

Doing Business in Russia: Legal Dimension

Syllabus

Approved by the Academic Council
of the Basic Higher Education Programme.

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1. Course Description

a. Title of the Course:

Doing Business in Russia: Legal Dimension

b. Pre-requisites:

The students are encouraged to have basic knowledge of civil and contract law, as well as fundamentals of business law in their respective jurisdictions, though not obligatory.

c. Course Type:

Optional

d. Abstract

6 ECTS. 64 contact hours

This course aims to describe the main segments of Russian Business Law, namely:

- business vehicles – commercial entities through which the business can be carried on;
- legal framework of business transactions, the fundamentals of Russian contract law and specific rules with regard to business contracts;
- the general picture of the rules of the state regulation of business activities.

2. Learning Objectives

The objective of the course is familiarise the students with the legal dimension of the practicalities of the Russian business activities, thus enabling them to understand the main issues to be considered while advising the business clients.

3. Learning Outcomes

Students are expected to gain professional understanding of:

- the main sources and institutions of Russian business law;
- the main features the most popular commercial legal entities – limited liability societies and joint-stock societies, their legal status, structure, management, regulatory requirements;
- the main rules regulating business transactions;
- the main rules regarding settlement in the course of business;

- regulatory (registration, licensing, reporting, competition, etc.) rules and requirements with regard to business activities in Russia;
- the directions and forms of state control over the business activities;
- the dispute resolution rules in Russian judicial system, alternative dispute resolution possibilities in Russia.

Skills and abilities:

- familiarization with and appropriate usage of Russian business law terminology and fundamental institutes;
- practical abilities of research and analysis of case-law and academic publications;
- skills to analyse and solve cases, building up of a legal position in the sphere of Russian business law.

Students should gain the following competences:

- working with the fundamental legal documents regulating Russian business environment;
- search, analyse, and work with legally relevant information by using the juridical, comparative and other methods;
- identify and present legal issues while advising on transactions where Russian business law is involved.

4. Course Plan

Topic 1.

General overview of the Russian business law, its sources and structure.

1. The notion of business and business activities in the Russian law. Common approach to the structure of the Russian business law.
2. The system of the sources of law in the Russian Federation, laws and other normative acts. The identity of the court practice in the structure of the legal sources in Russia.
3. The main laws related to the business activities – general characteristics, the rules regarding collisions.

Topic 2.

Business vehicles: commercial entities in general, partnerships and societies.

1. Legal entity under Russian law. Commercial and non-commercial entities. Natural persons, legal entities and their structural subdivisions as “businessmen”.

2. Commercial corporate entities: main features. Partnerships and societies: the difference. Brief overview of the main legal features of different kinds of partnerships and societies under the Russian law. Insolvency law.
3. Registration, reorganisation and liquidation of the commercial legal entities: possibilities, main steps, the rules to be observed.

Topic 3.

Business vehicles: limited liability society.

1. The notion and basic features of a limited liability society. The participants. Main rules and limitations regarding transfer of ownership to the participatory interest and termination of participation.
2. The assets of LLC. The charter fund. The participatory interest.
3. The management: general meeting of the participants, the board, the CEO(s).
4. The rules and possible risks regarding representation of an LLS in business transactions.

Topic 4.

Business vehicles: joint-stock company.

1. The notion and basic features of a joint-stock society.
2. The assets of JSC. The share capital. The shares: issuance, registration. Public joint-stock societies. Increase and decrease of the share capital: main rules and limitations.
3. The management: general meeting of the shareholders, the board, the management board, the CEO(s).
4. Reporting requirements.
5. The rules and possible risks regarding representation of an LLS in business transactions.

Topic 5.

Business transactions: general provisions of the Russian law of contracts.

1. The notion of a contract under Russian law. The structure of the rules on contracts, obligations, transactions. Freedom of contract principles and problems out of its recent interpretations.
2. Making of a contract: contractor powers, parties, representatives under operation of law and under the power of attorney. Offer, acceptance, formal requirements. Substantial conditions of the contract.
3. Certain types of contracts used in business: public contract, framework agreement, preliminary agreement, et alii.

4. Negotiating of the contracts: rules and possible risks.
5. The principle of due performance of the contract – its practical implications.
6. Amendment and termination of the contracts.

