



Current Legal Issues in Hotel Management Agreements in Russia

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This article summarizes the principal legal issues in hotel management in Russia that hotel developers and operators are following in Russia during 2011. These issues concern: (1) commercial issues; (2) legal issues; (3) land use rights; (4) tax issues; (5) intellectual property issues; (6) licenses and permits; (7) employment issues; (8) the hotel classification system, and (9) new rules concerning hotel services in Russia.

(1) Commercial Issues in Hotel Management Agreements in Russia

Established hotel chains that are considering operating a globally branded hotel in Russia will have a standard set of hotel management agreements that they prefer to use, ideally without much negotiation. The typical package of agreements includes a Management Agreement, a Trademark License Agreement and a Services Agreement.

The commercial issues to be negotiated will include the formula to determine the amount of management fee payable to the management company in consideration for management services provided to the hotel. Hotel owners typically seek to minimize the management fee based on gross revenues, rather than net profit. The term of a management agreement will typically be longer than a Russian owner of a property may want, and will be subject to negotiation.

A Russian owner will seek to obligate the management company to prepare detailed budgets, and there will be negotiation over which expenses are discretionary and which are mandatory to satisfy the hotel chain's standards. A Russian owner will seek to clarify its right to terminate a management agreement in various circumstances that will differ if the hotel is under construction or is in a building that is being remodeled.

In Moscow in 2011, some buildings that were originally designed to be commercial office buildings are now being redesigned as hotels, which gives rise to a number of regulatory requirements, risks and costs.

The relationship of payment obligations under the management agreement and under bank loans secured by the hotel will be the subject of negotiation. The management agreement will specify certain services to be provided by the management company without payment of additional fees by the owner. There will be non-compete clauses limiting the ability of the manager to operate competing hotels.

(2) Legal Issues in Hotel Management Agreements in Russia

Each of the foregoing commercial issues, and other issues, must be analyzed to determine to what degree the contractual rights that a hotel chain is used to having in its home jurisdiction may be enforceable in Russia.

A global company's preferred forms of agreements will need to be "Russified". One issue will be the choice of the law that shall govern the main agreements. It is common for the preferred forms of agreements to recite that they are governed by New York, English or Austrian law, for example. Frequently, template agreements are silent about the actual course of events were a dispute to arise and are silent about whether there would be a court proceeding or arbitration. Some provide that there shall be a court proceeding in New York, for example.

Generally, dispute resolution provisions calling for dispute resolution outside of Russia should be reconsidered. It is not possible to enforce a foreign court decision in Russia. But, it is possible to enforce a foreign arbitral award in Russia. In some instances, we recommend against arbitration of a dispute in a country other than Russia. It is a well-established practice point here in Moscow that: (a) the cost, delays and inherent great uncertainties of foreign arbitration of a dispute, followed by (b) a mandatory subsequent court proceeding in Russia to enforce an arbitral award, with the possibility that court proceedings in Russia may have to go through several levels of appeal, cumulatively create a situation that is greatly to the advantage of a Russian defendant.

We have seen situations in which, when a dispute arises and the foreign party then examines the costs and procedures involved, it turns out that the probability of any real legal leverage being secured over the defaulting Russian party through foreign arbitration in the foreseeable future is so remote that, in effect, such a dispute resolution mechanism is worthless or not cost effective. The cost of arbitration in Vienna, for example, may be very substantial. The cost of employing three arbitrators in Vienna and filing fees will be substantial. A favorable arbitration decision in Vienna would then have to be enforced through a court proceeding in Russia that may reject a favorable arbitral award for a wide variety of reasons.

In contrast, a decision by the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry located in Moscow may not be appealed against on the merits in a Russian court. Enforcement of a foreign arbitral award in Russia is done on the basis of a writ of execution issued by a Russian commercial arbitration court. In order to have a decision of a foreign commercial court enforced in Russia, the procedure stipulated by Chapter 31 of the Administrative Procedural Code of the Russian Federation (the "APC") needs to be observed. This chapter is entitled "Proceedings on cases on recognition and enforcement of decisions of foreign courts and foreign commercial arbitration courts".

