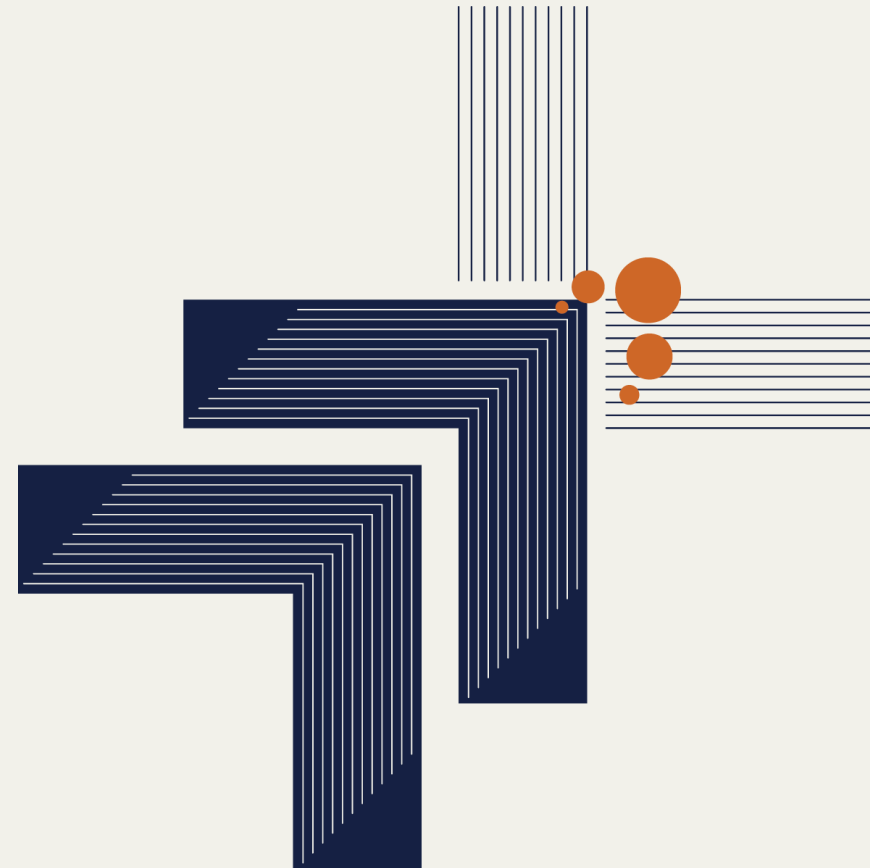


/ Production, Sales and Service in Russia – Legal Aspects

14/15 March 2018

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/ Foreign Investment – Guarantees & Restrictions



- Protection of foreign investment
 - ▷ Law on Foreign Investments, > 60 bilateral treaties
- Legal restrictions on foreign investment
 - ▷ Only in certain respects, e.g. strategic/foreign investment law, mass media, cabotage, agricultural land
- Enforcement practice by authorities against foreign vs. Russian companies

/ Legal System



- Continental European approach: Structure of Russian civil code similar to codified law in continental Europe, in particular German law
- Commercial (*arbitrazh*) courts and courts of general jurisdiction
- Arbitration tribunals (New York Convention)

/ Trigger for Localization of Production



- Economic triggers
 - ▷ Exchange rate (RUB devaluation)
 - ▷ Incentives / subsidies
 - ▷ Logistics
- Legal triggers
 - ▷ Public procurement preferences for products “made in Russia”:
 - Pricing advantage; sometimes priority

/ Investment Agreements



- Investment agreement on federal, regional, municipal level
 - ▷ Guarantee of stability (grandfather clause)
 - ▷ Provision of land for construction and infrastructure
 - ▷ Tax, financial and other preferences

/ Special Investment Contract

- Minimum investment for a federal SIC is RUB 750 million (currently approx. USD 12 million)
- Maximum term: ten years
- Potentially possible:
 - ▷ 0% profit tax rate to federal budget; tax rate to the regional budget can be reduced to 0%
 - ▷ Accelerated depreciation for certain fixed assets
 - ▷ Possibility to apply reduced assets tax rate
- Confirmation as Russian supplier for purposes of procurement law

/ Joint Ventures



- Structural / corporate aspects
 - ▷ One-/two-tier, foreign vs. Russian law, corporate bodies, veto rights, put-/call-options
- Contractual aspects
 - ▷ Supply / license / contract manufacturing
- Antitrust aspects
 - ▷ Merger control, non-compete

/ Real Estate and Construction



- Acquisition of land and due diligence of ownership
 - ▷ Unified State Real Estate Register (EGRN)
- Turnkey structure vs. EPC contracts
 - ▷ In case of turnkey, seller constructs the industrial building
 - ▷ Investor may determine the details of the industrial building and only acquire the rights to land plot and industrial building after its completion

/ Distribution / Sales Structures



- Antitrust aspects
 - ▷ Exclusivity, territories, key customers, online sales?, resale prices
 - ▷ Special restrictions in case of dominant market position: easily present in case of specific spare parts or consumables
 - ▷ Eurasian Economic Union
- Contractual structure: marketing services, commission, agency, distribution, supply, franchising

/ Regulatory Environment – Example: Data Protection



- Data localization rules
 - ▷ Personal data of Russian citizens
 - ▷ Certain condition for transfer abroad (consent, contract)
 - ▷ Foreign data base must be secondary to Russian data base
 - ▷ Registration as data operator

/ Your contact



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Stefan Weber advises multinational companies on Russian and German law with respect to finance and corporate transactions with deal volumes of up to several billion dollars. He has extensive experience regarding export, project and real estate financings as well as joint ventures and corporate restructurings/mergers and acquisitions. In addition, Stefan provides antitrust and compliance advice to international businesses in Russia. He assists clients in merger control proceedings and strategic investment filings, setting up of distribution structures, abuse of dominance constellations, compliance investigations, antitrust compliance trainings and guidelines. Stefan Weber co-heads Noerr's banking & finance practice in Moscow, and he heads the antitrust and competition law practice of Noerr in Moscow.

Competences

- Antitrust law
- Banking & Finance
- Compliance
- Corporate law

Distinctions

- Recommended for Banking & Finance in Russia and Germany, Chambers Europe & Global 2014 –2017
- Recommended for Banking & Finance in Russia, The Legal 500 EMEA 2017
- One of the leading lawyers for Banking & Finance in Russia, Best Lawyers 2014 – 2018
- One of the leading lawyers for Corporate Law in Russia, Best Lawyers 2018
- Clients report: "He has excellent expertise in German and Russian law and is very familiar with the banking and economic aspects behind the legal issues.", Chambers Global 2015