

# Top 10 Legal Developments in the Real Estate Market in 2021

19 January 2022

The international law firm Debevoise & Plimpton LLP presents a brief overview of the most interesting and significant developments in the Russian law (including legislative initiatives) and court practice in the real estate, construction and infrastructure sectors in 2021.<sup>1</sup>

---

## LEGISLATION

### 1. AMENDMENTS TO THE REAL ESTATE PROVISIONS OF THE RUSSIAN CIVIL CODE

A law<sup>2</sup> amending the Civil Code of the Russian Federation with regard to real estate was passed in late December 2021.<sup>3</sup>

This law introduces two new chapters into the Civil Code:

- 1) Chapter 6.1 Immovable Property, which establishes concepts and the legal regime of certain immovable things (land plots, buildings and structures, premises and parking spaces);
- 2) Chapter 17.1 Ownership and Other Rights *In Rem* to Buildings, Structures, Unfinished Buildings, Premises and Parking Spaces, which regulates emergence, termination and special considerations of exercising rights to certain real estate items.

---

<sup>1</sup> The H1 2021 overview is available at: <https://www.debevoise.com/insights/publications/2021/08/top-5-legal-developments-in-russian>.

<sup>2</sup> Federal Law No. 430-FZ, dated 21 December 2021, On Amendments to Part One of the Civil Code of the Russian Federation.

<sup>3</sup> We will review the amendments in more detail in our next client update that will focus specifically on these amendments.

Among others, the following rules and regulations have been enshrined in the Civil Code:

- Buildings and structures are only created by construction. The amendment is aimed at preventing cases of recording rights to quasiitems (pavements, asphalt roads, cesspits, etc.).
- Premises designed to serve other premises in the same building or structure are subject to the joint property regime. This would prohibit them from being circulated as separate items unless such premises are to be used separately, and 2/3 of owners of premises and parking spaces in the building or structure have voted in favor of such use.
- The minimum quantity of premises or parking spaces in one building is two. However, they may not be formed in any unfinished building.
- State registration of rights to premises and / or parking spaces formed in a building or structure shall terminate the title to the building or structure as a whole.
- Encumbrances placed on an original immovable thing shall remain active in relation to all immovable things formed from the original one, unless otherwise stipulated by the Civil Code or an agreement signed by and between an owner of the original thing and a beneficiary of the encumbrance, etc.

These and other novelties will come into force from 1 March 2023.

Meanwhile, in 2021, no work was continued on a draft law to amend the section of the Civil Code dealing with the rights *in rem*<sup>4</sup>, and, as a consequence, no rules on possession, new limited rights *in rem*, unity of land plots and buildings thereon, etc., appeared in the Russian law.

## 2. MAJOR CHANGES IN CONSTRUCTION LAW

Federal laws<sup>5</sup> that came into force in autumn of 2021 introduced a number of amendments to the Urban Development Code of the Russian Federation (“Russian

---

<sup>4</sup> See Draft Law No. 47538-6 On Amendments to Parts One, Two, Three and Four of the Civil Code of the Russian Federation, and to Separate Legislative Acts of the Russian Federation, passed in the first reading, at: <https://sozd.duma.gov.ru/bill/47538-6>.

<sup>5</sup> Federal Law No. 275-FZ, dated 1 July 2021, On Amendments to the Urban Development Code of the Russian Federation and Certain Legislative Acts of the Russian Federation; Federal Law No. 276-FZ, dated 1 July 2021, On Amendments to the Urban Development Code of the Russian Federation and Certain Legislative Acts of the Russian Federation; Federal Law No. 298-FZ, dated 2

Urban Development Code”) and the Federal Law On State Registration of Real Estate<sup>6</sup> aimed at improving the efficiency of construction projects implementation. In particular, new concepts and institutions have emerged, certain procedures have been clarified and / or updated, and some redundant requirements have been cancelled.

