

Client Update

Top 10 Legal Developments in Russian Real Estate, Construction and Infrastructure Market in 2016

MOSCOW

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The international law firm Debevoise & Plimpton LLP presents a brief overview of the most significant developments in Russian legal regulation (including legislative initiatives) and court practice in the real estate, construction and infrastructure sectors in 2016:¹

(A) LEGISLATION

1. **New Rules for the System of Registration of Immovable Property**
2. **Regulation of Parking Spaces**
3. **Amendments to the Law on Public-Private Partnership and the Law on Concession Agreements**
4. **Changes in Self-Regulation in Construction**
5. **Amendments to the Law on Shared Construction**
6. **Other Changes to Legislation**

(B) DRAFT BILLS

7. **Preliminary Works Prior to Obtaining Construction Permit**
8. **Construction of Single-Family Home Housing Developments under a Single Construction Permit**
9. **Fundamental Change to Framework of Land Code**

¹ The overview does not attempt to describe all major developments in the law and court practice in 2016.

A similar overview was prepared by Debevoise & Plimpton LLP in 2015:
http://www.debevoise.com/~media/files/insights/publications/2015/12/en_top%2010%20legal%20developments%20in%20the%20russian%20real%20estate.pdf.

10. Amendments to the Section of the Civil Code on Rights *in rem***(C) COURT PRACTICE**

- 11. Change of Lease Agreement in Case of Drastic Currency Fluctuations**
- 12. Status of Common Property in Single-Family Home Housing Developments**
- 13. Demolition of Unauthorized Construction by Administrative Order**
- 14. Sale of Immovable Property without the Consent of a Spouse**
- 15. Principal Trends in the Development of Legal Regulation and Court Practice on Real Estate**

(A) LEGISLATION**1. New Rules for the System of Registration of Immovable Property**

The Federal Law on State Registration of Immovable Property which becomes effective January 1, 2017 substantially modifies the current rules of the state registration of immovable property.

The Law will combine the information currently included in the Unified State Register of Rights to Immovable Property and Transactions Therewith and the State Cadastre of Immovable Property. Thus, a new Unified State Register of Immovable Property (the "EGRN") will be created, which will include: (i) register of immovable property (property cadastre), (ii) register of rights, restrictions on rights and encumbrances on immovable property, (iii) register of information on boundaries of user-restricted zones, (iv) register records, (v) cadastral plans, and (vi) document journals.

The most significant provisions of the adopted law are summarized below.

- The certificate of state registration of right will no longer be issued. The registration of right to immovable property will be evidenced by an extract from EGRN issued in electronic or paper form.²
- Rosreestr (its local offices) will be a sole body keeping cadastral records on immovable property and registering rights to it.

² The amendment providing for the abolishment of the certificate of title was introduced in the current Law on Registration of Rights to Immovable Property and became effective July 15, 2016 (See Federal Law No. 360-FZ on Amendments to Certain Legislative Acts of the Russian Federation, dated July 3, 2016).

- Simultaneous cadastral recording and registration of immovable property is possible at the time of the: creation, formation or liquidation of real property and the formation or liquidation of any part of immovable property. Separate cadastral filing and registration of rights will be maintained, e.g., in the event of transfer of title to real property, creation or release of encumbrances or restrictions, etc., provided that EGRN contains information on such real property. In addition, at the stage of origination of immovable property, it will only be subject to cadastral recording on the basis of a permit for commissioning of a facility issued by an authorized body under the system of interagency cooperation with Rosreestr.
- An expanded list of grounds (55) for the suspension of registration procedure by Rosreestr has been established (many of them previously served as grounds for rejection of an application for registration). The list now includes such grounds as a failure to submit required documents, filing unauthentic or incorrect documents, etc. As for the rejection of registration, Rosreestr may reject an application only if the irregularities that have caused the suspension of the registration procedure are not rectified within the period specified by law.
- In the course of the registration procedure Rosreestr verifies the legality of the documents submitted for registration and may reject an application for registration if the underlying documents contradict the law. Exception is made for the registration on the basis of a notarized agreement.
- The period for registration is reduced to 7 days and for cadastral recording to 5 days.
- It is possible to file documents for registration with any local office of Rosreestr without regard to the location of the real property.

(See Federal Law No. 218-FZ on State Registration of Immovable Property, dated July 13, 2015.)

2. Regulation of Parking Spaces

Until recently, the law did not define a parking space or determine its legal nature or establish specific procedures for its state cadastral record or any rules governing the civil law relations involving parking spaces.

