

Provisional Survey Report 2014

**New Issues and Requests for Improvements on Trade and Investment  
- Former Soviet Union -**

January 2015

Japan Business Council for Trade and Investment Facilitation (JBCTIF)  
Secretariat: Japan Machinery Center for Trade and Investment

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## 6 . Former Soviet Union

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(Note) \*, APEC countries and regions

(Note) †, ASEM countries and regions

Issues and requests relating to foreign trade and investment - Russia

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Duty	- Import Duties are high across the board. While the Russian Government (GOR) has acceded to WTO and openly announced reduction in Customs Duty, the precise schedule to reach the final goal remains in the dark.		
		(2)	Inefficient and Nebulous Customs Clearance Procedures	- From time to time, Russian Customs unilaterally levies Customs Duties based on the dutiable value determined at its sole discretion. In order to avoid this treatment, Member Firm's Subsidiary (MFS) has submitted twice a year to the Custom's Authority a vast amount of materials, expending much time and human resources or their preparation. Nevertheless, refund can be denied in certain cases. MFS is exposed to the risk of going into unnecessary work and incurrence of additional expenses. - MFS Purchase Price List is on file at Customs. Where a product is imported at the special price lower than the normal price, frequently Customs require submission of Contract with MFS's customer, and Explanatory Letters. During this time, the goods stay at Customs. It is necessary to make upward price adjustment at times to get the goods cleared through the customs. - Relative to import of High-Purity Alumina, MFS tried to get the goods cleared through the Customs at the Import Duty in accordance with the HS-Code, attaching Analysis Report by the Third Party Laboratory, MSDS (Material Safety Data Sheet), etc. However, the Russian Customs Authority (RCA) enforced its own sample analysis, stating the time schedule: 3-months for Analysis and 1 year for Completing the Procedures. In the end, RCA accepted Member Firm's original submission. However, to this date, there has been no refund of the import duty. With the change of the Customs Staff, the entire procedures must go back to square one. It interferes with the MFS's global business development.	- It is requested that Government of Russia (GOR) aims at attaining the full transparency in Customs Clearance Procedures, unaffected either by whim and fancy of the Customs personnel or Customs budget issues, etc.  - It is requested that GOR takes steps to: -- expedite examination, -- enhance efficiency, and -- assure transparency in Customs Clearance Procedures.  - It is requested that GOR takes steps to accept: -- Analysis Report by the Third Party Laboratory, -- Measures taken under MSDS, and expedite the procedures.	
		(3)	Nebulous Levy of Import Duty	- The Customs at Nakhodka and Vladivostok insist that prices for the steel products imported by a Japanese Firm and declared on the invoices are too cheap, demanding explanation and production of a huge volume of additional documents, as well as temporary posting in bond of extra amount of import duty calculated in accordance with the prices alleged by them to be adequate. Such cases have frequently occurred recently, despite the fact that the Japanese Firm purchased those products at the going market prices.	- It is requested that the RFG authority: -- makes customs clearance adequately based upon the import customs clearance documents, and -- approves the customs clearance of the imported goods.	- Customs Act
		(4)	Customs Union	- Along with establishment of the Tripartite Customs Union (TCU = Russia, Kazakhstan and Belarus), changes in and implementation of the Regulation relative to the Product Safety will advance. This means increased burden to Japanese affiliated enterprises, as the Regulation requires description in Russian language, etc. in contravention of the international norm.	- It is requested that TCU repeals the Regulation.	- Tripartite Customs Union