The key changes include the following:

- Introduction of a definition of the **“project for building of a capital construction project”** – a list of activities to be performed by a developer, technical employer, authorized bodies and / or other entities for the purpose of construction, reconstruction of a capital construction project, such project commissioning as well as state registration of rights thereto.

Introduction of a list of stages for implementing a capital construction project starting from acquisition of rights to a land plot to the state registration of rights to the completed building.<sup>7</sup> A tentative list of activities is specified for each of the stages.

- Introduction of a definition to the term **“detailed design (working) documentation”** as documents containing materials in textual and graphic form and / or in the form of an information model underlying construction and / or reconstruction. The detailed design documentation is developed based on the design documentation. The Russian Government may establish certain requirements for a composition and content of the detailed design (working) documentation, but so far, no such certain requirements have been established.

In the course of implementing a construction project, the detailed design (working) documentation is often subject to numerous modifications. For this reason, the new Urban Development Code clarifies that if such modifications are immaterial (e.g. do not affect any load-bearing structures, do not result in a violation of mandatory requirements, are consistent with a basis of design, etc.), they do not require corresponding modifications to the design documentation and become part of the

---

July 2021, On Amendments to Article 51 of the Urban Development Code of the Russian Federation; Federal Law No. 408-FZ, dated 6 December 2021, On Amendments to Certain Legislative Acts of the Russian Federation.

<sup>6</sup> Federal Law No. 218-FZ, dated 13 July 2015, On State Registration of Real Estate.

<sup>7</sup> 1) Acquisition of rights to a land plot including a land plot granted out of state or municipally owned land; 2) Approval or issuance of data, documents and materials necessary for engineering surveys, architectural and construction design, construction and reconstruction of a capital construction facility; 3) Performing engineering surveys and architectural and construction design; 4) Construction, reconstruction of a capital construction facility, commissioning of a capital construction facility; 5) State cadastral registration and / or state registration of rights to a constructed, reconstructed capital construction facility (premises, parking space).

design documentation (subject to approval of such modifications by the developer or technical employer).

- Introduction of the institute of **standard design documentation** (“SDD”). By decision of the Ministry of Construction of the Russian Federation, SDD may mean any design documentation that has been approved by a government expert review and used in construction or reconstruction of a building for commissioning of which a permit has been obtained. In the future, developers will be able to use the SDD for their projects when constructing capital construction projects similar to those for which the SDD has been approved (similarity, criteria will be approved by an authorized federal executive body).

Governmental and local municipal authorities, legal entities stateowned by 50% or more will be able to use the SDD, the exclusive right to which is held by the Russian Federation, a constituent entity of the Russian Federation or a municipality. All other persons will be able to use the SDD in the manner and subject to the terms and conditions set forth by the Russian Government. The Russian Government has not issued the appropriate regulation yet, however, even now, the Russian Urban Development Code provides that developers will be able to obtain access to the information on the authorized holder of the exclusive right to the SDD if such right is not held by the state or municipality.

For the developer, the advantage of using the SDD is that during an expert review of design documentation prepared using the SDD, the sections of the design documentation that have not been amended are not reviewed for their compliance with the requirements of the technical regulations.

- A simplified procedure for registering the developer's title to the newly erected property will take effect from 1 September 2022.<sup>8</sup> In particular, a developer will be able to indicate its consent to registration of its title to a facility and / or all premises and parking spaces therein in an application for a permit to commission a capital construction project. Thus, the developer will not have to additionally apply for registration of his/her/its rights after the commissioning permit has been issued.

If the developer has raised cash from other persons during construction, it will also be able to list them as future right holders if the agreement between the developer and such persons provides for the acquisition of the ownership title by such persons. The consent of such persons will also be required, and the application will need to be accompanied by the developer's contract(s) with such financing parties.

---

<sup>8</sup> Subclause (b) of Article 3(7) of Federal Law No. 408-FZ, dated 6 December 2021, On Amendments to Certain Legislative Acts of the Russian Federation.

