

# THE AEB MONTHLY



**Dear Reader,**

Welcome to the September  
edition of the AEB Newsletter!

Over the past couple of months the political as well as the economic situation has changed considerably. The Ukraine crisis has not been overcome yet. The AEB tries its best to represent the interests of its members towards both sides with the aim of avoiding further sanctions. The solution has to be a diplomatic one, in the end.

The summer's hot days have already gone, but the new business season is yet to start. I hope that the past two months of rest gave us enough energy to get back to work and do our best to keep European businesses afloat in Russia.

As usual, this Newsletter will provide you with information about the recent achievements and important forthcoming events organised by the AEB, along with news on our latest lobbying activities and Committee updates. I hope you will find something of interest in it.

**Frank Schauff, CEO**  
**Association of European Businesses**

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# AEB Lobbying Activities in July - August 2014

## Lobbying

### Parallel imports (PI)

A draft law on parallel imports initiated by FAS received a negative impact assessment from the MED. The reasons are both procedural (non-respect of the length of the procedure due to an incorrect definition of the importance of the RIA procedure) and material (the draft law can lead to negative consequences such as decrease in competitiveness of the Russian goods and cuts in production in Russia, increase in counterfeiting products, decrease in efficiency of implementation of the existing investments' projects and a risk of non-payment of credits). Moreover, MED mentions that no financial risks for investors who localized their productions in Russia are analyzed by FAS, the analyses of the structure of the imported goods is also needed. Therefore, the suggested regulation should be additionally analyzed in the view of its effectiveness. The AEB monitors the situation.

### Outstaffing/secondment

The AEB has launched a questionnaire to get more information on use of secondment in Russia by the AEB members in order to provide concrete data to the relevant state bodies (the Ministry of Economic Development (MED) and others) on how important secondment is and how exactly it works.

We are also in the process of working with MED on a draft law regulating secondment mechanism as well as in a negotiation regarding possible changes to the Federal Law *On Amendments to Certain Legislative Acts of the Russian Federation* (regarding measures that prevent employers from evading the conclusion of labor contracts by the unwarranted conclusion of civil law contracts, the use of agency labor mechanisms or otherwise).

The AEB also continues its work with the Ministry of Labour and Social Protection regarding drafting of accreditation rules for employment agencies which will use agency labour starting from January 1, 2016.

### Waste management

The AEB is now preparing comments on a new working version of the draft law on waste management drafted by the Ministry of Construction and Housing Services and Utilities. The text contains provisions from previous versions (e.g. different ways of producers' responsibility implementation, ecological fee, state fund for those producers who will choose not to recycle by themselves, etc.) but in comparison with other drafts gives more competences to a regional operator which can be an obstacle for implementation of producer's responsibility since it constitutes a monopoly.

Moreover, the AEB together with other associations took part in the meeting of the Committee on Ecology and Environment of the Russian Union of Industrialists and Entrepreneurs (RSPP) with participation of state bodies representatives. During the meeting the participants came to a conclusion that the draft law should be further worked out, especially the provisions on a regional operator, money expenditure distributed by the State Fund through regional programmes to the regional authorities, tariffs' regulation, and other questions.

### Dual citizenship

Federal Law No. 142-FZ *On Amendment of Articles 6 and 30 of the Federal Law On Russian Federation Citizenship and Individual Regulations of the Russian Federation* (the Law) came into force starting from August 4, 2014. The Law introduces a new requirement by which Russian citizens who hold any other citizenship or permanent residence permit must notify the Russian territorial migration authorities about such foreign citizenship(s) or residence permit(s). The Law provides an exemption for Russian citizens who permanently reside outside Russia. Failure to file the notification constitutes a criminal offence and a delay in filing a notification or filing it with incomplete or inaccurate information is an administrative offence. The Law is accompanied by the Order of the Federal Migration Service establishing rules for filing such a notification.

Some provisions of the above-mentioned documents are not concrete enough which can make it difficult to implement, especially, for the Russian citizens living abroad (e.g., the Russian legislation does not contain a definition of "permanently living abroad", etc.). The AEB Migration Committee has addressed the letter to the Federal Migration Service to clarify the issues.

### Consumer Protection Legislation

The AEB met with Rospotrebnadzor in August to discuss its proposals. It became evident that on certain questions Rospotrebnadzor has a position which is different from the case-law. Therefore, it was agreed that the AEB will reformulate its proposals in a form of questions to Rospotrebnadzor that can issue Explanatory Letter with its position which can be used in courts. The AEB also continues its dialogue with other state bodies involved.