This procedure involves the submission of a decision of a foreign arbitrator to a Russian commercial arbitration court for assessment, with a decision to be made whether or not to issue a writ of execution. The party in whose favor the arbitral decision was made must commence a proceeding in the Russian commercial arbitration court at the location of the defendant. The statutory term for the court to make a decision is three months, but, in practice, it may be substantially longer.

Grounds for rejection of a foreign arbitral award include such grounds as the defendant alleging the party against which the decision was adopted was denied an opportunity to participate in the foreign process as a result of the fact that a notification on the time and place of consideration of the case was not timely and duly handed to the defendant¹; or the consideration of the case should belong in the exclusive competence of the courts of the Russian Federation.² Enforcement may be denied if the decision may "harm the sovereignty" of the Russian Federation or "threaten the security" of the country or "contradicts its public policies".³ These grounds are highly subjective. Enforcement of a foreign arbitral award may be denied if there exists a Russian court decision that has come into force and has been adopted with respect to a dispute between the same parties, on the same subject matter, and on the same grounds, or such a case is under consideration of a Russian court.⁴

In sum, in practice, Russian defendants typically like to see a foreign partner choose a foreign arbitration proceeding as the dispute resolution mechanism because they know that, regardless of the flagrancy of any violations on the Russian side, a foreign arbitration proceeding presents no immediate threat, or a threat that may in all probability subsequently be defeated in a Russian court room. By selecting foreign arbitration, the Western party may be deluding itself with a false sense of security, and would only discover too late that, in reality the bargaining power as a result of such a dispute resolution mechanism is with the defendant. More likely, the aggrieved party would eventually be compelled to make a settlement against its own interests once it discovers, too late, that it is not cost effective actually to use the selected arbitration mechanism.

Based on such concerns, we have sometimes recommended in favor of arbitration at the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry located in Moscow (the "ICAC").⁵ A decision by the ICAC may not be appealed on its merits in a Russian court, and is enforceable in more than 130 countries pursuant to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958.

The enforcement procedure to enforce an arbitration decision obtained through arbitration in Russia also requires commencing a proceeding in the commercial arbitration court of Russia to obtain a writ of execution. The timeframe for a decision and appealing against a court decision are the same as with regard to a foreign arbitral award. However, all the grounds cited above for a court to decide not to enforce a foreign arbitral award are inapplicable and do not apply to decisions of arbitration tribunals located in Russia. We have recommended that agreements be executed pursuant to, and shall be construed under and governed exclusively by the substantive laws of Russia (other than the conflicts of laws provisions thereof).⁶

If a hotel chain is willing to agree that its agreements with regard to a particular hotel in Russia would be governed by Russian law, and any dispute would be subject to arbitration in Russia, then one piece of legal work that needs to be done is to review a chain's standard set of agreements to verify that its provisions will be enforceable in Russia, or an alternative method may be used to accomplish a particular legal objective.

(3) Legal Issues Concerning Land Use Rights

In certain instances, a hotel chain will seek to acquire a long-term lease of the site where a new hotel has been constructed. Having a land use right may strengthen the operator's legal rights to operate the hotel over the entire term of its long-term management agreement to operate a hotel at the site, as compared to a situation in which the operator has a long-term management agreement alone.

In either case, a hotel operator will want to have a due diligence examination conducted of the owner's rights to the site. The land on which a hotel is located may be leased or owned, or it may be the case that land use rights have not been formalized and the owner is relying upon its right at a future time to formalize its right to use the land under the building to be used as a hotel.

The Russian Civil Code provides, in Article 552, that the purchaser of a building also acquires a right to the land on which the building is located, and the land which is necessary for its use. The necessary land use right is to be either a right of ownership or a lease right. If a building is sold that is standing on land that is not owned by the seller, the buyer receives a continued right to use the land which is the same as whatever right the seller had.