This novelty will not apply to commissioning and registration of buildings constructed in accordance with the law on construction co-funding.<sup>9</sup>

### 3. REGULATING THE STATUS OF TOWNHOUSES AND APARTMENT BUILDINGS

In December 2021, a law was passed to regulate and distinguish between townhouses and apartment buildings.

Thus, the Russian Urban Development Code introduced the concept of a “**townhouse**” – a dwelling house that is integrated with another dwelling house(s) in the same row with a common side wall(s) without openings and that has a separate exit. In this way, each “unit” in a townhouse is a separate dwelling house.

The Housing Code of the Russian Federation introduces the concept of an “**apartment building**”, a building consisting of two or more apartments and including the joint property of owners of the apartments. An apartment building may also include non-residential premises and / or parking spaces owned by individual owners and being an integral structural part of such apartment building.

The law thus eliminates the considerable legal uncertainty that had previously arisen regarding the legal status of townhouses and distinguishes between the concepts of townhouses and apartment buildings. This clarification was necessary because previously, townhouse “units” were sometimes mistakenly recognized as apartments within apartment buildings, and this in turn entailed a number of legal consequences – for example, joint ownership of land and other townhouse infrastructure, joint property management issues, an obligation of owners of such units to pay contributions for utility repairs, etc.

### 4. CONTINUED DEOFFSHORIZATION OF THE RUSSIAN ECONOMY

At the end of November 2021, the Russian President signed a law<sup>10</sup> **that bans state subsidies and budget investments for Russian companies with more than 25% of their capital owned directly or indirectly by offshore entities**. The list of countries

---

<sup>9</sup> In addition to the said changes in the construction law, the Russian Government has also taken a step to simplify the implementation of construction projects. In particular, the Russian Government has again automatically extended the validity of certain permits and licenses (among other things, in the field of construction and real estate) for one year, if such permits/licences expire in 2021.<sup>9</sup> For example, building permits that expire before 1 January 2022 are extended for one year.

<sup>10</sup> Federal Law No. 384-FZ, dated 29 November 2021, On Amendments to the Budget Code of the Russian Federation and Certain Legislative Acts of the Russian Federation and Establishment of Specific Features of the Budget Execution of the Budget System of the Russian Federation in 2022.

and territories used for offshore ownership will be approved by the Russian Ministry of Finance.

Companies covered by the ban will not be able to claim certain state support measures provided for in the Budget Code of the Russian Federation (the “Russian Budget Code”) including, among others, subsidies to producers of goods, works and services<sup>11</sup>; subsidies to nonprofit organizations that are not state institutions<sup>12</sup>; and budget investments to legal entities that are not state or municipal unitary enterprises.<sup>13</sup>

However, this ban shall not apply to provision of subsidies for capital investments in state (municipal) capital construction projects and acquisition of real estate property for state (municipal) ownership under the procedure set out in Article 78.2 of the Russian Budget Code. When calculating the participation interest of offshore companies in the capital of Russian legal entities, direct and / or indirect participation of offshore companies in the capital of public joint stock companies (including those with the status of an international company) whose shares are traded on organized markets in Russia, as well as indirect participation of such offshore companies in the capital of other Russian legal entities, realized through participation in the capital of the said public joint stock companies, will not be taken into account.

The relevant amendments will enter into force on 1 January 2023.

A similar ban currently applies to Russian companies that are by 50% or more, directly or indirectly, owned by persons registered in offshore jurisdictions.<sup>14</sup>

---

## COURT PRACTICE

### 5. COURT PRACTICE ON UNAUTHORIZED CONSTRUCTION

*It is unacceptable to impose adverse consequences on a good-faith person in the form of demolishing a building at his / her / its own expense*

The Constitutional Court of the Russian Federation (the “Russian Constitutional Court”) held<sup>15</sup> that the rule that a building erected by a good-faith person who did not know and

---

<sup>11</sup> Article 78 of the Russian Budget Code.

<sup>12</sup> Article 78.1 of the Russian Budget Code.

<sup>13</sup> Article 80 of the Russian Budget Code

<sup>14</sup> Clause 15 of Article 241 of the Russian Budget Code.