### Other issues included:

- Disposal fee
- Personal data protection
- Localisation
- Rules of issuance of passports of self-propelled harvesters
- Implementation of ERA Glonass
- Public procurement questions
- Customs issues (TIR carnet use, authorized economic operator, amendments to the Code of Administrative Offences on responsibility in the field of customs regulation)
- Pre-trip medical check-ups, and others.

For more details please contact [Maya Limonnikova](#), AEB Legal Advisor, or coordinators of the respective AEB Committees and Working Groups

# AEB Events in September 2014

## Upcoming Events

Date	Title	Time	Venue
<b>8 September 2014</b>	AEB Executive Evening at Novaya Opera (upon personal invitation only)	19:00 - 22:00	Novaya Opera, Hermitage Garden
<b>11 September 2014</b>	AEB Home Appliances Manufacturers' Committee Event "Approximation of RF and EU Legislation in the Field of Energy Efficiency Labelling"	09:00 - 12:00	AEB Conference Centre
<b>16 September 2014</b>	<a href="#">AEB SHES Committee Open Event "Cybercrime: Made in Russia"</a>	09:00 - 12:00	AEB Conference Centre
<b>17 September 2014</b>	<a href="#">AEB "Open Doors" for Non-Members</a>	09:30 - 14:00	AEB Conference Centre
<b>22 September 2014</b>	<a href="#">AEB Cocktail Launching the Business Season</a>	19:30 - 22:00	Hotel Intercontinental Moscow Tverskaya
<b>30 September 2014</b>	AEB Open Event "Presentation of the AEB guide "How to invest in Russia 2014" (to be confirmed)	09:00 - 12:00	AEB Conference Centre

For more information please visit the AEB [website](#)

## “Automotive industry in Russia: localization challenges and perspectives”

On 1 July 2014, AEB committees of Automobile manufacturers, Commercial vehicles and Autocomponents organized the conference “**Automotive industry in Russia: localization challenges and perspectives**”. The localization of industrial production in Russia has been a priority topic on the agenda of the RF Government since many years. OEMs’ programs of suppliers’ support and development, a demand to increase a local content are undoubtedly the most important matters. **Alexander Morozov**, Director of the Department of Transport and **Special machine-building (RF Ministry of Industry and Trade)**, chairmen of the committees, experts, as well as representatives of FordSollers Holding, PSA Peugeot Citroën, Renault-Nissan, Robert Bosch, Volvo Trucks took part in a discussion focusing on the current situation in the field of localization of the automotive industry, its further perspectives and business response to the present demands. More than 90 representatives of AEB member companies attended the event.

The presentations of the conference are available for downloading:

- [DLA](#)
- [EY](#)
- [PSA](#)
- [Minpromtorg](#)



L-R: **Olga Zarubina**, Director Business Development Russia and General Manager, Johnson Controls International (ZAO); **Andrey Chursin**, General Manager, OOO Scania Service; **Alexander Morozov**, Director, Department of transport and special machine-building, Ministry of Industry and Trade, **Frank Schauff**, CEO AEB; **Joerg Schreiber**, Managing Director, Mazda Motor Rus; **Andrey Tomyshev**, Associate Director, EY.

The AEB gratefully thanks for the support of the conference:

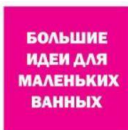
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# Polish EuroReception

The Embassy of Poland in Russia and the Association of European Businesses held the Polish EuroReception. The event took place on 8 July 2014 at Polish Embassy premises with numerous high-ranking guests participating. The AEB thanks deeply thanks the Embassy of Poland in Russia and Polish Business Club and also expresses its deepest gratitude for supporting the event to:



Guests at the event



## “Automation and robotics in transport engineering”

On 10 July 2014, the AEB held its Round Table as part of the International Conference “**Automation and robotics in transport engineering**” within the Forum INNOPROM 2014. The session was dedicated to the topic “**Trends in the development of transport: ecologization, electric cars, what’s next?**”. The Round Table was moderated by **Michael Akim**, Member of the AEB Board, Chairman of the Working Group on Modernization and Innovations; Vice-President, ABB Russia. At the session, representatives of auto manufacturers, including **Andrey Pankov**, Chief Executive Director, Mitsubishi Russia and **Igor Titov**, Vice-President, Renault Russia, shared their experiences and views on the perspectives of the production of electric cars in Russia. **Vladimir Sofyin**, Director of Technological Development and Innovation at Russian Grids, spoke on the Rosseti’s activities in the support of the development of the related infrastructure. **Alexander Morozov**, Senior Consultant, Deloitte Russia, made a brief presentation on the state support of the production of electric cars. Special guest was **Mr. Pierre Helg**, Ambassador of Switzerland to the Russian Federation. The participants discussed the possibilities of the application of European experiences regarding the ecologization of transport in Russia. In 2014, INNOPROM, held for the fifth time, was dedicated to intelligent technologies, materials and solutions that contribute to the growth of efficiency of industrial processes and competitiveness increase. It attracted enterprises and companies offering solutions for production modernization and creating technologies that increase efficiency, speed, quality and also improve ecological performance of manufacturing processes to find their place among the diversity of participants.