In the event that no lease agreement has ever been concluded with regard to the land on which a building is located, and no rent has been paid, the land owner which is, in most cases, the regional

or municipal government, may request payment for use of the land for the entire period of such use, starting from the date of registration of title to, or lease of, the building.

The right to use land around the building does not necessarily include adjoining access ways and parking areas, and will be limited to the foundation of the building plus perhaps one or two meters of surrounding land. Additional costs may arise regarding payment for use of land under parking lots and other needed land.

A hotel chain may elect to do nothing with regard to formalization of land use rights under an owned or leased building, and take a wait and see approach. However, if the hotel operator desires to have land use rights formalized, such rights may be formalized as leases or ownership of land.

In the case of a mixed use building, the owner of non-residential premises may own a pro rata share in the land under the building. The Tax Code of the Russian Federation addresses, in Chapter 31, the owner's obligation to pay land tax.

When acquiring ownership title to state-owned land, the procedure for determining its buyout value depends on the location of such land plot and may vary from 3 to 30 times the value of the land for tax purposes.⁷ When leasing state-owned land, the procedure for determining rent amount is established by the Government of the Russian Federation, or regional or local authorities.⁸ Lease terms are typically from 3 to 49 years.

A lease of state-owned land can be signed in compliance with the procedure set out in Article 30 of the Land Code of the Russian Federation. The allocation of land for construction purposes may be conducted with an auction⁹ or, in some cases, without an auction.¹⁰ In some instances, according to Clause 2 Article 30 of the Land Code, land plots may be allocated for construction only on the basis of a tender. Each transaction will require analysis, taking into account the criteria set by the Russian legislation in such spheres as lands of water protection zones, forests, historical and cultural landmarks, protection of competition, corporate law, etc.

(4) Tax issues relating to hotel operations

Russian legislation provides a number of tax exemptions for organizations which use historical buildings as hotels. According to Article 149 of the Tax Code of the Russian Federation, works on repair, conservation and restoration of historical and cultural monuments protected by the state is not subject to VAT.¹¹ Article 381 of the Tax Code provides a waiver of corporate property tax for organizations which possess objects recognized as historical and cultural monuments of federal significance.¹²

Tax planning for a hotel project will include a review of available double taxation treaties. Royalties paid for use of a trademark are not subject to taxation in Russia, according to most agreements on avoidance of double taxation, unlike management fees which are taxed in the usual manner.¹³ It is logical to divide the total remuneration due to an operator into two parts: first, a management fee and, second, a royalty fee.

The management agreement should address which party (investor-owner or operator) is to pay income tax in Russia on payments transferred to the operator. Usually the operator pays income tax on its income (management fee and royalty) at its own expense. It may be that, under certain circumstances, the territory of the Russian Federation is not considered to be the place where particular services were provided, such as advertising and marketing, engineering, consulting and others, and such services are not subject to VAT in Russia.¹⁴

(5) Protecting a hotel brand name in Russia

The typical package of documents entered into by a hotel chain, as mentioned above, includes a trademark license or sublicense agreement. A trademark allows its owner to take action against the use by third persons of identical and confusingly similar names, including use of a trademarked name in domain names.

In contrast to the American legislation that allows defending unregistered trademarks on the basis of their use in commerce, Russian law does not grant exclusive rights to the owners of trademarks that have not been registered with the Russian Federal Service for Intellectual Property, Patents and Trademarks ("Rospatent"), or which are not protected on the territory of the Russian Federation in accordance with international agreements.¹⁵

The process of registration of a trademark takes about one year. Within this period a trademark application is examined to determine whether grounds listed in Article 1483 of the Civil Code¹⁶ may exist to refuse to register a trademark. Refusals on absolute grounds are most frequently connected with non-distinctiveness of a mark, or with it having a misleading character. These are marks that lack for distinctive features, such as separate letters and figures (as well as compositions of consonants), common terms and symbols, descriptive marks that indicate type of goods (services), quality (including marks having a laudatory character like, e.g., Best Hotels), purpose and other specific features as well as place of production of goods (rendering services). However refusal based on this ground can be overcome if the owner provides documentary evidences that a trademark had acquired distinctiveness by their use in Russia before its priority date, i.e. that it was known to consumers on this date.