The amendments adopted on June 17, 2016 have brought under regulation the majority of issues related to parking spaces. The vast majority of these amendments come into force on January 1, 2017.

The definition of immovable property stated in Article 130 of the Russian Civil Code was amended to provide that parts of premises within a building or

construction intended for motor vehicles (parking spaces) will also be regarded as immovable property if the boundaries of such parking spaces are described in the state cadastral record.

The Town Planning Code was amended to include a definition of the parking space which is deemed to be a specific part of premises within a building or construction intended solely for keeping vehicles, not isolated or partially isolated by walling or other fencing with its boundaries indicated in the state cadastral record. Therefore, the main characteristics of the parking space as real property are:

- its intended purpose is only for the parking of motor vehicles;
- it is a part of the premises within a building or construction;
- it is free or partially free from walling or other fencing; and
- its boundaries ought to be indicated in the state cadastral record.

The rules of cadastral record and registration of rights to the parking spaces are set forth in the new Law on Registration of Immovable Property. The location of the parking space is indicated in a graphical form as a figure representing the boundaries of such parking space on the plan of the floor or part of the floor of a building or construction (if there is only one floor, then on the plan of such building or construction).

The boundaries of the parking space are specified in the project documentation and marked by the civil engineering contractor or by the owner of such parking space, in particular by painting, labelling or otherwise putting marks on the floor or roof. The Russian Ministry of Economic Development will define the minimum/maximum dimensions of the parking spaces in buildings/construction.

Rules have been made for dealing in and recognizing parking spaces registered prior to the amendments taking effect. Real property meeting the requirements for a parking space (regardless of its size) and registered in the established manner will be deemed to be a parking space. The title documents in respect of such real property remain in full force and effect and are not subject to reissue. The holder of rights may file an application with Rosreestr for bringing the type of the immovable property in compliance with the legal requirements.

In the event of joint ownership of the parking space, the joint owners may carve out their shares by determining the boundaries of their parking spaces. The consent of the other joint owners is not required if there is an agreement among all joint owners or a resolution of the general meeting in respect of the use of jointly owned property.

The property remaining upon the carve-out of shares that is required for access to the parking spaces is jointly owned by owners of such premises and/or parking spaces.

The new regulation of the parking spaces will allow real estate market participants to make various transactions in respect of the parking spaces as separate immovable property having a cadastral record and registered in the register of immovable property. Transactions involving parking spaces will be possible regardless of whether the seller/buyer has title to any premises in the building where such parking space is located.

Therefore, the risk that other owners of parking spaces or premises in the building may execute their preemptive rights to such parking space or the risk that an agreement will be required among co-owners of parking spaces in respect of the allocation of such parking spaces or other risks arising pursuant to other possible interpretations of the legal status of parking spaces is eliminated.

(See Federal Law No. 315-FZ on Amendments to Part One of the Civil Code of the Russian Federation and Certain Legislative Acts of the Russian Federation, dated July 3, 2016.)

3. Amendments to the Law on Public-Private Partnership and the Law on Concession Agreements

Amendments to the Federal Law on Public-Private Partnership came into force on July 15, 2016.

It is established that a PPP agreement can provide that the public partner may grant property that forms an integral whole with the subject of the PPP agreement and/or is intended for the operations of the private partner.

In addition, the PPP agreement may include a provision that the public partner will support the operation of the PPP facility while the private partner will provide for its maintenance.

An important innovation is the possibility to enter into direct agreements with several financing parties simultaneously. The procedure for the allocation of a land plot to the private partner has also been clarified, *i.e.*, the PPP agreement must provide for the term of a lease agreement, the amount of rent or the procedure for the determination thereof.

(See Federal Law No. 360-FZ on Amendments to Certain Legislative Acts of the Russian Federation, dated July 3, 2016.)

The changes also relate to the Federal Law on Concession Agreements. As of January 1, 2017, the new provisions establishing rules on special aspects of

concession agreements in respect of heat supply, centralized hot water supply, cold water supply and water disposal facilities become effective.

In particular, if the grantor under the concessions agreement is a municipal body that is not authorized to determine regulated tariffs, the respective constituent body of the Russian Federation should also be a party to such agreement as a third party.

Foreign legal entities will be prohibited from acting as concession holders. Transfer of unregistered property to the concession holder will be permitted.

(See Federal Law No. 275-FZ on Amendments to the Federal Law on Concession Agreements, dated July 3, 2016.)