L-R: **Michael Akim**, Member of the AEB Board, Chairman of the Working Group on Modernization and Innovations; Vice-President, ABB Russia; **Mr. Pierre Helg**, Ambassador of Switzerland to the Russian Federation; **Alexander Morozov**, Senior Consultant, Deloitte Russia; **Igor Titov**, Vice-President, Renault Russia; **Andrey Pankov**, Chief Executive Director, Mitsubishi Russia; **Vladimir Sofyin**, Director of Technological Development and Innovation, Russian Grids (Rosseti).

## AEB establishes new Working Group

On 29 July 2014, the AEB established a Working Group on Processing of Personal Data headed by **Edgars Puzo**, Chairman of AEB IT & Telecom Committee; General Director, Atos IT Solutions & Services. The main focus of the Working Group is to discuss the issue of transferal of personal data's servers to Russia and the recently adopted Federal Law #242 "On amendments to certain legislative acts of the Russian Federation concerning processing of personal data in information and telecommunications networks" (formerly the draft law #553424-6). The Federal law comes into force on **1 September 2016**.

**Ekaterina Tilling**, Lawyer, 1 Forma, made a presentation and answered the questions of the audience during a kick-off meeting with more than 70 persons participating.

On 21 August 2014 the Working Group held a meeting where a kind of Position Paper written on the basis of proposals and questions coming from the WG participants was discussed.

The IT & Telecom Committee is going to organize a round table on this important issue on 23 October 2014 inviting the representatives of Mincomsvyaz and Roskomnadzor.

# Banking Committee

On 9 July 2014, representatives of the AEB Banking Committee met with **Anatoly Aksakov**, State Duma Deputy, President of Association of Regional Banks of Russia, to discuss implementation of recently adopted laws and upcoming legislative activities in the banking sector. Among the issues discussed were:

- implementation of the law on FATCA
- changes in currency control regulation
- the draft law on repository
- the draft law amending the part 2 of the Civil Code – to name but a few.

Anatoly Aksakov offered the Committee to send him its suggestions and recommendations to the banking legislation and regulation.



## Construction Industry and Building Material Suppliers Committee

On 3 July 2014, the AEB Construction Industry and Building Material Suppliers Committee held a **field session meeting at Rockwool premises in Zheleznodorozhny, Moscow Region**. The program of the visit included a guided tour of Rockwool University and Rockwool's first plant in Russia launched in 1999. The Committee meeting at which, among other things, was taken a decision to create a working group of heating systems producers, was followed by a networking lunch.



Participants of the meeting at Rockwool's first plant in Russia

## HR Committee

On 27 August 2014 the AEB HR Committee held its open event titled "HR GAME" - a business simulation, structured as a business game. The concept of this event was jointly developed by the AEB Assessment, Training and Development Sub-Committee, and by Oleg Zamyshlyayev Lab. The game was designed for HR-managers and for everyone who needs to get the tools of human resource management process, to understand the relationship and the consequences of decisions, work out in the development of management strategies and employee motivation. The participants formed several teams competing in one market and struggling for talent. Afterwards, they had a chance to discuss the outcomes and relate them to the real-life Talent management strategies.



L-R: **Adel Shardina**, **Alexander Belyakov**, **Oleg Zamyshlyayev**, Oleg Zamyshlyayev Lab; **Irina Zarina**, Chair of the AEB Assessment, Training & Development Sub-Committee, Managing Director, CEB SHL Talent Measurement Solutions.

## IT & Telecom Committee

On 8 July 2014, the AEB IT-Telecom Committee held its well-attended open event "**Social networks in Business for Internal & External Using**" which gathered high qualified speakers from such companies as SAP CIS, Ericsson, Antal Russia, Siemens LLC, Leroy Merlin, Atos. The following topics were discussed:

- Interconnectivity of Mobile Applications & Social Networking Platform
- The Best and the Worst in B2B Social Media Practices
- Social Networks in Recruitment
- Social Media Governance Process
- Corporate Social Network in Internal Communication Structure
- Implementation and Using of Corporate Social Networks.

The meeting was chaired by **Edgars Puzo**, IT-Telecom Committee Chairman; General Director, Atos IT Solutions & Services.



