

Russia Practice

January 2017

Amendments to the Law

"On the Protection of the Rights of Legal Entities and Individual Entrepreneurs during the Exercise of State Control (Supervision) and Municipal Control"

State control of enterprises is necessary but the exercise of such control can end up causing significant damage to the economic activity of the entity being inspected. Federal Law No. 294-FZ dated 26 December 2008 "On the Protection of the Rights of Legal Entities and Individual Entrepreneurs during the Exercise of State Control (Supervision) and Municipal Control" was adopted in 2008 which was meant to protect the interests of entrepreneurs and determine the rights and obligations of the inspection authorities. A number of important amendments were introduced to the law in 2016 and came into force on 1 January 2017.

New grounds for performing an unscheduled inspection were added to the Law: e.g. the ground which concerns the compliance of the company (individual entrepreneur) with so-called special risk indicators. These indicators are drafted for each type of control separately and are approved by a corresponding legal act which regulates the procedure for performing the control actions.

In addition, the Law introduced control actions to be performed without any interaction with the legal entity (individual entrepreneur). Such actions include, for example: scheduled inspections of territories and water areas, administrative inspections of subjects of land relations, the examination and measurement of the parameters of natural environmental sites, supervision of compliance with mandatory requirements on advertising and information in the Internet and mass media. The list is not exhaustive and other actions may be established in addition.

The Law pays particular attention to preventive control measures. In particular, the state authorities are required to implement measures aimed at the drafting and publication of guidelines on compliance with mandatory requirements; the delivery of seminars and conferences; the consolidation and publication of the practice of the state authorities. The state authorities are also entitled to issue a warning if a violation of the mandatory requirements is committed for the first time by the legal entity (individual entrepreneur).

In addition, other amendments to this Law have entered into force:

- an electronic notice may now be sent by way of notification of the performance of an inspection (a certified digital signature is required);
- the procedure for compiling special checklists (lists of control questions) for certain types of control and supervision was introduced;
- the procedure for compiling an act to the effect that the inspection could not be performed but stipulating the ability to

perform a repeat (scheduled or unscheduled) inspection within three months, was introduced;

- the authorities may now file a claim in court against an applicant for the reimbursement of the expenses incurred by the control (supervision) authority in connection with the consideration of submitted applications and statements if the application contains false information.



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