4. Changes in Self-Regulation in Construction

2016 saw a substantial reform in self-regulation which had a significant effect on the construction market in Russia. Amendments to the Town Planning Code of the Russian Federation in this respect will take effect from July 1, 2017.

A significant innovation is the withdrawal of the requirement to have a permit certificate to pursue certain types of work. Membership in a self-regulatory organization (“SRO”) will serve as the only requirement to conduct construction-related activities, and such membership will be mandatory for conducting engineering surveys and completing project documentation, construction, redevelopment and full (capital) repair of capital construction facilities under contractor agreements with the developer, technical supervisor, person responsible for operation of buildings or structures and regional operator. If liabilities under a construction contract are less than RUB 3,000,000 (approx. USD 50,000), such membership in a SRO will not be required.

The requirements applicable to technical supervisors will also change; only legal entities that are members of a SRO will be able to act as such.

The law provides for secondary liability of the SRO for the liabilities of its members under contractor agreements entered into through tender procedures.

(See Federal Law No. 372-FZ on Amendments to the Town Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation, dated July 3, 2016.)

Another set of amendments to the Town Planning Code that came into force on September 1, 2016 focuses on the introduction of important provisions related to reusable project documentation and modified project documentation in construction aimed at reducing developers’ costs in construction projects.

The primary characteristics of the reusable project documentation are that such documentation (i) was approved by an expert review and (ii) may be used for the preparation of project documentation for construction of a facility of similar intended purpose or capacity.

The amendments provide for the mandatory use of reusable project documentation (if available) meeting the criteria of economic effectiveness³ for construction of facilities supported by a public authority or a legal entity where the share of public authorities in the share capital of such legal entity exceeds 50%.

Project documentation modified after obtaining approval by an expert review will be deemed to be modified project documentation where such modifications do not affect the safety aspects.

Modified project documentation may be used upon confirmation by the executive body or the organization that conducted the expert review, and such confirmation is required for obtaining a construction permit.

It is also expected that a unified register of expert review approvals will be established in respect of project documentation.

(See Federal Law No. 368-FZ on Amendments to the Town Planning Code of the Russian Federation, dated July 3, 2016.)

5. Amendments to the Law on Participation in Shared Construction

In June 2016, amendments to the Federal Law on Participation in Shared Construction were adopted, providing, on the one hand, for tightening of rules for developers and, on the other hand, for increased protection of investor rights. For the most part the changes take effect from January 1, 2017.

Some of the more important changes include the following.

- To protect investors from developer bankruptcies, the Russian government will establish a compensation fund to which developers will make mandatory contributions.
- New requirements applicable to developers are established, in particular, in respect of their minimum share capital depending on the maximum area of all shared construction properties in their portfolio - e.g., if the total area of all developer's properties exceeds 500,000 sq.m, the developer's share capital or the aggregate share capitals of the developer and its related legal entities must be at least RUB 1,5 billion.

³ The criteria of economic effectiveness are approved by Resolution of the Government of the Russian Federation No. 1159 of November 12, 2016.

- Escrow accounts for settlements under the agreement may now be opened if bank facilities are used to finance the construction.⁴
- The property under construction is required to have a detailed identifying description in the agreement, including a detailed graphical layout plan, with all its key characteristics indicated.
- Upon acceptance of the property by the investor, the developer is required to provide an operating and maintenance manual to the investor.
- If the investor delays the acceptance of the property by avoiding to sign the acceptance act, the developer will not be liable to pay a penalty provided that it duly performed its obligations.
- There are provisions for a unified register of developers and for a duty of the developer to disclose information related to the construction on its website.

(See Federal Law No. 304-FZ on Amendments to the Federal Law on Participation in Shared Construction of Apartment Buildings and Other Real Estate Properties and Amendment of Certain Legislative Acts of the Russian Federation and Amendments to Certain Legislative Acts of the Russian Federation, dated July 3, 2016.)

6. Other Changes to Legislation

- The new Law on State Cadastral Appraisal becomes effective as of January 1, 2017. Independent appraisers will be replaced by the permanent state-funded institutions that will determine the cadastral value of real property applying unified appraisal procedures. The appraisal will be conducted not more than once every 3 years (not more than once every 2 years in federal cities), but not less than once every 5 years. In certain cases, an extraordinary cadastral appraisal may be conducted.

(See Federal Law No. 237-FZ on State Cadastral Appraisal, dated July 3, 2016.)