Topic 6.

Business transactions: special rules on most common business contracts.

1. Sale of Goods (supply) contract: notion, substantial terms, general rules on sale purchase, rules regarding quantity and quality of goods, delivery and acceptance, transfer of ownership. Main legal risks.
2. Construction and provision of services contract: notion, difference from sale of goods contract, substantial terms, relations of the parties in the course of performance of the contract. Main legal risks.
3. Lease agreements: notion, substantial terms, formal requirements (official registration), basic obligations of the parties, statutory grounds for termination, protection of the *bona fide* lessor.

Topic 7.

Business transactions: invalidity of transactions (including breach of competition rules), liability for breach. Consumer protection in B2C transactions.

1. General rules on invalidity of transactions. Null and void transactions, voidable transactions. Statutory grounds for invalidity of transactions.
2. Protection of competition rules in business transactions.
3. Consumer protection: general overview of consumer protection legislation. Consumer protection in the course of sale of goods. Consumer protection in the course of provision of services.

Topic 8.

Business transactions: payments and settlements.

1. General overview of payment and settlement legislation. Statutory and contractual provisions regarding payments and settlements in business transactions.
2. Bank transfer under Russian legislation: parties involved, their rights and obligations, finality of payment rules.
3. Letter of credit under Russian legislation.

Topic 9.

State regulation and control of the business activities.

1. General overview of forms and tools of the state regulation and supervision over the business activities under the Russian law.
2. State registration of businesses (legal entities and individual businessmen).
3. Licensing of business activities.
4. Inspection of business activities.
5. General overview of “regulated businesses” (banking, insurance, securities market), consumer protection.

Topic 10.

Dispute resolution.

1. General overview of the Russian judicial system.
2. General rules regarding dispute resolution in the economic courts.
3. Alternative dispute resolution possibilities.

5. Readings List

a. Required

1. *Губин Е.П.*. Предпринимательское право Российской Федерации: учебник. М.: Норма, 2018.

b. Optional:

2. *Cuthbert M.* Russian business law: the current issues. M: Walters Kluwer, 2009.

6. Grading System and Guidance for Knowledge Assessment

Attendance of lectures and participation in seminars – 20%

Case analysis – written knowledge assessment during the seminars – 40%

Written exam - essay – 40%

Maximum: 10 out of 10.

List of essays (subject to amendments):

1. The sources of business law in Russia – general overview.
2. The sources of business law in Russia – main legislative acts.
3. The Civil Code as the source of business law in Russia.
4. The courts’ practice in the Russian business law.
5. Business vehicles – the commercial legal entities in Russia (general overview)
6. Limited liability society under Russian business law.

7. Joint-stock society under Russian business law.
8. Limited liability society and Joint-stock society under Russian business law – a comparison.
9. Solo businessman (individual entrepreneur) under Russian business law.
10. Registration of businesses under Russian business law.
11. The state registrar of legal entities – business law aspects.
12. Licensing of businesses under Russian business law.
13. Regulation of competition under Russian business law.
14. CEO of Limited liability society under Russian business law.
15. CEO of Joint-stock society under Russian business law.
16. Making of the contract under Russian business law.
17. Sale of Goods under Russian business law.
18. Construction contract under Russian business law.
19. Lease contract under Russian business law.
20. Joint activity contract under Russian business law.
21. Agency relations under Russian business law.
22. Payments under business contracts – bank transfers under Russian business law.
23. Payments under business contracts – letters of credits under Russian business law.
24. Promissory notes under Russian business law.
25. CEO as a body representing the legal entity under the law of contracts in Russia.
26. Collaterals under Russian business law – general overview.
27. Surety as collateral under Russian business law.
28. Independent guarantee as collateral under Russian business law.
29. Pledge as collateral under Russian business law.
30. Mortgage as collateral under Russian law.
31. Powers of attorney under Russian business law.
32. Regulation of banking and finance under Russian business law.
33. Regulation of oil and gas sector under Russian business law.
34. Regulation of electricity market under Russian business law.
35. Business disputes resolution under Russian law.

8. Methods of Instruction

Lectures and seminars

9. Special Equipment and Support:

Auditorium with slide projector with remote control.