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			- The acquisition process of the Customs Union for Licences and Approvals differs individually among the 3-countries so that applicant must prepare individually different materials for each country. In addition, applicant must file customs clearance application in certain cases individually for each country that can individually apply a different check method.	- It is requested that GOR takes steps to: -- construct a common acquisition procedure for Licences and Approvals and -- make transparent the details of check and inspection upon Customs Clearance.	- Tripartite Customs Union
	(5)	Violations in Concessionary Rate(s) on Import Duty	- Russia owes obligations to observe its International Undertakings, including Observance of the (Concessionary) Import Duty Rates upon its accession to WTO. However, GOR levies Import Duty exceeding the Concessionary Rate(s) on Combined Freezer/Refrigerators for Home Use. As a result, Japanese enterprises have paid a substantial amount of excessive import duty to this date.  <b>(Reference)</b> - Russian Import Duty on "Combined Refrigerator-Freezers for Home Use" (1) Combined refrigerator-freezers 340L or more in Cubage (HS Code 8418.10.200.1) -- WTO Concessionary Rate ("WCR") = 18.3% -- Russian Rate = Larger of [WCR] or [EUR0.16 x Cubage (L)] -- Conflict with WCR arises when Import Price x 18.3% is less than EUR0.16 x Cubage (L) (2) Combined Refrigerator-Freezers, Less than 340L in Cubage (HS Code 8418.10. 800.1) -- WTO Concessionary Rate ("WCR") = Larger of 18.0% or EUR0.198 x (L), however, with 18.0% Cap -- Russian Rate = Larger of [WCR] or [EUR0.198 x Cubage (L)], (without 18.0% Cap) -- Conflict with WCR arises when Import Price x 18.0% is less than EUR0.198 x Cubage (L) - GOR has adopted the Common Tariff under the Tripartite Customs Union (TUC) between Belarus, Kazakhstan and Russia and levies Customs Duty under the Common Customs Tariff of the Customs Union, promulgated by the Eurasian Economic Commission. - Common Customs Tariff of the Customs Union by the Eurasian Economic Commission: ( <a href="http://www.eurasiancommission.org/ru/act/trade/catr/ett/Documents/ett84%2001.01.2014.pdf">http://www.eurasiancommission.org/ru/act/trade/catr/ett/Documents/ett84%2001.01.2014.pdf</a> )	- The GOR's measures described in the left column are inconsistent with the WTO Agreement (Article 2 of GATT). It is requested that GOR takes steps to terminate collection of import duty in excess of the Concessionary Rate(s).	- Common Customs Tariff of the Customs Union of the Eurasian Economic Commission (EEC)
	(6)	No Change in Customs Duty Levy despite the Reduction in Import Price	- Import Duty is levied on the Import Price. It follows then that when Import Price is reduced, it should be recalculated based on the reduced price. However, in practical implementation, the same Import Duty based on the pre-reduction price remains payable. While it is possible to receive duty refund for the substantive overpayment of Import Duty after negotiation with the customs authority, in the case where reductions are simultaneously made both on the import price and the retail price, the refund procedures are quite complex to the extreme, and time consuming (for more than half a year) from the filing date of application to receipt of refund.	- It is requested that GOR takes steps to calculate import duty based on the import price of the product at each point of import.	- Article 68 of the Customs Code of the Customs Union

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	(7)	Local Importers' Rampant Under-Valuation of Invoice Prices	<p>- Due to some Russian importers' rampant customs duty evasion by undervaluation for high priced foods, especially fishery products, legitimate importers deprived of price competitiveness are no longer able to run a viable business.</p> <p>Russian Customs Authority (RCA), being aware of the rampant undervaluation practices, seem to have taken a comprehensive measure based on its own evaluation of the unit prices of all imports. It equally affects the reduction of unit prices by the legitimate business operation through their own genuine business efforts.</p> <p>Moreover, it seems RCA has extended import restrictions to the operation through the Offshore Settlement Company. However, it alienates the business of the third parties in good faith via the triangular settlement of transactions. It is quite possible (although without proof) RCA is turning a blind eye.</p>	- It is an idea to shift the customs duty levy from ad valorem to per unit duty.	
12	Exchange Controls	(1) Restricted External Remittance in Foreign Currency	<p>- While no particular restrictions apply to Exchange of rubles into Foreign Currency or External Remittance, depending upon the currency (such as rubles) or settlement method, sometimes, it takes time.</p> <p><b>(Improvement)</b></p> <p>- Since Elvira Nabiullina's assumption of office as Governor of Central Bank of Russia (CBR), CBR has rapidly advanced its Reform Policy toward shifting to the Full Free Floating Exchange System by 2015 (target), such as disclosure of information on its Exchange Intervention Policy, and widening of the range for Non-Intervention in Exchange.</p>		
13	Finance	(1) Inadequate Financing Infrastructure	- While CBR employs Real-Time Gross Settlement (RTGS) Systems for inter-bank settlement, Designated-Time Net Settlement (5-times per day) remains in the mainstream. In effect, the fund settled at late hours is unavailable for use on the very day the settlement takes place.		
		(2) Irrational Basis of Earmarking Bad Debt Reserve	<p>- CBR demands earmarking of 21% Reserve on accommodation of funds, on which any of the following applies:</p> <p>(1) Stock Financing for Distributors Grant of Stock Fund Loan to Distributors from the fund (granted as loan to customers) of which Principal-and-Interest is partially paid does not improve "the Debt Payment Status", one of the decision bases for the Reserve Rate. In this case, the Grade of Less Than The 3rd Classification applies.</p> <p>(2) Car Personal Loan In the case where the Subject Car for Car Loan is the Subject Property of Stock Financing for Distributors, the Car in question amounts to the financing employed for debt payment to other creditor. In this case, the Grade of Less Than The 3rd Classification applies.</p> <p><b>(Improvement)</b></p> <p>- Since Elvira Nabiullina's assumption of office as Governor of CBR, rapid progress has been made on the Systematic Reform Programme toward shifting to the Full Free Floating Exchange System by 2015 (target), including disclosure of information on its Exchange Intervention Policy, and widening of the range for Non-Intervention in Exchange.</p>	- Member Firm's Subsidiary (MFS) is of the view that the financing in the circumstances described in the left column amounts to normal credit. It is requested that CBR takes steps to reconsider the reserve earmarking standard.	- CB Report Regulation No.254-P 1. Article 3.7, and 3.7.2.4, 2. Article 3.13, & 3.13.6