- The Town Planning Code was amended to include provisions related to pricing and cost engineering in urban planning. The amendments define such terms as the estimated construction cost, estimating rates, estimated prices of construction resources and estimating standards. A federal register of estimating standards and an information system of construction pricing have been introduced.

(See Federal Law No. 369-FZ on Amendments to the Town Planning Code of the Russian Federation and Articles 11 and 14 of the Federal Law on Investment

⁴ Investor payments will be blocked on a special account with the bank providing financing to the developer and will be paid by the bank to the developer against an acceptance certificate executed by the parties to the shared construction agreement.

Activity in the Russian Federation in the Form of Capital Contributions, dated July 3, 2016.)

- Starting on June 2, 2016, transactions for the sale of shares in jointly owned real property, including the sale of the shares by all owners in one transaction, are subject to notarization, with the exception of transactions for the sale of shares in jointly owned land that do not require notarization since July 4, 2016.

(See Federal Law No. 172-FZ on Amendments to Certain Legislative Acts of the Russian Federation, dated June 2, 2016; Federal Law No. 351-FZ on Amendment of Article 24.1 of the Federal Law on State Registration of Rights to Immovable Property and Transactions Therewith, and Article 42 of the Federal Law on State Registration of Immovable Property, dated July 3, 2016.)

- On September 1, 2016, the Federal Autonomous Institution Central Administration of State Expert Review (FAU Glavgosekspertiza) conducting state expert review of project documentation and engineering survey reports was designated under the U.S. sanctions regime.⁵

The designation of the entity who is exclusively authorized to examine certain infrastructure facilities (e.g., technically complex facilities, projects financed by the Russian budget, roads of federal importance or aviation infrastructure facilities) had substantially impeded the involvement of the U.S. investors in major Russian (predominantly not involving Crimea) engineering and construction projects, since there had been no guidance in place on the scope of the U.S. sanctions applicable to the quasi-governmental agency.

On December 20, 2016, the U.S. OFAC issued General License 11, authorizing the U.S. persons to engage in transactions that are “ordinarily incident and necessary to requesting, contracting for, paying for, receiving, or utilizing a project design review or permit from FAU Glavgosekspertiza Rossii,” provided, however, that the underlying project is located wholly in Russia (not including Crimea) and the transactions in question do not otherwise violate the sanctions regime. That means, subject to the Crimea-related restrictions remaining in force, U.S. persons are no longer barred from engaging in regulatory interactions with FAU Glavgosekspertiza and thus being involved in Russian engineering and construction projects.

⁵ See <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20160901.aspx>.

(B) DRAFT BILLS**7. Preliminary Works Prior to Obtaining Construction Permit**

The bill is drafted to permit the developer to carry out preliminary works prior to obtaining a construction permit upon the execution of the agreement for an expert review of project documentation. The scope of such works will be laid down by the Russian government.

(See Draft Federal Law on Amendments to the Town Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation (<http://regulation.gov.ru/projects#npa=42533>)).

8. Construction of Single-Family Home Housing Developments under a Single Construction Permit

Under the proposed bill, developers will be able to develop single-family home housing under a single construction permit provided that such development is a low-rise residential compound. It is expected that low-rise residential compounds will include single-family homes and/or multifamily housing compounds not more than three storeys high above ground, developed by a single developer as an integrated community development, located on land plots forming one or several planning structure elements of the settlement, and consisting of common areas, landscape design and social, engineering and transport infrastructure. However, the State Duma Committee for Housing Policy and Public Utilities recommended that this bill be rejected in the first reading.

(See Bill No. 1028984-6 on Amendments to the Housing Code of the Russian Federation and Certain Legislative Acts of the Russian Federation.)

9. Fundamental Change to the Framework of the Land Code

As preparations in the State Duma were underway to consider the bill in the second reading, work on a bundle of amendments to the Land Code that would abolish the division of lands into categories and establish transition to territorial zoning from January 1, 2018 recommenced with renewed vigor. The rules for use of a territory within any particular territorial zone would provide for one or more types of permitted uses of land plots. The bill was adopted in the first reading on December 9, 2014.

(See Bill No. 465407-6 on Amendments to the Land Code of the Russian Federation and Certain Legislative Acts of the Russian Federation Pertaining to the Transitioning from Dividing Lands into Categories to Territorial Zoning.)

10. Amendments to the Section of the Civil Code on Rights *in rem*

The Committee of the State Duma on State Building and Legislation continues its work on a bundle of amendments to the Civil Code of the Russian Federation relating to rights *in rem*.