<sup>15</sup> Regulation of the Russian Constitutional Court dated 11 November, 2021, No. 48-P.

could not have known about restrictions on a land plot is not an unauthorized building, was a constitutional rule.

In considering the case, the Russian Constitutional Court arrived at the following conclusions:

- The provisions of Article 222 of the Civil Code of the Russian Federation defining the concept of an unauthorized building and the consequences of its erection are of a general nature and apply to all cases of unauthorized construction both (i) when a building is erected without obtaining permits or in violation of town planning and building regulations, but as such, the location of structures on a land plot is not excluded; and (ii) when a building is erected on a land plot whose special-use conditions do not allow for hosting such structures thereon;
- The purpose of any restrictions is irrelevant, as imposing a sanction on a good-faith person in the form of demolishing a building at his/her/its own expense is in any case inadmissible;
- If it becomes necessary for safe operation of industrial facilities to demolish a building regardless of the good faith of its developer, the balance of private and public interests is achieved by fully compensating the owner of the land plot for losses caused by the demolition of the structure he/she/it had constructed in good faith.

***In order to declare a disputed building unauthorized and to have it demolished, it is sufficient that there is a public-law formal violation in the form of the absence of the required building permit***

An administration sued to declare an unfinished building an unauthorized building and to demolish the same, referring to the absence of a building permit.

Courts of three instances dismissed the claim on the grounds that the absence of a building permit *per se* could not constitute grounds for refusing to recognize a developer's title to an unauthorized building – this also required proof that the unauthorized building infringed the rights and legally protected interests of others and posed a threat to the life and health of citizens.

The Supreme Court of the Russian Federation (the “Russian Supreme Court”) disagreed<sup>16</sup> with the lower courts, stating that the plaintiff was claiming the demolition of the unauthorized building rather than recognition of the title thereto. At the same

---

<sup>16</sup> Ruling of the Judicial Board for Economic Disputes of the Russian Supreme Court No. 305-ES20-18007, dated 24 February 2021, in case No. A41-51701/2019.

time, to recognize a disputed building unauthorized, it is sufficient to have at least one of the violations listed in Clause 1 of Article 222 of the Russian Civil Code, for example, erection of a building without the necessary approvals and building permits.

Thus, according to the Russian Supreme Court, when it comes to recognizing a developer's title to an unauthorized building, it can be recognized if certain conditions are met, among other things, that the building does not violate the rights and legally protected interests of others and does not endanger the life and health of citizens. In contrast, if a claim is made for demolition of an unauthorized building, only one formal ground for demolition in the form of, for example, the absence of a building permit is sufficient for a decision on demolition.

In light of this approach, it is advisable to ensure thorough legal due diligence of purchased real property, including the availability of all approvals and building permits, in order to minimize the risk of the purchased property being declared an unauthorized building.

## 6. LEASE COURT PRACTICE

### *In case of long-term lease of municipal and state land, a tenant has special rights*

Parties entered into a 49-year lease agreement for a land plot which specified that the plot could be sublet only with the consent of the landlord, the municipality. Later, the landlord deemed it a material breach for the tenant to sublet part of the leased land without the landlord's consent and demanded that the agreement be terminated. The courts of appeal and cassation upheld the municipality's claim.

The Russian Supreme Court set aside<sup>17</sup> the judgements of the lower courts, holding that Clause 9 of Article 22 of the Land Code of the Russian Federation (the "Russian Land Code") establishes an imperative rule that where a land plot is leased for more than five years, a tenant may sublet the plot provided that a landlord is notified and without the landlord's consent thereto, and this rule cannot be changed in the agreement.<sup>18</sup>

It should be noted that this rule applies only to long-term land leases entered into after the Russian Land Code came into force (i.e. after 30 October 2001).

In addition, the Russian Supreme Court also noted that **early termination of a long-term land lease agreement at the request of a landlord is only possible by court**

---

<sup>17</sup> Ruling of the Judicial Board for Economic Disputes of the Russian Supreme Court No. 305-ES21-4791 dated 22 July 2021.

