



Newsletter

Overview of Changes in Legislation
November 2012

Personal Data

Regulation of the RF Government on Approval of the Requirements to the Protection of Personal Data during Processing in Personal Data Informative Systems, dated November 1, 2012, No. 1119

Safety of personal data during processing is ensured by the operator or the person processing personal data on request of the operator on the basis of a contract.

The system of personal data protection includes organizational and technical measures. In particular, technical measures depend on the set level of personal data safety. It is determined depending on the type of threat (the Regulation classifies and describes each type), kind of personal data (biometric, publicly available, etc.), number of subjects, and other factors.

Control over compliance with the requirements is organized and exercised by

the operator (authorized person) itself and/or under contracts with legal entities or individual entrepreneurs holding a license for technical protection of confidential information. Control is to be exercised at least once every 3 years within the time terms determined by the operator.

The previously effective Regulation of the RF Government on Approval of the Regulations on the Safety of Personal Data During Processing in the Personal Data Informative Systems, dated November 17, 2007, No. 781, ceased to be in effect.

Banking

Order of the Federal Tax Service on Approval of the Procedure for Provision by Banks (Money Remittance Operators) of Information About Bank Accounts (Special Bank Accounts) and/or the Balance of Accounts (Special Bank Accounts), Operations with Accounts (Special Bank Accounts), Balance of Electronic Money and Remittance of Electronic Money on Request of Tax Authorities, on Paper as well as Corresponding Statement Forms and Bank Account Statements, dated July 25, 2012, No. MMB-7-2/519@.

The Procedure approved by the Order is used with respect to bank accounts of organizations, individual entrepreneurs, investors, bank accounts opened for the professional activity of notaries public, attorneys at law operating through offices,

as well as corporate electronic means of payment by the said persons.

On request of tax authorities, banks are obligated to submit certain documents, such as statements confirming existence of accounts; statements of accounts balance;

statements of operations with accounts; statements of electronic money balance; statements of electronic money remittance. The Procedure approves the forms of such statements and contains directions as to how the forms should be filled in.

The Order was registered by the Ministry of Justice on November 6, 2012 under No. 25770.

Insider Information

Order of the Federal Service for Financial Markets on Approval of the List of Information Relating to the Insider Information of the Federal Service for Financial Markets, dated August 28, 2012, No. 12-76/pz-n.

The List sets forth the procedure for publication on the FSFM's official site (www.fcsm.ru) of information about its decisions regarding securities admitted for trading in Russia; managing companies of unit trusts; about issuance, cancellation, revocation, limitation, suspension, renewal of licenses for certain types of activity

(activity of unit trusts, insurance and clearing organizations), obtained in the course of inspections carried out by the FSFM, as well as about the results of inspections and ensuing decisions.

The Order was registered by the Ministry of Justice on November 7, 2012.

Accounting

Draft Order of the Federal Service of State Statistics (Rosstat) on Approval of the Procedure for Provision of the Obligatory Copy of Financial Statements to the Territorial Bodies of the Federal Service of State Statistics.

Pursuant to Federal Law on Accounting No. 402, starting from January 1, 2013 all economic entities obligated to prepare their accounts (financial statements), except for governmental organizations and the Central Bank of Russia, at least three months after expiration of the reporting period should submit one obligatory copy of their annual accounts (financial statements) to the Rosstat local departments. The Draft Order contains:

- the list of economic entities obligated to submit their accounts (commercial and non-commercial organizations, individual entrepreneurs, attorneys at law operating

from offices, notaries public, and other persons engaged in private practice);

- the Rosstat departments having jurisdiction over (under the general rule, the place of registration of a legal entity; for trustees – the place of registration of the establishment in trust; for bankruptcy commissioners – the place of registration of the debtor);

- the date for submission of accounts, including those sent by post and electronically;

- requirements to the volume, contents, forms and formats of accounts and the procedure for correction of any found inconsistencies.

Non-commercial Organizations

Federal Law on Amendment of the RF Code of Administrative Offences, dated November 12, 2012, No. 192-FZ.

Pursuant to the Law, the Code of Administrative Offences stipulates liability for violations in the sphere of activity of non-commercial organizations performing the functions of a foreign agent (the “NCO”).

Non provision or untimely provision by NCO of information subject to provision to governmental authorities by the law entails a warning or imposition of an administrative fine on officers from 10,000 rubles to 30,000 rubles; on legal entities – from 100,000 rubles to 300,000 rubles. (Under the current regulations, NCO should file an auditor’s report annually, a report on its activity and the composition of its management bodies every 6 months, a report on the expenditure of money and use of other property every quarter).

Any activity of NCO which is not included in the register of NCO entails an administrative fine on officers from 100,000 rubles to 300,000 rubles; on legal entities from 300,000 rubles to 500,000 rubles.

Publication of materials and/or their dissemination by NCO without indication that the materials were published and/or disseminated by such NCO entails an administrative fine on officers from 100,000 rubles to 30,000 rubles; on legal entities from 300,000 rubles to 500,000 rubles.

Organization of or participation in the activity of a foreign agent whose activity was suspended also entails liability.

Advertising – Court Practice

Ruling of the Plenum of the RF Supreme Arbitration Court on Certain Issues of the Practice of Application of the Federal Law on Advertising by Arbitration Courts, dated October 8, 2012, No. 58.

In connection with the questions arising in the consideration of cases connected with the application of certain provisions of the Federal Law on Advertising (the “Law”), the Plenum gives the following explanations.

Information may not be regarded as advertisement if it must be placed by virtue of law or is placed by virtue of business custom. Where such information is placed partially, it cannot be regarded as advertising.

When examining information as to the existence of the signs of advertising, the courts should take into account that placement of certain details that evidently make consumers associate them with a

definite product should be regarded as an advertisement of such product, because even part of the information about the product is sufficient for drawing the attention of consumers and maintaining their interest to the product.

In the consideration of cases on administrative liability for violation of advertising laws and regulations, the courts should be aware that the limitation period begins at the time when the violation was committed, not at the time when anti-monopoly authorities decided that the violation had taken place. If a disputable advertisement was placed in the mass media,

the limitation period begins on the day of the last dissemination of the advertisement.

Administrative liability is aggravated by a repeated similar administrative offense. If the person was held administratively liable as advertiser, another administrative offense committed by the same person not only as advertiser but as advertisement producer or advertisement distributor should be regarded as a repeated similar administrative offense.

Subscriber's consent to receipt of advertisements through telecommunications network may be expressed in any form sufficient for the subscriber's identification and confirmation of his will to receive advertisements from this or that advertisement distributor. At the same time, subscriber's consent to receive information about weather forecasts, currency exchange rates, etc. from a certain person cannot be regarded as consent to receipt of advertisements from such person.

* * *

This newsletter is not intended to provide legal advice and/or any other form of legal assistance that may be rendered by attorney-at-law to client. The exclusive purpose of this review is to make aware its recipient of certain recent changes in Russian laws and regulations, and of the development of law application practice. Any use of the information contained herein for particular purposes may require more detailed case-specific explanations. Further information can be obtained via +7 (495) 933 75 67 or office@agp.ru



Znamenka 13, bldg. 3, 3rd floor, Moscow, 119019, Russia.
Tel.: +7 (495) 933-75-67, 691-98-13, 697-48-31, 697-63-94.
Mobile: +7 (495) 999-63-85. Fax: +7 (495) 697-92-26.
E-mails: office@agp.ru.
Internet: <http://www.agp.ru>.