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14	Taxation Systems	(1)	Recycle Tax on Passenger Cars	- While GOR reduced Import Duty on Passenger Car from 30% to 25% upon accession to WTO, it has introduced new Recycle (Scrap) Tax of 5% on Passenger Cars as if to complement the tax so reduced. Tax rates vary by Engine Displacement so that in some cases the Tax Rate is higher than the 5% reduction in Import Duty so that a Firm is unable to secure the Budgeted profit and loss.	- The process has been nebulous leading to introduction of the New Taxation System, as the terms have gone through a number of changes from the original draft, undisclosed up to the very moment before final decision. Hereafter, it is requested that GOJ induces GOR to secure transparency in introduction of changes in the Taxation System, such as Reduction of Tax Rates in Stages, or Change in the Calculation Method for Scrap Tax, etc., by securing an ample Moratorium Period and a Justifiable Explanation, etc.	- Resolution of the RF Government No.870 dated 30.08.2012 "On Wheeled Vehicle Scrapping Fees"
		(2)	Non-existence of Consolidated Income Tax Payment Scheme	- A Member Firm developing business in Russia finds uneven performances among its subsidiaries (MFS's). If consolidation is allowable on Profit and Loss of all Russian MFS's as a single consolidated business entity, then Member Firm can both pay tax, and reinvest the resources for furthering its business in Russia.	- It is requested that GOR takes steps to introduce the scheme that allows Consolidated Tax Payment.	
		(3)	High Rate of Withholding Tax	- Under the Japan-Russia Tax Treaty Withholding Tax of 15% is payable for remittance from Russia to Japan. This Withholding Tax Rate is substantially higher than the Model Tax Treaty under OECD. It serves as a major factor that hinders Japanese investment into Russia.	- It is requested that GOR and GOJ take steps to amend the Current Tax Treaty as soon as possible.	
		(4)	Inadequate VAT Taxation System	- While the VAT Refund Scheme is provided in the Regulation, actual refund procedures are complex and difficult to materialise. While set-off in the VAT refund application should be workable, in effect, it requires GOR's assessment. In some cases, VAT refund is carried over to next fiscal year, not next fiscal term.	- It is requested that GOR takes steps to administer the Regulation to the letter.	
16	Employment	(1)	Difficulty in Visa Acquisition	- It is time consuming and extremely heavy in expenses and workload to obtain in Russia, Work Licences, Work Visas, and other Licences and Approvals necessary for doing business in Russia. The procedures and implementation methods are ambiguous. Their interpretation now and then differs between sections and departments. Moreover, the views and announcements on regulations, etc. frequently vary. Recently GOR simplified visa acquisition procedures. This is a step forward. However, due to "Procedures Now Undergoing Changes", there are cases in which Visa Issuance, etc. are held in abeyance for three years.	- It is requested that GOR takes steps to: -- handle the business routine with the same understanding by and among Ministries and Agencies, -- spare no efforts for elimination of arbitrariness in all respects (in other words, doing Matter of Course as Matter of Course in business), and -- ensure further streamlining of Visa Acquisition Procedures.	
		(2)	Customary Practice on Legal Leave and Bonus	- Labour Law provides for 28-days of Legal Paid-Leave, and 14-Day Non-Stop Acquisition Of Paid-Leave, which could interfere with the business operation.	- It is requested that GOR takes steps to amend the labour law as soon as possible, in order to allow a flexible adjustment of the non-stop acquisition of paid-leave between employers and employees.	