The bill provides for the introduction of certain regulations related to possession: the possession concept, the possession objects, methods of acquiring possession and unified rules for protection of possession. It is proposed that in addition to building leasehold limited rights *in rem* be expanded to include the right of perpetual possession of land, usufruct, the right to acquire another person's immovable property, the right of limited possession of a land plot, etc.

(See Bill No. 47538-6 on Amendments to Parts One, Two, Three and Four of the Civil Code of the Russian Federation, as well as to Certain Legislative Acts of the Russian Federation.)

(C) COURT PRACTICE

11. Change of Lease Agreement in Case of Drastic Currency Fluctuations

A large number of lease agreements in the commercial real estate market are denominated in foreign currency. A drastic change in the exchange rate of foreign currencies can lead to situations where lessees claim that their lease agreement denominated in foreign currency be terminated or amended to provide for the rent in roubles. In *PJSC Vimpel-Kommunikatsii vs. PJSC Tizpribor case (No. A40-83845/2015)* on the amendment of the lease agreement due to drastic currency fluctuations, the appellate court upheld a common approach of the court practice, stating that a change in the exchange rate is not a material change of circumstances pursuant to Article 451 of the Civil Code of the Russian Federation that can serve as a ground for the modification of a lease agreement by court, as the transacting parties should have anticipated changes in the economic situation, including a rapid decline of the ruble against the dollar. Later, the cassation court endorsed the settlement agreement between the parties and terminated the proceedings.

(See Ruling of the Ninth Arbitrazh Appellate Court No. 09AII-8243/2016-ГК, dated March 29, 2016, in Case No. A40-83845/15, Ruling of the Arbitrazh Court of the Moscow Circuit No. Ф05-9330/2016, dated August 24, 2016, in Case No. A40-83845/2015.)

12. Status of Common Property in Single-Family Home Housing Developments

The Russian legislation does not clearly define the legal regime of common property in respect of commercial real estate, single-family home housing developments, etc.

In autumn 2016, the Constitutional Court of the Russian Federation considered the case on the status of common property in a single-family home housing development and stated that the infrastructure servicing separate houses is different from the common property in an apartment building, therefore, the acquisition of a separate house does not *per se* give rise under the law to a share in the ownership of the common property. However, homeowners, including those who are not members of a homeowners association, alleging a breach of their rights by the homeowners association's actions in respect of the common property may challenge the registered right to such real property. In addition, the registration of the homeowners association's title to the common properties does not *per se* prevent the homeowners from defending their civil rights in court.

(See Ruling of the Constitutional Court of the Russian Federation No. 23-II, dated November 10, 2016, in Case for the Review of the Constitutionality of the Second Paragraph of Article 2(1) of the Federal Law on State Registration of Rights to Immovable Property and Transactions Therewith in connection with the Complaint of N.N. Marasanov.)

13. Demolition of Unauthorized Construction by Administrative Order

In September 2016, the Constitutional Court of the Russian Federation considered the matter regarding the demolition of unauthorized construction by administrative order. The Constitutional Court of the Russian Federation upheld the constitutionality of the Civil Code rule in respect of the demolition by administrative order stating, however, that the owner may challenge the administrative order for the demolition issued by the municipal body, and the demolition period should allow time for such challenge in court. The Constitutional Court of the Russian Federation made an important conclusion that the registration of title to a real property does not *per se* prevent a demolition order being issued by a competent authority. It was also noted that an administrative order would be unlawful if it is based on the grounds that were already dismissed by the court except when it is based on new facts that were not previously considered by the court.

(See Ruling of the Constitutional Court of the Russian Federation No. 1748-O, dated September 27, 2016, on Denial of the Request by a Group of Deputies of the State

Duma Regarding the Review of the Constitutionality of Article 222(4) of the Civil Code of the Russian Federation.)

14. Sale of Immovable Property without the Consent of a Spouse

The Supreme Court has developed a contradictory practice in respect of taking into account the good faith of the real property buyer when a transaction is challenged based on the allegation that no consent of the seller's spouse was obtained. In one of its rulings,⁶ the Panel of Judges for Civil Cases of the Supreme Court of the Russian Federation stated that a transaction for the sale of immovable property without a notarized consent of the spouse would be invalid regardless of whether the buyer knew or should have known that the consent had not been given. In another case,⁷ the panel of judges took an opposite approach that a transaction involving the disposal of common property may be deemed invalid as entered into by the seller without proper authority only if there is proof that the buyer knew or *a priori* should have known about it.

