

# Administrative Liability for Trade Law Breaches

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Goltsblat BLP advises that **Federal Law No. 411-FZ of 28 December 2010 "On Amendments to the Code of Administrative Offences the Russian Federation"** (the Federal Law) came into effect on 31 December 2010.

The Law introduces administrative liability for legal breaches of the fundamentals of state trade regulation in the Russian Federation for corporate officers, officials and legal entities. The liability mostly applies to retail chains selling foodstuffs and suppliers of these goods.

- Imposition of discriminatory conditions (including putting obstacles to entry on to or exit from a goods market) or contractual terms prohibited by the law on trade, and wholesale trading pursuant to a commission agreement are now treated as offences, with the relevant administrative fines ranging from 10,000 to 50,000 roubles for officers and from 1.5m to 5m roubles for legal entities, depending on the tort.

- Failure to provide information requested by a potential contractor regarding the conditions for contractor selection or the material terms and conditions of the foodstuffs supply contract is punishable by an administrative fine of 20,000 to 40,000 roubles for officers and 300,000 to 500,000 roubles for legal entities.

- In the context of conditions for concluding foodstuffs supply contracts, liability is triggered by departures from the requirements on the amount of and grounds for paying fees, payment deadlines, provisions regarding novation, inclusion of promotional services in supply contracts and compulsion to enter into goods promotion agreements. Administrative fines for these offences range from 20,000 to 40,000 roubles for officers and from 1m to 5m roubles for legal entities, while compulsion to conclude a promotional services agreement is punishable by a fine of 30,000 to 50,000 roubles and 3m to 5m roubles, respectively. The provisions defining liability for retailers and suppliers of foodstuffs also apply to their group companies in compliance with Federal Law 135-FZ of 26 July 2006 "On Protection of Competition".

- The Federal Law also stipulates liability in the form of a 50,000 rouble administrative fine or disqualification for a period of one to three years for officials failing to implement, within the prescribed timeframe, an anti-monopoly body order to cancel or modify regulatory acts and/or cease actions of an executive body of a constituent entity of the Russian Federation or a local government body that run counter to the legislation on state regulation of trade or might result in market rules contravening the legislation.

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