Restrictions on the import of ozone-depleting substances to Russia

A temporary quantitative restriction on the import of ozone-depleting substances to the Russian Federation in 2017 has been introduced. The purpose of the adopted decisions is to ensure a stable market of ozone-depleting substances, which are not produced in Russia, and to prevent the growth of prices for such substances. These regulatory measures contribute to the preservation of the ozone layer of the atmosphere.

## **Reference**

The document was developed by the Natural Resources Ministry to implement Russian Government Resolution No 228 of 24 March 2014, On Measures for the State Regulation of the Consumption and Circulation of Substances Depleting the Ozone Layer, and to ensure compliance with Russia's obligations under the 1985 Vienna Convention for the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer.

There are formulas for the annual calculation of the permissible production of ozone-depleting substances in Russia and the annual calculation of the share of specific ozone-depleting substances in the permissible consumption of ozone-depleting substances (approved by order of the Ministry of Natural Resources of Russia).

Russian Government Directive No 2693-r of 15 December 2016 specifies the amount of ozone-depleting substances allowed for import to the Russian Federation in 2017.

The signed resolution introduced temporary quantitative restrictions on the import of ozone-depleting substance to Russia in 2017.

The document was also supplemented by the provision that when distributing the volume of ozone-depleting substances to be imported to Russia in 2017 between applicants (hereinafter referred to as ODS volumes), 60 percent of the ODS volume will be distributed among applicants who imported ozone-depleting substances in 2016, 35 percent of the ODS volume – between applicants who did not import ozone-depleting substances in 2016, and 5 percent of the ODS volume – between applicants who submitted applications for importing in 2016 but did not import such substances.

The purpose of the adopted decisions is to ensure a stable market of ozone-depleting substances, which are not produced in Russia, and to prevent the growth of prices for such substances. These regulatory measures contribute to the preservation of the ozone layer of the atmosphere.

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# Russia's approval of the draft Agreement between the Governments of Russia and Brazil on the Establishment and Operation of Cultural Centres

The signing of the Agreement will promote the development of cultural, humanitarian, information and educational cooperation between Russia and Brazil.

## **Reference**

Introduced by the Foreign Ministry.

The signed directive approved the draft Agreement between the Government of the Russian Federation and the Government of the Federal Republic of Brazil on the Establishment and Operation of Cultural Centres (hereinafter referred to as the Agreement). The Russian Foreign Ministry was instructed to hold negotiations with the Brazilian Party and upon reaching an agreement to sign the Agreement on behalf of the Government of Russia.

The signing of the Agreement will contribute to the development of a normative legal framework in the field of cultural, humanitarian, information and educational cooperation between Russia and Brazil.

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# On the submission to the State Duma of a draft law on combatting corruption crimes during international business transactions

The draft law provides for spreading the types of punishment stipulated in the Code of Administrative Offences for crimes of illegal gratification by legal entities to the cases when such crimes are committed not only on behalf or in the interests of a legal entity but also in the interests of other legal entities connected with it, such as affiliated or subsidiary companies. The adoption of this bill would create conditions for the further implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

## **Reference**

The draft law on amendments to article 19.28 of the Code of Administrative Offences (thereinafter referred to as the draft law) has been prepared by the Justice Ministry of Russia in keeping with the Action Plan for Cooperation with the Organisation for Economic Cooperation and Development (OECD) in 2017–2018.

Article 19.28 of the Code of Administrative Offences stipulates administrative liability for legal entities found guilty of intentionally offering, promising or giving, on behalf or in the interests of these entities, gifts of money, securities, other property or property services to an official, to persons involved in management activities in a commercial or any other organisation, to foreign officials or to public officials of international organisations (hereinafter referred to as the official) in order that the official act (or refrain from acting) in relation to the performance of official duties in the interests of said legal entity. In other words, the current wording of Article 19.28 stipulates administrative liability only for crimes committed by legal entities on their own behalf or in their own interests.

Under the draft law, the individuals and legal entities who are offered, promised or given property, property services or property rights on orders from officials, persons involved in management activities in a commercial or any other organisation, foreign officials or public officials of international organisations shall be also considered beneficiaries of corruption crimes committed in the interests of a legal entity or legal entities concerned.

The draft law provides for augmenting Article 19.28 of the Code of Administrative Offences in order to stipulate administrative liability for legal entities when they commit such crimes not only on their own behalf or in their own interests, but also in the interests of legal entities connected with them, such as affiliated persons or subsidiary companies.

The adoption of this draft law will create conditions for the further implementation of OECD recommendations based on the performance of the Russian Federation as assessed during the second round of monitoring of Russia's compliance with the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which was signed on 21 November 1997. Russia joined the Convention in 2012.

The draft law was discussed and approved at a Government meeting on 13 July 2017.

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**[Submitting to the State Duma the draft](#)**

# Law on automatic international exchange of tax information

The draft law proposes amendments to the Tax Code, which are necessary for ensuring the collection and exchange of information with competent bodies of foreign countries with a view to implementing the Convention on Mutual Administrative Assistance in Tax Matters. Thus, taxpayers employed by an international group of companies are obligated to report to the tax authority his or her participation in the international group of companies and country-specific information, including a country-specific tax return, global documents on the international group of companies and national documents of the participant in the international group of companies.