Therefore, to avoid adverse consequences for the transaction, the buyers are advised to exercise a high degree of care when buying real property, including conducting a proper due diligence of the asset and requesting appropriate documents.

15. Principal Trends in the Development of Legal Regulation and Court Practice on Real Estate

For the most part, the changes in legislation in real estate, construction and infrastructure in 2016 were focused on making transactions with immovable property more sustainable and efficient, in particular, the merger of the State Cadastre of Immovable Property and the Unified State Register of Rights to Immovable Property into the Unified State Register of Immovable Property, the final resolution of a long-standing dispute in respect of the legal status of parking spaces, etc. Therefore, the participants of the real estate market now have a better understanding of various "rules of the game." In addition, the time frame for certain regulatory actions has been optimized substantially simplifying the procedure for the market participants.

The important trends in the development of legislation and court practice in real estate include an increased protection of the weaker party to contract as demonstrated, in particular, by the amendments to the Law on Shared Construction. One of the major trends in court practice is that the courts apply the principle of acting in good faith more frequently when assessing the

⁶ Ruling of the Supreme Court of the Russian Federation No. 18-KF16-97, dated September 6, 2016.

⁷ Ruling of the Supreme Court of the Russian Federation No. 5-KF16-64, dated July 5, 2016.

behavior of real estate market participants and consequently deny judicial protection of rights for those deemed to be acting in bad faith/inconsistently.

The lawmakers continue drafting certain bills for 2017 that are expected to have an even more positive effect on the real estate market (e.g., amendments to the Civil Code of the Russian Federation relating to rights *in rem*, changes in respect of construction permits, abolition of land categories, etc.)

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We would be happy to answer any questions you may have regarding the above matters.

DEBEVOISE & PLIMPTON LLP SELECT REPRESENTATIONS IN REAL ESTATE AND CONSTRUCTION FOR 2016

In 2016, Debevoise & Plimpton LLP provided legal support for many real estate and construction projects. We present our select representations for 2016:

- A major company in the oil industry in its more than \$1 billion acquisition closing of the Evolution Tower office building in the Moscow International Business Centre (Moscow-City) from City Palace LLC;
- A major company in the oil industry in preparation of, conducting negotiations for and finalizing the draft of the agreement for the provision of technical supervisor services for the project of the refurbishment of the Evolution Tower office building in the Moscow International Business Centre (Moscow-City);
- A major company in the oil industry in preparation of, conducting negotiations for and finalizing the Design and Build contractor agreement for the project of the refurbishment of the Evolution Tower office building in the Moscow International Business Centre (Moscow-City);
- A major company in the oil industry in preparation of, conducting negotiations for and finalizing the draft of the agreement for the acquisition of commercial premises in the first stage of construction of the Evolution Tower office building in the Moscow International Business Centre (Moscow-City);
- A major steel producer in negotiating a lease agreement for a Class A office building and a lease agreement for parking spaces;
- A major steel producer in all aspects of a project for the construction of a production facility, including resolution of disputes with the general building contractor;
- A major European developer in preparation of a contractor agreement for the development of detailed design documentation and construction of a shopping and entertainment centre in Moscow;
- One of the world's largest food and beverages companies in matters relating to the termination of a lease agreement for commercial property in the centre of Moscow;
- A large manufacturing holding in the project for construction of a metallurgical silicon production plant.

REAL ESTATE AND INFRASTRUCTURE PROJECTS IN RUSSIA AND THE CIS

Debevoise & Plimpton LLP has extensive experience in the provision of services for real estate, construction and infrastructure projects. Our real estate practice group advises both Russian and international companies on the following matters:

- Due diligence. Project structuring.
- Land use and development, including issues of the permitted use of land plots, land use and development rules, land plot development plans, lease and conveyancing of land plots, etc.
- Conduct of tenders, requests for proposals and review of proposals submitted by all project participants.
- Drafting and negotiating agreements with design firms, general contractors, subcontractors, direct contractors and vendors.
- Legal advice during the project design and construction phases.
- Development of project finance structure (including project financing).
- Drafting and negotiating agreements with banks and other creditors (including security packages).
- Drafting and negotiating lease, contractor and service agreements in connection with the operation of real estate facilities.
- Legal advice on settlement of claims and arbitration under the project.
- Restructuring real estate, design and construction companies (including pre-IPO or as part of the sale of shares to members of the public or to a strategic investor).
- Legal representation of clients in connection with the acquisition of companies and assets.
- Advice on various matters involving real estate and infrastructure projects (including regulatory matters).