<sup>18</sup> Clause 18 of the Ruling of the Plenum of the SCA RF No. 11, dated 24 March 2005, On Certain Issues Related to the Application of the Land Law.



**order if a tenant has materially breached an agreement.**<sup>19</sup> Such an agreement may not provide for additional grounds for termination.<sup>20</sup>

In our view, the law does not prohibit the parties from stipulating additional grounds for termination in a long-term lease agreement for state or municipal land. However, the said agreement may only be terminated on such “contractual” grounds if the landlord manages to prove to the court that the breach in question is material.<sup>21</sup> However, as ruled by the Supreme Court of the Russian Federation, the parties to the agreement may not exclude the application of the Russian Land Code rule that the materiality of the breach must be proved by the landlord in court or provide that their agreement may be terminated for any (even insignificant) breach of the tenant.

Thus, when negotiating long-term lease agreements, tenants of state and municipal land plots are advised to pay special attention to the grounds for termination of the agreement and to keep in mind the imperative nature of the rules of the Russian Land Code that grant special rights to tenants under long-term lease agreements.

***A land plot within the coastline may be leased***

The Russian Supreme Court confirmed<sup>22</sup> the possibility of leasing land plots located within the coastline of a public water body.

The Russian Supreme Court thus set aside judgements of lower courts which had held that a lease agreement for such a land plot has been a void transaction because it implied exclusive possession and use of the plot and control of access thereto by the tenant, which did not comply with the legal regime of public land implying unimpeded presence of citizens thereon, regardless of whether they had prior permission/consent or not.

The Russian Supreme Court pointed out that the law only prohibits the privatization of such land plots.<sup>23</sup> However, they may be leased only on condition that citizens have free access to a public water body and its coastline.<sup>24</sup>

---

<sup>19</sup> Clause 9 of Article 22 of the Russian Land Code.

<sup>20</sup> However, it should be borne in mind that in the case of an agreement in regard to state or municipal land for an indefinite period, exercise of the legal right of a landlord to withdraw from the lease is not subject to the above-mentioned restrictions.

<sup>21</sup> See, for example, Ruling of the Russian Supreme Court No. 308-ES15-17636 in case No A18-163/2013 dated 18 January 2016.

<sup>22</sup> Ruling of the Judicial Board for Economic Disputes of the Russian Supreme Court No. 308-ES19-27506 in case No. A32-20797/2018 dated 30 March 2021.

<sup>23</sup> Clause 8 of Article 27 of the Russian Land Code.

The Russian Supreme Court has thus resolved the legal uncertainty that had previously arisen over the possibility of leasing such plots in view of their social function of providing access to water bodies.

It is also noteworthy that, on 21 December 2022, the State Duma passed in the first reading a draft law<sup>25</sup> that allowed the privatization of land plots within the second sanitary protection zone of sources of drinking and domestic water supply. Let us recall that, currently, any plots located in both the first and second sanitary protection zones of such water bodies are restricted in turnover and, therefore, may not be privatized.<sup>26</sup>

## **7. LAND PLOTS WHERE STATE OWNERSHIP IS NOT DEMARCATED CANNOT BE ACQUIRED UNDER ACQUISITIVE PRESCRIPTION**

The Russian Constitutional Court has upheld courts which have refused<sup>27</sup> to recognize a person's title to a land plot where state ownership is not demarcated. The court stated the effect of the presumption of state ownership of unformed and unregistered land should be known to any good-faith and reasonable participant in civil turnover.

Thus, the Russian Constitutional Court clarified the criterion of the good faith in recognizing ownership of a land plot under acquisitive prescription by stating that occupation of an unallocated land plot may not be considered as good faith. Previously, the highest courts have clarified that long-standing possession is in good faith if a person, when obtaining possession, did not know and should not have known that there was no basis for his/her/its right of ownership.<sup>28</sup>

## **8. THE CIVIL LAW APPROACH SHOULD NOT BE APPLIED TO THE DEFINITION OF IMMOVABLE PROPERTY FOR TAX PURPOSES**

A plaintiff challenged a tax authority's decision to impose an additional corporate property tax on a power plant, which, in the plaintiff's view, was movable property not subject to taxation.