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	(3)	Overly Protective Labour Legislation	<ul style="list-style-type: none"> <li>- Under the Labour Law, basically wages are interlocked with the inflation rate, while it has become possible to set the wage raise rate at the level lower than the inflation rate due to business performance, etc., provided, however, that wage reduction cannot be enforced unless with the presence of undue fault on the part of employees. In that event it is necessary to sign agreement between employers and employees. Consequently, wages tend to trace the ever-increasing curve.</li> <li>- There is no provision for retirement at age-limit in the Russian Labour Law. A worker can continue working indefinitely, unless he/she voluntarily retires. An Employer is unable to enforce dismissal without the existence of the employee's refusal for correction after the employer's repeated warnings, or serious damages given by the employee to the employer. Retirement or Dismissal basically requires written agreement between employer and employee.</li> </ul>	<ul style="list-style-type: none"> <li>- While the Russian Labour Law has gone through changes bit by bit, basically, the concept from the USSR days colourfully remains. It is requested that GOR takes steps to identify clearly the age limit of workers in the situation described in the left column.</li> <li>- While the Russian Labour Law has gone through changes bit by bit, basically, the concept from the USSR days colourfully remains. It is requested that GOR takes steps to identify clearly the age limit of workers in the situation described in the left column.</li> </ul>	
	(4)	Stringent Legislative Labour Scheme	<ul style="list-style-type: none"> <li>- The following restrictions are provided in the Russian Labour Law:</li> <li>(1) Documental requirement: <i>Prikaz</i> (Order, a Written Decision) signed by the President (needed each time on Entry, Retirement, Intra-Company Transfer, Paid Leave, Overtime Worked), Certificate for Business Trip stamped at the business trip location, Paid-Leave Schedule, Staff List, Company Rules, Ledgers, etc., giving rise to an extra heavy administrative burden.</li> <li>(2) Assumption of expenses from Compulsion of Substitute Staff/Means due to the severe overtime restrictions of 120-hours/year, and less than 4-hours in 2-consecutive days.</li> <li>(3) Substantial Administrative Expenses result from having to pay wages more than twice a month, while the complex work arises from the wage related payments, such as Paid-Leave, Business Trip, Sickness Leave, Reduction in Basic Pay and Allowances (that vary each time from having to calculate from the past 12-months average revenue, varying each time).</li> <li>(4) In addition to restrictions on rubles only, for expression and payment of the wage amount, it has become difficult to implement a flexible personnel policy for the local staff.</li> <li>(5) Huge administrative expenses arise from the extremely severe demand relative to "Labour Protection" (including without limitation, Compulsory Employment of Special Officer on enterprises employing more than 50-workers, regardless of business category, preparation of vast amount of documents such as various guidelines, manuals, ledgers, etc., compulsory execution/provision of education at educational institutions, office environment research, health checkup, etc.</li> <li>(6) Paid-leave of as many as 28 days, and moreover, consecutive 2-weeks paid-leave are compulsory. In addition, treatment of public holiday is uncertain as the number of paid-leave is based not on business (work) days but on calendar days. If a worker takes paid-leave only on</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOR takes steps to amend the Labour Law that incorporates the following issues:</li> <li>(1) Reduction in requisite documents</li> <li>(2) Deregulation of overtime work restrictions</li> <li>(3) Simplification of work concerning wage payment</li> <li>(4) Payment of Foreign Workers' Wage in Currencies other than Ruble, and Approval of Reduction in the Ratio of Payment in ruble.</li> <li>(5) Deregulation in the Labour Protective Demands</li> <li>(6) Paid-leave only on Business Days, Repeal of Compulsion of the Consecutive 2-Weeks Paid-Leave</li> <li>(7) Approval of Basic Wage Reduction on Employees.</li> </ul>	- Labour Law