Article 6 of the Paris Convention¹⁷ states that every trademark duly registered in the country of origin shall be protected as it is in the other countries of the union and may be neither denied registration nor invalidated, and can also be used in certain situations for contesting unfavorable decisions of Rospatent.

There has been recent litigation in this connection in Russia involving the Starwood hotel chain which appealed a refusal of an application to register the trademark "W Hotels". Starwood appealed to the Federal Appeals Court of the Moscow Region on the basis of Article 6 of the Paris Convention, and won the case.

Registration of a trademark may be denied if the trademark may mislead a consumer regarding the services offered. In particular, if a trademark is applied for and contains a mark such as "Quality since 1915", it will be necessary for the applicant to present evidence confirming that the applicant has been rendering services since that date.

Besides it should be observed that certain elements such as national symbols including emblems, flags; full and abbreviated names of international organizations and their symbols, including symbols connected with the Olympic Games as well as names and depictures of objects of national or international cultural or natural heritage and confusingly similar marks cannot be included in a trademark without permission of the relevant authorities, organizations or owners of such marks.

An application to register a trademark (or a registered trademark) may be rejected (annulled) if it is confusingly similar to other trademarks. In order to prevent such refusals, it is recommended conducting a trademark search in the database of the Rospatent before filing an application to register a trademark. For example, the owner of the hotel chain Best Western International, L.L.C. managed to annul registration of the trademark BEST EASTERN in Cyrillic on the basis of its prior existing trademark, BEST WESTERN.

Also, it is possible to challenge a trademark if the activity of its owner in registering that trademark is held to be unfair competition by the Russian antimonopoly authorities or a Russian court. Another provision of the Civil Code stipulates that registration of a trademark in Russia by a representative or agent of a foreign legal entity, having trademark registrations in other countries, without its permission can be declared invalid.

The right to a trade name and company name may also be defended in Russia, and it is not necessary to register a trade name in a trade register. An example of a typical trade name is the name HILTON used for the chain of hotels by Hilton Hotels Corporation. A trade name is protected if it is distinctive and known within a certain Russian territory. The owner of the trade name has the right to use the name, in particular, on signboards, in letterheads, in invoices and other documents, on goods or packaging of goods, and to prohibit third persons from using confusingly similar names in respect of similar goods and/or services. An infringer may be compelled to pay damages to the owner.

Company names are protected on the basis of provisions of Chapter 76 of the Civil Code which provides that a company name is protected if it is included in the State Register of Legal Entities. This chapter does not contain any provisions relating to protection of company names of foreign legal entities. They are protected by Article 8 of the Paris Convention, though practical implementation of this article may entail difficulties due to some gaps and confusion of terms in existing legislation.

Russian companies enforce their exclusive rights to company names. For example the owners of “Dostoevsky” Hotel defended this name against infringement suit of the owners of the trademark “Dostoevsky” on the basis of their use of the company name.

Russian legislation regulating franchise agreements¹⁸ contains special requirements that are absent in the laws of other countries. The most important requirement is that complex of exclusive rights granted under a franchise agreements shall obligatory contain a trademark, and that this agreement, as well as any additional agreements including termination agreements, shall have been recorded with the Rospatent.

(6) Licenses and permits needed to operate a hotel in Russia

Operating a hotel in Russia, in and of itself, does not require a license, but it does require a number of permits, discussed below, and, if the hotel intends to sell alcohol beverages, a License for the Retail Sale of Alcohol Products (an “Alcohol License”).¹⁹ Such a license is required for selling alcoholic beverages in the lobby and in the restaurant and for mini-bars in rooms. In Moscow, Alcohol Licenses are issued by the Department for Consumer Markets and Services of Moscow, and are issued for a maximum period of five years.²⁰

The following permits are needed to operate a hotel in Russia:

(1) An act commissioning the facility into operation: This document confirms that building, reconstruction or capital repair of the hotel were completed in accordance with the building permit and that the capital construction facility which had been built, reconstructed, repaired was in line with the land plot layout and project documentation. The Act is grounds for government registration of the building.²¹

(2) A report of the fire inspectorate on compliance with fire safety requirements: The Report confirms that the hotel operates in line with all fire safety requirements, including staff readiness for necessary actions in case of fire, availability of necessary quantity of fire extinguishers, fire evacuation scheme, etc. Report is issued by the Regional Administration of the State Fire Control

Authority (part of Russian Ministry for Civil Defense, Emergencies and Eliminations of Consequences of Natural Disasters – the EMERCOM).²²

(3) A fire safety declaration: Each hotel must have a Fire Safety Declaration on file with EMERCOM which conducts fire inspections.²³ The Declaration is necessary for objects for which state expert appraisal of design documents is required.

(4) A sanitary and epidemiological report on compliance with sanitary and epidemiological rules and standards: In order for the hotels to operate, each is required to have a sanitary and epidemiological report on the compliance of hotel's activity with state sanitary and epidemiological rules and standards (the “SES Report”). SES Report is issued by Regional Departments of Federal Service on Customer’s Right Protection and Human Well-being Surveillance. The period of validity of an SES report is indefinite and perpetual. But it must be re-issued in the case of a reorganization, rebranding or changing of location of a legal entity that holds an SES Report.²⁴

(5) A permit for outdoor advertising: Such permit is needed in order to use the advertisement panels, stand or any other similar construction used for attracting the attention of potential guests. This document is issued by the government of the municipal district within which the hotel is located following an application from the building owner.²⁵

(6) A permit to operate an electric installation: This document is necessary for connecting the hotel to the electric mains. The Permit is issued by State Energy Control Authorities. The Permit is valid for three months. If the hotel does not connect to the electric mains during this period, the Permit will need to be re-issued.²⁶

(7) A registration card for cash registers: The permit is needed for using cash registers for cash and card payments on the territory of the hotel. Each cash register must be registered by the Tax Authorities. At the same time, the type/model of the cash register being used must be registered with the State Register of Cash Registers.²⁷

(8) A sanitary passport or a contract with an exterminator to prevent the presence of rodents and insects: In accordance with legislation of majority of Russian regions (including Moscow region, Ryazan region, etc.) a hotel must obtain documents confirming that the premises are properly protected against rodents and insects. As a general rule, such document is either a sanitary passport of the facility subject to disinfection and pest extermination (hereinafter the “sanitary passport”) or an agreement with a specialized company for rendering disinfection and pest extermination services.²⁸

(7) Employment Issues in the Hotel Industry in Russia

Regarding foreign employees, in 2010 amendments were made to the Russian Federal Law “On Foreigners’ Legal Status” which introduced a category of “highly qualified specialists” (hereinafter, an “H-Q Specialist”). H-Q Specialists are exempt from the quota systems of work invitations and work permits allocation.²⁹ H-Q Specialists acquire business visas without an invitation letter. H-Q Specialists’ income tax amounts to 13% instead of 30% that other non-residents have to pay.³⁰ To be considered an H-Q Specialist a foreign employee should have a certain amount of experience, skill and achievement in his or her field and an annual wage of two million rubles or more according to the employment agreement. There are also conditions concerning the companies authorized to employ H-Q Specialists: a company has to be either registered in Russia as a commercial or scientific organization or be a foreign legal entity with a branch registered in accordance with applicable law.³¹ If the exact wording of the Law is to be followed, it appears that a foreign company with only a representative office in Russia isn’t entitled to employ H-Q

Specialists. Persons with a lower level of professional education may encounter serious problems obtaining visas and work permits.

In Russia there are a few locations where the level of hotel business activity changes seasonally, including, for example, the Black Sea coast and Saint-Petersburg. According to Global Code of Ethics for Tourism adopted by World Tourism Organization, seasonal employees are entitled to special social security concerning their terms of employment.³² However, under the Russian Labor Code, the status of temporary employment during the high season doesn't comply with the definition of 'seasonal works', which covers only the activities that can be carried out during a limited time of the year.³³ Furthermore, hiring additional staff during high seasons doesn't create the conditions for drawing up a fixed-term labor agreement.

