



**ADMINISTRATIVE LIABILITY OF MANUFACTURERS, CONTRACTORS AND SELLERS
IN RUSSIA: LEGAL DEVELOPMENTS**



On 30 July 2017, amendments to the Code of Administrative Violations of the Russian Federation (the Administrative Code) introduced by the Federal Law No. 175-FZ dated 18 July 2017, came into force. The amendments establish special administrative liability for the failure of the manufacturer (contractor, seller, or a person acting as a foreign manufacturer) to take measures for harm prevention in case of circulation products that do not meet the requirements of technical regulations.

In the absence of effective technical regulations establishing requirements for certain types of products, they shall follow the obligatory requirements for the product or for the products and product-related design, production, construction, installation, commissioning, operation, storage, transportation, sale and disposal processes established by:

- regulatory legal acts as effective in accordance with the Treaty on the Eurasian Economic Union, dated 29 May 2014;
- requirements of the regulatory legal acts of the Russian Federation and regulatory legal acts of the federal executive authorities that are not contradictory to the above acts and are binding in accordance with the Federal Law No. 184-FZ, dated 27 December 2002 'On Technical Regulation'.

There are the following elements of administrative violations and administrative liability for manufacturers (contractors, sellers, and persons acting as foreign manufacturers) (hereinafter - the '**person liable**')

No.	Administrative Offence	Liability
1.	Failure of the person liable, who became aware of the inconsistency of the products put thereby into circulation with the requirements of technical regulations or the obligatory requirements for products, to observe the obligation to inform the agencies authorised to conduct state control (supervision) over compliance with the requirements of technical regulations (hereinafter - the ' supervising authorities ') on such an inconsistency.	Administrative fine: On individual businessmen in the amount of 5,000 to 10,000 roubles; on legal entities - 10,000 to 30,000 roubles.
2.	Failure of the person liable to perform the verification of the reliability of the information received on the non-compliance of products with the requirements of technical regulations or the obligatory requirements for products, or failure of the person liable to comply with the requirements of the supervisory authority on submitting the verification files to the relevant authority.	Administrative fine: on individual businessmen in the amount of 10,000 to 20,000 roubles; on legal entities - 20,000 to 40,000 roubles.

3.	Failure by the person liable to conduct activities specified in the program of measures for prevention of harm developed in accordance with the legislation on technical regulation.	Administrative fine: on individual businessmen in the amount of 20,000 to 30,000 roubles; on legal entities - 30,000 to 100,000 roubles.
4.	Failure of the person liable to suspend the manufacturing and sale of products that do not meet the requirements of technical regulations or obligatory requirements to products or to withdraw such products where the threat of harm cannot be eliminated by activities specified in the program of activities for prevention of harm developed in accordance with the legislation on technical regulation.	Administrative fine: on individual businessmen in the amount of 30,000 to 40,000 roubles; on legal entities - 100,000 to 500,000 roubles.
5.	Repeated offence specified in paragraph 4	Administrative fine on individual businessmen in the amount of 40,000 to 50,000 roubles with the seizure of the objects of the offence; on legal entities - from 700,000 to 1 mln roubles with the seizure of the objects of the offence or, in both cases, administrative suspension of activities for up to 90 days with the seizure of the objects of the offence.

Cases on the administrative offences mentioned in paragraphs 1 to 4 above are considered by the authorities engaged in the federal state sanitary and epidemiological supervision and state veterinary supervision and other agencies authorised to supervise in the relevant sectors; cases on the administrative offence referred to in paragraph 5 are considered by the court.

Best Regards,

GRATA International Law Firm (Moscow)

Corporate and Commercial Law Department

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What we do:

- advising on the requirements and restriction regarding the import and circulation of products in the Russian Federation;
- advising on legal compliance of advertising and marketing materials and activities, marking, packing, and labels;
- support of the inclusion of trademarks and other intellectual property objects into the Unified Register of Intellectual Property Objects;
- pre-trial settlement of disputes with counter-parties and consumer complaints;
- development/review of distribution agreements, supply contracts, agent agreements, contract agreements, services and other contracts;
- coordination with the antitrust authority of contract conditions and other documents restricting or leading to competition restriction;
- legal review of distributor/dealer candidates and other counterparties;

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