

FCIB WEBINAR COLLECTION IN RUSSIA

A. CRITICAL FINANCIAL AND LEGAL FACTORS FOR COLLECTION

FOR COLLECTION AGAINST INDIVIDUALS NOT REGISTERED AS INDIVIDUAL ENTREPRENEURS THE COLLECTION COMPANY HAS TO BE ENTERED IN THE CORRESPONDING PUBLIC REGISTER OF COLLECTION COMPANIES AND FULFILL ALL OF THE RELEVANT LEGAL REQUIREMENTS, INTER ALIA:

- 1) collection has to be registered as a core activity in the constituent documents of the company;
- 2) net assets of the company at least 10.000.000,00 RUR (approx. 164.000,00 EUR at the current exchange rate);
- 3) compulsory insurance with insured amount at least 10.000.000,00 RUR p.a.;
- 4) hardware and software have to comply with the requirements set out by competent authorities;
- 5) the company has to be entered in the register of processors of personal data pursuant to law for personal data;
- 6) a number of requirements relating to means of communication with debtors have to be observed;
- 7) a number of requirements relating to shareholders, members of the Board of Directors, members of the Management Board, chief executive officer and employees have to be observed.

FOR COLLECTION AGAINST
LEGAL ENTITIES AND
INDIVIDUALS REGISTERED AS
INDIVIDUAL ENTREPRENEURS (IF
IT REFERENCE TO THEIR
ENTREPRENEURIAL ACTIVITY)
THE ABOVE MENTIONED LEGAL
REQUIREMENTS DO NOT APPLY.

ANY COLLECTION MAY BE ALSO
PERFORMED BY ATTORNEYS-AT-
LAW PURSUANT TO THE RUSSIAN
FEDERAL LAW "ON ATTORNEY-
AT-LAW'S ACTIVITY AND
ADVOCACY IN THE RUSSIAN
FEDERATION".

**B.LEGAL PROCESS
DIFFERENCES AND
MISCONCEPTIONS IN
RUSSIA**

LEGAL PROCESS DIFFERENCES AND MISCONCEPTIONS IN RUSSIA

The legal process relating to individuals not registered as individual entrepreneurs usually means state courts of general jurisdiction and application of the Code of Civil Procedure.

The legal process relating to commercial disputes, legal entities and individuals registered as individual entrepreneurs (if it refers to their entrepreneurial activity) usually means the state trade courts (the state arbitration courts) and application of the Arbitration Procedure Code.

Do not confuse the Russian state arbitration courts (analogous to the commercial courts) with the not state-run courts of arbitration!

**C.TYPES OF PROCEEDINGS
SUCH AS EXECUTIVE, CIVIL,
SPECIAL, ORDINARY AND
PRELIMINARY**

TYPES OF PROCEEDINGS SUCH AS EXECUTIVE, CIVIL, SPECIAL, ORDINARY AND PRELIMINARY

1) ordinary proceedings;

2) writ proceedings:

under Arbitration Procedure Code:

if amount to be collected does not exceed 400.000,00 RUR, is duly proven and undisputed;

under Code of Civil Procedure:

if amount to be collected does not exceed 500.000,00 RUR, is duly proven and undisputed;

3) simplified proceedings:

under Arbitrazh Procedure Code:

if amount to be collected does not exceed 500.000,00 RUR for legal entities and 250.000,00 RUR for individual entrepreneurs;

regardless of amount to be collected, if the action is based on sufficient written evidences (at the court's discretion) or if both parties agree with summary proceedings extent permitted by law;

under Code of Civil Procedure:

if amount to be collected does not exceed 100.000,00 RUR;

regardless of amount to be collected, if the action is based on sufficient written evidences (at the court's discretion) or if both parties agree with summary proceedings extent permitted by law;

4) execution proceedings:

a creditor may submit the execution deed directly to the debtor's bank or to the bailiff.

**D. CREATING STRATEGIC
ADVANTAGE AGAINST
DEBTOR: WHAT IS NEEDED
TO PROVE IN COURT, WHAT
DOCUMENTS ARE CRITICAL;
AND INFORMATION ABOUT
PROSPECT**

CREATING STRATEGIC ADVANTAGE AGAINST DEBTOR: WHAT IS NEEDED TO PROVE IN COURT, WHAT DOCUMENTS ARE CRITICAL; AND INFORMATION ABOUT PROSPECT

Checking the debtor regarding his economic and financial status.

The relevant written evidences proving the proper contract fulfilment on the part of the creditor are critical (e.g. documents proving the submittance and acceptance of the respective delivery and/or service)

Assessment of prospects is possible after complete evaluating of evidences.

**E. ENFORCING CONTRACTS
IN RUSSIA: TERMS &
CONDITIONS OF SALE,
RECOMMENDATIONS, WHAT
TO LOOK FOR IN
PURCHASE ORDERS, WHAT
SERVES AS DELIVERY
RECEIPT, SAMPLE
DOCUMENTS**

ENFORCING CONTRACTS IN RUSSIA: TERMS & CONDITIONS OF SALE, RECOMMENDATIONS, WHAT TO LOOK FOR IN PURCHASE ORDERS, WHAT SERVES AS DELIVERY RECEIPT, SAMPLE DOCUMENTS

Generally the parties are free by determination of Terms & conditions of sale.

We recommend to study the Terms & conditions of sale carefully and, if necessary, to negotiate about modifications and amendments.

The purchase orders shall include exact information about relevant goods and/or services and reference to contract or description of Terms & conditions of sale.

As delivery receipt may serve delivery notes or other documents signed by duly authorised persons and (for legal entities and individual entrepreneurs in the absence of proper PoA) stamped.

We strongly recommend to look for legal advice before the contract is signed.

**F.SECURITY DEVICES SUCH
AS PROMISSORY NOTES;
NOTARY PUBLIC**

SECURITY DEVICES SUCH AS PROMISSORY NOTES; NOTARY PUBLIC

Promissory notes may be used as security devices.

Notary public may, inter alia:

- notarize a contract or a written commitment/obligation;
- perform a notarial writ of execution permitted by law (e.g. regarding notarized agreement or written loan agreement or credit contract if such contract contains a compulsory execution clause on the basis of the notarial writ of execution where provided for by the law, recovery proceedings against pledged property if the pledge agreement is notarized and contains a clause on recovery proceedings on an out-of-court basis);
- secure evidences permitted by law (e.g. website inspection report);
- perform protest of promissory notes and checks;
- register notice of pledge of movables.

H. OTHER OPTIONS FOR LEGAL ACTION

I. CASE STUDIES

J.CONCLUSION: HELPFUL TIPS AND “WATCH-OUTS”

K. QUESTIONS AND ANSWERS