

Client Update

Development of Construction Regulations—Reform Highlights and Trends

MOSCOW

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Following recent numerous changes in legal regulation in construction and in the sphere of issue of various construction approvals and consents, we present an overview of key trends in the reform of construction related activities in Russia.¹

ONLINE PROCEDURES IN CONSTRUCTION

Online procedures have become increasingly more important to developers for liaising with the competent governmental authorities in the sphere of construction, including the following:

- an electronic system of interagency cooperation of governmental authorities in the sphere of construction has been created; furthermore, the governmental authorities may not request that applicants/developers provide documents if those are already available to other governmental authorities and must be provided under the system of interagency cooperation;²
- documents that were not publicly available previously are now subject to publication, e.g., it will be possible to obtain information from the consolidated plan of underground utility lines in Moscow (within the boundaries prior to 2012);³

¹ The matters described in this client update were discussed, among other things, at a round table on optimisation of construction procedures held by the Department of Town Planning Policy of Moscow and the Moscow Investor Association on April 6, 2017.

² See, e.g., Article 18 of Federal Law No. 218-FZ on State Registration of Immovable Property dated July 13, 2015.

³ Decree of the Moscow City Government No. 277-III on the Procedure for Creating and Maintaining a Consolidated Plan of Underground Utility Lines and Facilities in Moscow dated May 15, 2015; Decree of the Moscow City Government No. 177-III on Approval of Administrative Regulations for the Provision of Service by GUP Mosgorstrest for the Issue of Technical Report on Compliance of the Project Documentation with the Consolidated Plan of Underground Utility Lines and Facilities in Moscow dated April 15, 2016.

- records of the State Fund of Materials and Engineering Surveys have been fully digitised (such information is included in the Moscow Urban Planning Activities Support System); therefore, the developers will have online access to the information about previously conducted geological surveys;
- an Integrated Automated Urban Planning Information Support System has been created in Moscow which includes, among other things, information on development of territories in Moscow and information on land plots, capital construction objects and other information required for urban planning activities in Moscow, including maps that also contain geodetic data;⁴
- a calculator of administrative procedures in the sphere of construction has been developed, allowing to generate a list of all necessary procedures, determine their sequence, and produce a list of approvals and required documents, with the timing for completion of such actions based on known parameters of proposed construction;⁵
- at present, almost all public services for obtaining approvals for construction may be requested/provided online via the developer's user account.

REFORMS AND PRINCIPAL TRENDS IN THE DEVELOPMENT OF LEGAL REGULATION IN CONSTRUCTION

The principal reforms and trends in the development of legal regulation related to the documents issued in the course of construction include the following:

- in Moscow, the Presidium of the Moscow City Government, at its meeting held on March 28, 2017, approved its principal planning document for the development of territories in Moscow, the Land Use and Development Rules (the "LUDR"); effective July 1, 2017, the land plot development plan (the "LPDP") will be excluded from the list of site design documentation and will be issued as an extract from the LUDR;⁶

⁴ <http://ogd.mka.mos.ru/wps/portal/iaisogd/root/mainpublic>.

⁵ https://ugd.mos.ru/ugd/tabInfo.action?tab=PROC_CALC#/tree::rel=2/card::cardId=FORMSSET_CRITERIA_OBJECT.

⁶ Federal Law No. 373-FZ on Amendments to the Town Planning Code of the Russian Federation, Certain Legislative Acts of the Russian Federation Regarding Improvements in the Legal Regulation of Preparation and Approval of the Site Design Documentation and Promotion of Integrated and Sustainable Development of Territories, and Repeal of Certain Provisions of the Legislative Acts of the Russian Federation dated July 3, 2016.

- the LPDP will include an outline showing technical and engineering support networks on the land plot;⁷
- developers will be able to have several public services rendered pursuant to one application; e.g., when a developer applies for a LPDP, it will also be possible to obtain technical specifications for connection to water supply and water disposal networks;⁸ effective July 1, 2017, a LPDP will contain preliminary technical specifications for connection to all types of technical and engineering support networks;
- upon the issuance of the operation certificate to a developer by the competent governmental authority, such authority rather than the developer will file a cadastral record with Rosreestr in respect of the newly created property; therefore, a cadastral record in respect of the newly created property will be filed without the developer filing a separate application with Rosreestr;⁹
- at present, a comprehensive reform is under way to review all procedures for connection of developers to all types of technical and engineering support networks (power, water, gas, heat, etc.) in the course of a construction project; the lawmakers are making an attempt to optimise such procedures to a maximum extent and dramatically reduce the number of produced documents and procedures;
- the status of utility companies in respect of document circulation will change; the authority of such organisations will be similar to that of governmental authorities, i.e., it will be possible to file a request for connection to all networks electronically (at present it is possible to file an electronic request with Mosvodokanal for connection to the water supply and water disposal networks only); it is expected that later such applications will be filed in respect of all services for connection to the utility networks.
- it is expected that all public services rendered to a developer online will be provided free of charge.

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Please do not hesitate to contact us should you have any questions.

⁷ Decree of the Moscow City Government No. 137-III dated March 29, 2016 on Amendments to Decree of the Moscow City Government No. 229-III dated May 25, 2011.

⁸ Decree of the Moscow City Government No. 137-III dated March 29, 2016 on Amendments to Decree of the Moscow City Government No. 229-III dated May 25, 2011 (together with the Administrative Regulation for the Provision of Public Service for the Preparation, Approval, Amendment/Re-Issue and Repeal of Land Plot Development Plans in Moscow).

⁹ Articles 15, 22 of Federal Law No. 218-FZ on State Registration of Immovable Property dated July 13, 2015.