## **Reference**

The draft federal law On Introducing Amendments to the Tax Code of the Russian Federation (in connection with the implementation of the automatic international exchange of information on financial accounts and documents on international groups of companies), hereinafter referred to as the Draft, has been submitted by the Ministry of Finance.

On 1 July 2015, Russia joined the Convention on Mutual Administrative Assistance in Tax Matters, hereinafter referred to as the Convention, that provides for the global exchange of information on transfer pricing of transnational corporations and the automatic exchange of information on financial accounts of residents of foreign states.

In accordance with the Government directives №834-r of 30 April 2016 and №2608-r of 7 December 2016, the Federal Taxation Service signed multilateral agreements with competent bodies on the automatic exchange of financial information and automatic exchange of country-specific tax statements.

The Draft proposes introducing amendments to the Tax Code required for the collection and exchange of relevant information with competent bodies of foreign countries with a view to implementing the Convention.

Thus, starting 1 January 2017, taxpayers employed by an international group of companies are obligated to report to the tax authority his or her participation in the international group of companies and country-specific information, including a country-specific tax return, global documents on the international group of companies and national documents of the participant in the international group of companies.

To provide tax authorities with the financial information required for tax monitoring and exchange of information with competent bodies of foreign countries under the terms of the relevant multilateral agreement, organisations operating on the financial market are obligated to provide them with relevant information on their clients, beneficiaries and (or) persons who control them directly or otherwise.

Given the need to adapt to the new requirements, the Draft relieves taxpayers of responsibility for violations in the 2018-2020 period.

Adoption of the Draft will create instruments for reducing the shadow economy and countering illegal transactions to withdraw profits from Russia.

The Government reviewed and endorsed the Draft on 20 July 2017.

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## **Briefing by Head of the Federal Antimonopoly Service Igor Artemyev following a meeting of the Government Commission on Monitoring Foreign Investment**

### **Excerpts from the transcript:**

**Igor Artemyev:** The Government Commission on Monitoring Foreign Investment met today under the chairmanship of Dmitry Medvedev. Many interesting transactions have been reviewed.

The first transaction relates to St Petersburg: 25 percent of the shares of the new St Petersburg airport were purchased by a company from the United Arab Emirates – the Thirty Seventh Investment Company. These 25 percent were sold by our VTB Bank. This means that another foreign investor, in addition to Fraport, has come to attend to the management and development of the St Petersburg airport. The transaction amounts to 240 million euros, that is, about 15 billion roubles.

The next deal concerns a Canadian company (this deserves attention amid the sanctions) CPPIB Monroe Canada Inc., which acquired shares in the Taman grain terminal complex, a grain transshipment terminal in Russia. The Canadian company has purchased a portion of the capital of the grain terminal and, accordingly, will continue to invest, build and further develop this terminal.

The next story is connected with a major Russian company – Severneftegazprom, which is controlled by Gazprom. As a result of the transaction, Gazprom will retain control over it. In fact, this company controls 1.1 trillion cubic metres of gas, which is an absolutely mind-boggling amount.

The transaction amounts to 1.808 billion euros. Do you realise how much that is? Accordingly, OMV Exploration and Production, which is registered in Austria, acquires a little less than 25 percent (24.99 percent) in the joint-

stock company Severneftegazprom. This company belongs to another Austrian company (I mean the acquirer), with 31 percent Austrian capital, and 24 percent owned by the government of the Abu Dhabi Emirate. This is a major deal with the Austrian money coming in, and this is important from the point of view of developing the fields.

Thirty Seventh Investment Company, which I've already mentioned in connection with the St Petersburg airport, is carrying out two important social projects. Let me repeat that it is controlled by the United Arab Emirates. In cooperation with Russian companies, they are building two major high-tech medical centres – in Balashikha and Podolsk. They are investing and acquiring 37.5 percent in both of them. These two medical centres are vital for the social sphere of the Moscow suburbs. They will be equipped with new technology and so on.

These are the most interesting deals today. As you see, they are big and multipolar as always – from all continents. The deals I mentioned today were approved.

Journalists often ask me about Novomet. Remember: Halliburton–Novomet? Today the commission reviewed this issue but it could not have been considered on its merits because Halliburton did not submit an official application. Naturally, we cannot review anything without an official initiative from a potential investor in strategic assets. We reported to the commission that we have designated Novomet's own business as strategic and, hence, the company as strategic (this was done by FAS as an authorised body) and informed Halliburton that they must submit an application under the 57<sup>th</sup> law if they want to acquire Novomet.

Today we reported this to the commission, which duly took account of this information. Now we are waiting for an official application. In other words, the commission did not disavow the FAS decision but supported its view that a potential deal between Halliburton and Novomet should be subjected to special consideration by the Government commission.

**Question:** Could you comment on one more deal – the acquisition of a share in the Eurasia Drilling Company by the Russian Direct Investment Fund and its partners?

**Igor Artemyev:** The point is that we don't have a repeated application on Eurasia so the situation with it is the same as with Halliburton. If they want this deal to be considered (no matter whether Schlumberger or any other company applies for it) they should submit an official application. As far as I know, they are conducting some consultations on this issue now but we are not part of them. So we will go ahead when we receive official documents.