Apart from seasonal staff issues there are other features of employment agreements under Russian Labor Law that the employer has to be aware of. For instance, according to the Labor Code, only the grounds listed in the Code or in other federal laws are considered valid reasons for employment termination.³⁴ This effectively means that it may be unenforceable to provide that employment may be terminated for conducts that tarnishes a hotel's reputation.

(8) The Hotel Classification System in Russia

A new system for classification of tourist facilities, including hotels, was approved in May 2010.³⁵ There is no global, unified system for classification and certification of hotels. According to International Hotel and Restaurant Association (<http://www.ih-ra.com/>) official classification systems for hotels are established in 64 countries, in 11 countries such systems are being prepared, and 58 countries do not have a unified classification system.

The problem of elaboration of joint and unified requirements for hotels has been always been the central issue for professionals worldwide. Different international organizations attempted to establish a joint universal standard for the services rendered by hotels. Almost none of them succeeded mostly due to national and historic features of hotel industry in different countries. In 1989, the Secretary of the World Tourism Organization (UNWTO, <http://unwto.org/en>) issued recommendations on interregional harmonization of criteria for hotel classification, but this has not been done.

Russian rules provide that classification shall be conducted by an accredited organization, which shall execute an agreement with an applicant to conduct classification of a hotel and confirm a category has been awarded. A list of classified hotels is published on the website of the Minsporttourizm (<http://www.russiatourism.ru/hotels/>).

The classification procedure includes the following: (1) the accrediting organization receives an applicant's application to initiate a classification; (2) the accrediting organization executes an agreement with the applicant; (3) the accrediting organization conducts the classification process. Compliance with the requirements of a category is to be tested every two years. Inspections of a hotel may be scheduled and unscheduled.

(9) New rules for hotel services in Russia

The Russian Hotel Association (RHA) recently proposed a number of amendments to the Rules For Providing Hotel Services in the Russian Federation (the "Rules").³⁶ The Rules make a number of technical clarifications to the booking process, including requiring hotels to send written confirmation of reservations following bookings made over the telephone, and clarify that guests in a hotel may themselves receive guests, but not overnight. Hourly fees may be charged for early

check-ins and late check-outs. Certain services must be provided without additional fees. Lost property must be retained for six months. Numerous other new rules are set out in the Rules.

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This article was written by a number of attorneys with Capital Legal Services who have different areas of expertise involving hotel projects in Russia, including:

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¹ See Subclause 2 Clause 1 Article 244 of the APC.

² See Subclause Article 38 of the APC.

³ See Subclause 7 Clause 1 Article 244 of the APC.

⁴ See Subclauses 4 and 5 Clause 1 Article 244 of the APC.

⁵ See, about ICAC, <http://www.tpprf-mkac.ru/en/>, and see the recommended arbitration clause presented here: <http://www.tpprf-mkac.ru/en/2010-06-13-13-37-47-/ogoveng>.

⁶ An Agreement may be considered a mixed contract, as such term is defined and understood for purposes of Article 421, subpart 3 of the Russian Civil Code, and, pursuant thereto, excludes the application of Article 1034 of the Russian Civil Code concerning commercial concessions or franchises.

⁷ See Clause 2 Article 2 of the Federal Law No.137-FZ “On enacting the Land Code of the Russian Federation” dated October 25, 2001.

⁸ See Clause 3 Article 65 of the Land Code of the Russian Federation.

⁹ See Clause 4 Article 30 and Article 38 of the Land Code.

¹⁰ See Clause 3 and 5 of Article 30 and Article 31 of the Land Code.

¹¹ See Clause 15 Article 149 of the Tax Code of Russian Federation (Part Two) dated 05.08.2000 No.117-FZ (approved by the State Duma of the Federal Assembly on 19.07.2000).