---

<sup>24</sup> Clause 4 of Article 39.8 of the Russian Land Code.

<sup>25</sup> The card and text of draft law No. 1260569-7 On Amending Article 27 of the Land Code of the Russian Federation are available [here](#).

<sup>26</sup> Subclause 14 of Clause 5 of Article 27 of the Russian Land Code.

<sup>27</sup> Ruling of the Russian Constitutional Court No. 186-O dated 11 February 2021.

<sup>28</sup> Clause 15 of the Ruling of the Russian Supreme Court Plenum No. 10, Plenum of the SCA RF No. 22, dated 29 April 2010, On Certain Issues Arising in Court Practice in Resolving Disputes Related to the Protection of Ownership and Other Rights *In Rem*.

Courts recognized the power plant as immovable property in accordance with the characteristics established by the civil law (criteria of a strong connection of the thing with the land, impossibility of dividing the thing in kind without destroying, damaging the thing or changing its purpose and connecting things for a common purpose).

The Russian Supreme Court disagreed<sup>29</sup> with the judgements of the lower courts. The Russian Supreme Court held that the purpose of exemption of movable property from taxation was to encourage investment in new equipment, and **the use of civil law criteria does not allow differentiation between investments in renovation of production equipment and erection of temporary structures and investments in erection (improvement) of real estate items – buildings and capital structures.**

Thus, when deciding whether to recognize property as movable or immovable for tax purposes, it is necessary to take into account the stated public-law purpose of tax exemption and to use the formalized criteria established in accounting for recognizing taxpayer's property as relevant fixed assets on the basis of the All-Russian Classifier of Fixed Assets.

## 9. THE CONSTITUTIONAL COURT OF THE RUSSIAN FEDERATION TOOK THE SIDE OF BONA FIDE PURCHASERS OF REAL ESTATE

The Constitutional Court of the Russian Federation considered<sup>30</sup> a request to review the constitutionality of a Civil Code rule pursuant to which an owner can claim a thing from a bona fide purchaser if such owner lost their title to it beyond their will (Article 302(1) of the Russian Civil Code).

The Constitutional Court held that the former spouse (co-owner of the joint marital property) who does not appear in the EGRN, as a party interested in retaining their title to the joint marital property, should take measures on their own to keep it under control including where it is in their interests taking actions for the purposes of timely division of such property and also take actions aimed at having themselves registered in the EGRN as a co-owner having title to the assets constituting joint marital property. Where no such actions were taken, it is not appropriate to leave the adverse consequences of the transaction consummated without spousal consent on the bona fide participant in civil law relations who relied on the information contained in the EGRN and became the owner of the property.

---

<sup>29</sup> Ruling of the Judicial Board for Economic Disputes of the Russian Supreme Court No. 308-ES20-23222 in case No. A32-56709/2019 dated 17 May 2021.

<sup>30</sup> Ruling No. 35-P of the Constitutional Court of the Russian Federation, dated 13 July 2021, in Case for the Review of the Constitutionality of Article 302(1) of the Civil Code of the Russian Federation in Connection with the Complaint of E.V. Mokeev.

This position of the Supreme Court of the Russian Federation is extremely significant for the real estate market, including for transactions involving legal entities, as there is no publicly available source of information on marriages in Russia,<sup>31</sup> therefore, the purchaser often has to rely on the information in respect of the seller's marital status provided by the seller. Please see our detailed discussion of this Ruling in our Client Update *Top 5 Legal Developments in Russian Real Estate in the First Six Months of 2021*.<sup>32</sup>

---

## LEGISLATIVE INITIATIVES

### 10. IMPROVING CONSTRUCTION REQUIREMENTS AND REGULATIONS

The Russian Ministry of Construction has prepared several initiatives aimed at improving and simplifying construction activities.

