

New Federal Law On Licensing Certain Activities Coming Into Force

GOLTSBLAT | BLP

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Goltsblat BLP advises that **Federal Law No. 99-FZ of 4 May 2011 "On Licensing Certain Activities"** (the Federal Law) is to come into effect on 3 November 2011 (save for certain provisions to become effective on other dates).

The Federal Law determines the area of its application, the rights and obligations of the licensing authorities, licence requirements, the list of licensable activities, the list of documents to be submitted in order to obtain a licence, the procedure for renewing a licence, the licensing supervision procedure, the procedure for suspending and terminating licences.

The most essential provisions of the Law include the following:

- The number of licensable activities has been substantially decreased (up to 49) (though mostly owing to consolidation into larger groups). The requirement on licensing activities not relating thereto as well as the relevant licences cease to have effect. All licences previously issued in respect of licensable activities remain in force for an indefinite period. Any licences previously issued in respect of activities subject to re-classification as well as licenses which do not specify the works to be performed as part of particular activities must be renewed on their expiry (to have effect for an indefinite period). Other licensable activities may be introduced only by amending the effective list of licensable activities.
- The following activities are not subject to the Federal Law and must be licensed in accordance with the procedure provided for by the relevant federal laws: use of nuclear energy; production and circulation of ethyl alcohol, alcoholic and alcohol-containing products; activity associated with state secret protection; activity of credit institutions; activity related to organisation of stock exchange trading, activity of stock exchange intermediaries and brokers; professional activity on the securities market; activity of incorporated and unit investment trusts, and non-state pension funds; clearing activity; insurance activity.
- The specifics of licensing telecommunications services, television broadcasting, radio broadcasting, private detective and security activity, training and education activity are determined by the laws regulating the relevant activities.
- The Government of the Russian Federation appoints the licensing federal executive authorities, approves licensing regulations, the procedure for on-line submission of documents for the licence and the licence model form. Pursuant to the federal laws, the powers of the Russian Federation in the sphere of licensing may be delegated to constituent entities of the Russian Federation.
- After a person submits an application to obtain or renew a licence, the licensing authority undertakes documentary and unscheduled field audits of the applicant without prior agreement

For additional information, please contact:



Anton Sitnikov
Partner, Head of
Corporate/M&A, Goltsblat BLP
T: +7 (495) 287 44 44,
E: info@gbplaw.com



Ekaterina Dedova
Partner, Corporate/M&A,
Goltsblat BLP
T: +7 (495) 287 44 44,
E: info@gbplaw.com

www.gbplaw.com

Capital City Complex,
Moscow City Business Centre,
8, Presnenskaya Nab., Bldg.
1,
Moscow, 123100, Russia

T: +7 (495) 287 44 44
F: +7 (495) 287 44 45
E: info@gbplaw.com

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of the prosecutor's office. Scheduled audits are carried out in accordance with the general procedure.

- Licence requirements may not include requirements on particular type and volume of products manufactured or planned to be manufactured.
- No licence fees may be charged, except for the statutory stamp duty.
- The documents submitted for the licence will be considered within 45 working days, the final decision will be delivered within three working days.
- The licensed activity may be launched on the day following the day the decision to grant the licence was taken, that is after the relevant entry being added into the licence register, the registration number assigned and the order of the licensing authority on granting the licence registered.
- The licence will have effect for an indefinite period. In a number of cases, the licence is subject to renewal (in the event of reorganisation, change of name, address or place of business or the list of works performed as part of the licensed activity). In the event of a merger the licence should be renewed only if all merging parties possess licences for the same type of activity. If a person ceases the licensed activity, the relevant application must be submitted to the licensing authority within 15 calendar days.
- The licence may be cancelled by a court after consideration of an application for its cancellation submitted by the licensing authorities.
- Information on licensing (including data from licence registers) is open and publicly available (except for information constituting state or official secrets). Information on a particular licence is provided free of charge by the licensing authority within five working days.