¹² See Clause 5 Article 381 of the Tax Code of Russian Federation (Part Two) dated 05.08.2000 No.117-FZ (approved by the State Duma of the Federal Assembly 19.07.2000).

¹³ See, for example, Article 12 of the Agreement between the Government of the Republic of Cyprus and the Government of the Russian Federation for the Avoidance of Double Taxation with Respect to Taxes on Income and on Capital dated 5.12.1998; Article 12 of the Convention between the Government of the Russian Federation and the Government of The Kingdom of Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital dated 16.12.1998; Article 12 of the Convention between the Government of the Russian Federation and the Government of The Federative Republic Of Brazil For The Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income dated 22.11.2004.

¹⁴ See Sub-clause 4 Clause 1 Article 148 of the Tax Code of Russian Federation (Part Two) dated 05.08.2000 No.117-FZ (approved by the State Duma of the Federal Assembly 19.07.2000).

¹⁵ See the Madrid Agreement concerning International registration of marks of April 14, 1891 as amended on September 28, 1979.

¹⁶ The Civil Code of the Russian Federation (Part IV) dated 2006.18.12 No.230-FZ (adopted on 2006.24.11, edition of 2010.04.10).

- ¹⁷ The Paris Convention for the protection of Intellectual property of March 20, 1883 as amended on September 28, 1979.
- ¹⁸ Chapter 54 Commercial Concession, Part II of the Civil Code of the Russian Federation.
- ¹⁹ See Clause 11 of Federal Law No.171-FZ “On state regulation of manufacture and circulation of ethyl alcohol, alcoholic and alcohol-containing products”.
- ²⁰ See Item 4 of Moscow Government Order dated 13.02.2007 № 91-PP.
- ²¹ See Clause 55 of Russian Town Planning Code.
- ²² See EMERCOM Order dated 01.10.2007 No.517.
- ²³ Based on Item 5 Clause 6 of Federal Law dated 22.07.2008 No.123-FZ “Technical regulations on fire safety requirements”.
- ²⁴ See Rospotrebnadzor Order on Issuance of SES Reports dated 19.07.2007 № 224.
- ²⁵ See Clause 19.9 of Federal Law dated 13.03.2006 № 38-FZ “About advertisement”.
- ²⁶ See Points 2.1., 2.15. of Methodical Recommendations to commissioning of electric installation into operation dated 03.04.2002.
- ²⁷ See Clause 4 of Federal Law “On the use of cash registers for cash and card payments” dated 22.05.2003 № 54-FZ and Item 4 of Government Order “On approving the regulation on registration and use of cash registers used by companies and individual entrepreneurs” dated 23.07.2007 № 470.
- ²⁸ For instance, see Decree No.409 of the Center of State Sanitary and Epidemiological Supervision for Moscow Region “On issuing sanitary passports for facilities subject to insect and rodent control” dated August 01, 2001 and Decree No.7 of the Head State Sanitary Doctor for Ryazan Region “On introducing the procedure for issuing sanitary and epidemiological passports for facilities subject to insect and rodent control”.
- ²⁹ See Section 13.2 point 2 of Federal Law “On legal status of foreign citizens in Russian Federation”.
- ³⁰ See Section 224 p 3 of Taxation Code.
- ³¹ See Section 13.2 point 5 of Federal Law “On legal status of foreign citizens in Russian Federation”.
- ³² See Global Code of Ethics for Tourism Art. 9 para 2.
- ³³ See Section 293 of the Labor Code.
- ³⁴ See Section 81 of the Labor Code.
- ³⁵ See Order of the Minsporttourizm No.461 dated May 07, 2010. The predecessor of aforesaid regulatory act is Classification system of hotels and other means of accommodation was approved by Order of the Rostourism No.86 dated July 21, 2005. It is valid de-jure but de-facto became inoperative.
- ³⁶ The new version of the rules is published at: <http://rha.ru/doc/projectterms.doc> The original version of the Rules was approved by Decree No.490 of the Government of the Russian Federation dated April 25, 1997.