

# Amendments to the Russian Civil Code: Lower Chamber of the Russian Parliament Adopts First Set of Amendments in the Final Reading

On 18 December 2012, the State Duma (the lower chamber of the Russian parliament) adopted in the final, third, reading the first set of amendments to the Civil Code of the Russian Federation.

The adopted amendments represent only a small part of the amendments initially envisaged by the presidential Bill and affect only a few of the Civil Code provisions. The amendments mainly concern some basic principles of civil law, the limits to the exercise of civil rights, principles of state registration of rights to certain types of property (including the principle of compensation for losses incurred as a result of wrongful acts of state authorities responsible for registration of property rights) and the status of individuals and private (peasant) farms.

The second set of amendments (to chapter 4 of the Civil Code which regulates the status of legal entities) is scheduled to have its second hearing in the State Duma at the beginning of 2013. The timetable for the rest of the amendments to the Civil Code to pass through the Russian Parliament is still unknown.

The Bill, which is the culmination of several years' work, contemplates considerable changes to all parts of the Civil Code.

An overview of the principal amendments envisaged by the Bill can be found in our client briefing "[The Civil Code Reloaded](#)".

## Contacts

**Timur Aitkulov**

Title: partner

E: timur.aitkulov  
@cliffordchance.com

**Tamer Amara**

Title: partner

E: tamer.amara  
@cliffordchance.com

**Alexander Anichkin**

Title: partner

E: alexander.anichkin  
@cliffordchance.com

**Victoria Bortkevicha**

Title: partner

E: victoria.bortkevicha  
@cliffordchance.com

**Arthur Iliev**

Title: partner

E: arthur.iliev  
@cliffordchance.com

**Ella Omelchenko**

Title: counsel

E: ella.omelchenko  
@cliffordchance.com

The Bill was adopted by the State Duma at its first reading on 27 April 2012. After adoption at the first reading it has been exposed to a numerous comments from various practitioners and representatives of business<sup>1</sup> which has held back its adoption by the initially proposed deadline (before the end of this year). After long discussions, the parliamentary committee responsible for the work on the Bill in the State Duma decided to speed up the work on the draft by dividing the amendments into a number of sets and pass them through further readings separately one by one. To date, only two sets of amendments have been published.

In brief, the most notable changes contained in the first set of amendments adopted in the final reading on 18 December 2012 are as follows:

- It is now provided that when entering into transactions with property, the rights to which are subject to state registration, only the property right itself (i.e. ownership rights, restrictions on property rights or encumbrances over the property) and not the transaction itself, is subject to state registration in the relevant state register;
- There is now a right to compensation for loss incurred as a result of wilful unlawful refusal of state registration authorities to record information in the state register of property rights or for recording false or illegal information in such register;

- Actions in circumvention of the law have been added to the category of actions to be considered as an abuse of civil rights; in addition to a possibility of refusal by the courts to protect rights exercised in circumvention of law, such actions may be subject to other negative legal consequences specifically provided by law;
- The regime of partial lack of dispositive legal capacity of individuals is regulated in more detail.

Also, after long discussions, it was decided to abandon the originally proposed mandatory requirement to have certified by a notary transactions in property the rights to which are subject to state registration, where individuals are involved. According to the adopted amendments, transactions in such property need be certified by a notary only in cases expressly provided for by law or if so agreed by the parties.

Subject to approval by the Federation Council (the upper chamber of the Russian parliament) and ratification by the President, the first set of amendments to the Civil Code will come into force on 1 March 2013, except for certain provisions for which a special timetable for entry into force is envisaged.

---

<sup>1</sup> According to some sources, more than a thousand amendments have been submitted to the responsible parliamentary committee.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

[www.cliffordchance.com](http://www.cliffordchance.com)

Clifford Chance, Ul. Gashka 6, 125047 Moscow, Russia  
© Clifford Chance CIS Limited 2012  
Clifford Chance CIS Limited

---

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh\* ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

\*Clifford Chance has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.