Category	No	Issue	Issue Details	Requests	Governing Laws	
			<p>business days, it becomes possible to take more than 5-weeks of paid-leave. Employers must go into great expenses of having to secure substitute workers.</p> <p>(7) Disallowance of reduction in the base wage interferes with establishment of a flexible wage scale, commensurate with the job responsibility and personal ability.</p>			
	(5)	Vast Amount of Clerical Work for Wage Calculation	- MFS pays twice monthly wages to each employee in pursuance of the Labour Law. This requirement apparently doubles the workload compared to the general practice of once a month payment, including Japan, U.S. and EU.	- It is requested that GOB takes steps to: GOR amends the Labour Law as soon as possible.		
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Exclusion from Patent Protection on Data Programme	- The Russian Patent System does not provide Patent Protection on Data Programme per se as invention. It is not possible to protect Data Programme from the Counterfeiting Infringements over the internet.	- It is requested that GOR makes data programme per se protected under the Patent Act.	- Russian Civil Code Part IV Article 1350(5)
		(2)	Simultaneous Patent Issue from filing Application for the Same Patent via Russian and Eurasian Routes	- The existence of the same patent in Russian and Eurasian routes means by transfer, two transferees own the same patent. This fundamentally denies the Exclusivity of the Patent Right.	- It is requested that GOR promulgates provisions in the Patent Act that expels patent duplications.	- Russian Civil Code Part IV Article 1397
		(3)	Possible Inflow of Patent Infringing Products due to the Customs Union	- By virtue of the Customs Union among Russia, Kazakhstan, and Belarus, goods move freely among the three States. Where patent is issued in Russia (but not in Kazakhstan, and Belarus), there could be cases where Russian Customs are unable to suspend entry of Patent Infringing Products imported into Russia via Belarus or Kazakhstan. Costly Acquisition of Patent Right in all three States or in Eurasia could be a preventive measure. Moreover, in the latter case, it is questionable if the Patent Right is adequately executable in Belarus and/or Kazakhstan.	- It is requested that GOR: -- ensures that the patent issued in Russia is valid in Belarus and Kazakhstan, and -- enables customs clearance suspension of infringing products entering Belarus or Kazakhstan.	
		(4)	Assumption of Costs incurred by Disposal of the Counterfeit Products	- A Firm grappling with extinction of counterfeits and copy goods faces a heavy burden for the cost of storage, transport and destruction of the Confiscated Goods.	- It is requested that GOR: -- tightens implementing legislation of IPRs, -- tightens clampdown on infringing products at Customs, -- introduces and streamlines import suspension measures of counterfeits, and -- alleviates financial burden upon the rightful holder of IPRs relative to confiscated goods.	- The Anti-Counterfeiting Trade Agreement (ACTA), October 2010
		(5)	Inadequate Examination Scheme under Utility Model Patents	- Utility Model Patents get registered without requiring substantial technical examination. Utility Model Patents could be issued for the invention with paucity or a low degree of Novelty.	- It is requested that GOR either repeals the No Examination Principle or introduces Technical Examination Scheme (while the law amendment is reportedly under progress).	- Russian Civil Code Part IV Article 1390(1), (2)



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19	Industrial Standards, Approval of Safety Standards	(1)	Delayed Promulgation of Detailed Rules for Implementing the Product Safety Regulation	<p>- There has been much delay in release of the Detailed Implementation Rules (DIRs) concerning the change of the new Russian Technical Regulation "On the Safety of Low Voltage Equipment (Low Voltage Equipment and Telecommunications Equipment) (RTR)", which requires disclosure of the Detailed Rules that allows sufficient time for product test by a third party institution and for product changes in order to mark the new certification label, and establishment of the grace period, when old and new regulations co-exist.</p> <p>At the beginning, Gost-R National (Russian Certification System) announcement was made in October 2010 to begin its implementation in December 2010. However, with the transfer to the Customs Union, implementation start was moved to July 2011. After further extension in early 2011 to July 2012, once again notification was received advising further postponement from July 2012 to 15 February 2013. The grace period for the existing products was postponed from 15 August 2014 to 15 March 2015.</p>	- Changes in DIRs on Product Safety Regulation require sufficient advance notification (minimum 6-months). It is requested that GOR grants more than one-year as grace period for application of new Regulation on the products, which are possibly affected in sales and stock.	- National Russian Certification System GOST R concerning Electrical Products - Certificate GOST-K for Kazakhstan - Belarus (RB) Certificate of Conformity
		(2)	Compulsory Inspection of All Factories	- Customs Union's "Scheme 1C" mandates Production Inspection (Factory Inspection) of all factories. Despite the adoption of the Quality Control System Common to All Factories based on the International Standard by the majority of the enterprises operating globally, the Customs Union's compulsion of Production Inspection (Factory Inspection) of all factories is extremely burdensome to the industries.	- It is requested that Customs Union takes steps to accept the auditing results by third party institutions based upon CIG023, etc.	- Customs Union Technical Regulations 020/2011 and 004/2011
		(3)	Numerous Requirements on Light Industrial Products	- The marking requirements are quite burdensome for Light Industrial Products (leather, cloth, etc.). Apart from acquisition of Licences and Approvals, Customs Union requires the label marking on product name, Country of Origin, Manufacturer's (or Agent's/Distributor's), Manufacturer's Address, Product Size, Ratio of Raw Materials, Compliance Mark, Date of Manufacture, Surface Raw Materials, etc. heavily burdening the industries.	- It is requested that Customs Union takes steps to accept Self Declaration.	- Customs Union Technical Regulations 017/2011
		(4)	Disclosure on the Web of the Certification Information	- Simultaneously with the acquisition of Certification, the Model Name is disclosed on the web. Disclosure of the new product name preceding the New Product Release Announcement means a fatal blow to the sales strategy.	- It is requested that GOI will keep the Certification Information confidential for a certain period, if requested by the enterprise in concern, as they do in some other countries.	- Customs Union Technical Regulations 020/2011 and 004/2011
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Inadequate Postal Service	- For the purpose of receiving dividends from an Ukrainian company, it has taken more than 30-days for SCER just to receive Certificate that SCER is a legal entity, duly incorporated under the law of the Russian Federation. The Certificate was issued and mailed via Russian Post by the Russian Federal Tax Service.	- It is requested that the Russian Federal Tax Service enables the receipt of the Certificate directly at its office, as the Postal Service does not function properly.	
		(2)	Complex Procedures for Establishment, etc. of Legal Entity	- Extreme complexities accompany establishment or closure of Company, Branch Office, and Representative Office. In addition to the need for advancing procedures with plural competent authorities in parallel, insufficient dissemination into local areas of the central federal government's policies adds fuel to the fire. Even large legal consulting firms are unable to grasp the requisite requirements.	- It is requested that GOR takes steps to streamline and clarify the procedures for Establishment or Closure of Legal Entities.	