#### *Use of foreign standards for design and construction*

The Russian Ministry of Construction proposes<sup>33</sup> to allow the use of foreign standards for design and construction in cases where documents that are subject to voluntary application are not used. The use of foreign standards will be possible provided that the compliance of the designed facility with safety requirements is justified in one of the ways specified in the Technical Regulations for the Safety of Buildings and Structures<sup>34</sup>, such as the results of relevant studies, calculations and / or tests carried out according to certified or otherwise approved methods, etc.

If the proposals made by the Ministry of Construction are adopted, the amendments would facilitate access to the application of foreign construction regulations, which would result in developers being able to adopt innovative, energy-efficient and environmentally friendly building technologies and standards more quickly.

The draft law also clarifies the procedure for developing and approving special technical conditions ("STCs"). As a general rule, such a procedure should be established by the Russian Government, and STCs containing safety requirements should be approved by

---

<sup>31</sup> Russia maintains the Unified State Register of Acts of Civil Status (<https://zags.nalog.ru/services/ags/>), however, the purchaser can obtain information from such register upon the provision of the details of the seller's certificate of marriage or divorce only.

<sup>32</sup> <https://www.debevoise.com/insights/publications/2021/08/top-5-legal-developments-in-russian?translationGuid=e2c2a601-6197-44a3-bbad-e71c31c8cd7f>.

<sup>33</sup> The full text of the draft law is available on the portal of draft regulatory legal acts: <https://regulation.gov.ru/p/122324>.

<sup>34</sup> Part 6, Article 15 of Federal Law No. 384-FZ, dated 30 December 2009, On Technical Regulations for the Safety of Buildings and Structures.

the Russian Ministry of Construction. As such, the requirements contained in the STCs may be included in the codes of practice, the application of which ensures compliance with the requirements of the Technical Regulations for the Safety of Buildings and Structures.

According to the Russian Ministry of Construction, the need for this change is due to the fact that because of the unregulated procedure for the STCs development and approval, today, developers often have to develop the STCs in cases not established by law, and this results in higher costs and longer timelines for preparation of design documentation.

***Approval of an exhaustive list of documents, data, materials, approvals in construction***

The Russian Ministry of Construction has developed a draft decree of the Russian Government<sup>35</sup> establishing an exhaustive list of documents, data, materials and approvals required by the regulations of the Russian Federation and required for the implementation of a construction project.

Adoption of this draft would simplify collection of documentation during construction by providing a single list of required documents, data, materials and approvals, as well as would partially solve the problem of unreasonable requirements to participants in construction to provide documentation that is not on this list.

In addition, the Russian Ministry of Construction reported that it plans<sup>36</sup> to develop and update 58 codes of practice, many of which regulate the field of industrial construction, including the oil and gas and petrochemical industry.

For example, the following codes of practice are planned to be amended: Code of Practice 18 Production Facilities. Planning Land Plot Arrangement; Code of Practice 43 Buildings of Industrial Enterprises, Code of Practice 56 Industrial Buildings; Code of Practice 419 Industrial Buildings. Rules for the Design of Natural and Combined Lighting.

Updating the codes of practice will integrate industry best practice for the time being in the design and construction practice.

\* \* \*

---

<sup>35</sup> The full text of the draft law is available on the portal of draft regulatory legal acts: <https://regulation.gov.ru/p/119851>.

<sup>36</sup> Data from the official website of the Russian Ministry of Construction – <https://minstroyrf.gov.ru/press/minstroy-rossii-prodolzhaet-sovershenstvovat-normativnuyu-bazu-dlya-razvitiya-promyshlennogo-stroite/>.

We will be happy to answer any questions you may have on this subject.

**MOSCOW**



Alyona Kucher  
ankucher@debevoise.com



Violetta Drondina  
vdrondina@debevoise.com



Vadim Kolomnikov  
vgkolomnikov@debevoise.com