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	(3)	Duplicated Regulation on Vehicle Drivers	- While the Labour law compels Periodic Health Examination, at the same time, Federal Law on Traffic Safety requires Health Examination every morning. This is duplication.	- It is requested that GOR takes steps to remove the relevant provisions from Federal Law on Traffic Safety, or clearly identifies persons subject to this provision (Taxi Drivers Company, etc.)	- Article 20, 23 of Federal Law No.196 of December 10, 1995 On traffic safety
24 Indigested Legislation, Abrupt Changes	(1)	Nebulous Legislation and Legal System concerning Company Law	- Company Laws (Joint Stock Company Law and Limited Liability Company Law) have been revised, enabling conclusion of merger agreement in Russia. However, in the absence of judicial precedent, its implementation details are nebulous. The situation continues whereby Foreign Funded Enterprises investing in Russia are compelled to establish Special Purpose Companies (SPCs) in the Netherlands, Cyprus, etc.	- It is requested that RFG expressly disseminates its policy on the validity of Merger Agreement based on the Russian Laws.	- Civil Code - Joint Stock Company Law - Limited Liability Company Law
	(2)	Inadequate Standards for Transactions in Foreign Currency	- GOR mandates recording in ruble at the CBR Official Parity Rate (OPR) for all transactions in foreign currency. However, due to the vast gap between the OPR and the actual market exchange rate, MFS is unable to reflect accurately the real P/L Status on its Financial Statement.	- It is requested that GOR takes steps to amend the accounting legislation relative to the transactions in foreign currency.	
26 Others	(1)	Capacity Shortage of Logistics Infrastructure	- Overhauls on railway transport are insufficient. They lag behind, such as doubling work for Trans-Siberian Railway and Baikal-Amur Mainline, materially affecting the coal transport for export to the Far East. This problem can halt further investment into Russian Federation.	- It is requested that GOR takes steps to: -- move up the Infrastructure Development Programme focused on the Russian Railway Transport within the Far East 2013-17, and -- bring to completion the entire programme as soon as possible.	
	(2)	Inadequate Materials in English	- While nothing can be done on the originals in Russian, materials available in English are in short supply, including without limitation, Laws and Legislative Systems, Materials (such as Customs Tariff Rate List) relative to International Trade.	- It is requested that GOR takes steps to make available subtexts in English.	
	(3)	Tightened Restrictions upon Foreigners	- In regard to tightening of control upon foreigners, GOR could possibly deny entry of foreigners with more than two violations in the past three years of the administrative laws, including the Road Traffic Law.	- It is requested that GOR takes steps to deregulate restrictions.	- Immigration Law

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