Participants of the event

## Legal Committee

On 7 July 2014, the AEB Legal Committee held its Business Meeting **“Ukraine-related challenges for business: what to know and how to respond?”** The event served as a special platform for in-house lawyers, consultants and other representatives of AEB member-companies to analyze the impact of EU and US sanctions on the economic activities of companies operating in the Russian Federation, discuss problems the companies have to face when carrying out their economic activities in Crimea, share their experiences and concerns and get practical advice from experts.

Special discussion points were US and EU economic sanctions, difficulties of the new legal environment, impact on current business structures, contracts, customs issues, taxation, distribution and logistics problems. The following presentations are available for download:

- [Alexander Bychkov](#)
- [Helge Masannek](#)



L-R: **Elena Gabdukhaeva**, Head of Legal Department, METRO GROUP; **Fredrik Ringquist**, Senior Associate, MANNHEIMER SWARTLING; **Alexander Bychkov**, Partner, Baker & McKenzie – CIS, Limited; **Sergey Krokhalev**, Deputy Chairman of the AEB Legal Committee; **Maxim Arefiev**, Head of Legal Department, AUCHAN.

## North-Western Regional Committee

On 7 August 2014, the members of the AEB North-Western Regional Committee's Customs Transportation and Logistics sub-committee met with **Roman Kirizleev**, the representative of the Eurasian Economic Commission for Europe (EECE), Department of Monitoring and Judicial Work of the EECE. The meeting took place at the office of DLA Piper in St. Petersburg and was chaired by **Sergei Vasiliev**, Chair of the AEB Customs, Transport and Logistics Subcommittee. During the meeting Mr. Kirizleev presented the issues concerning the newly established Eurasian Economic Union, functions and competence of its main bodies. The main differences between the current EECE structure and the new union structure were discussed. Also, the practice of dispute resolution in the current EECE Court, as opposed to the newly established Union's Court, were mentioned. At the end of the meeting the AEB NWRC embers were able to ask questions to Mr. Kirizleev and suggested to meet again later after the ECE officially starts its work.

# Safety, Health, Environment and Security Committee

On 2 July 2014, the AEB Safety, Health, Environment and Security Committee held the round table, titled "**Health and safety practices in Russia: tips from professionals**". The round table was moderated by **Konstantin von Vietinghoff-Scheel**, the Chairman of the Health & Safety Sub-Committee. **Kirill Katalevsky**, EHS Group Director, SAINT-GOBAIN Russia & CIS, presented a case study analysis of a conveyor accident that happened at one of Saint-Gobain plants in Europe and emphasized risk perceptions lessons to be learnt. **Elena Lopatova** and **Julia Zavialova** from Hewlett-Packard made a presentation of wellness program implemented in their company that help engage, energize and retain employees. **Alexander Shtoulman**, General Director, Corporate Health, talked about the importance of mental health of employees and its impact on business results.

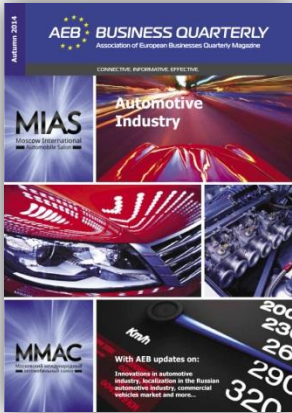
## Working Group on Modernization and Innovations

On 30 June 2014, the AEB Working Group on Modernization and Innovations held its Round Table “**Improvement of incentive mechanisms for the involvement of the European business into R&D in Russia**”. The event offered a platform for representatives of business and the state (the RF Ministry of Education and Science) to provide the information on the available state support programmes, give feedback on opportunities and restraints for business participation at these programs as well as share related experiences. Special focus was made on the Government’s Decree 218 (postanovlenie Pravitelstva) "On measures of state support for the development of cooperation of Russian higher education institutions and organizations implementing complex projects on high-tech production". This document provides an instrument for the Russian government to strengthen the support of the cooperation between Russian universities and industrial companies in order to promote the development of scientific and educational activities in the Russian universities, increase Russian universities’ capacities development of high-tech industry and to stimulate innovation in the Russian economy. The participants discussed recommendations on changes in regulatory and legal framework (including decree No. 218), on state stimulation of innovation development with the purpose of facilitation of involvement of foreign company community into innovation development programs of the Russian Federation, use of process expertise of world leaders, and collaboration in R&D. The AEB Members were encouraged to continue the dialogue with the RF Ministry of Education and Science.



L-R: **Irina Korotkova**, General Director, Inconsult K; **Dmitry Vitjutnev**, Deputy Director of the Department for Strategy, Analysis and Prognosis of the RF Ministry of Education and Science; **Michael Akim**, Chairman of the AEB Working Group on Modernization and Innovations; Member of the AEB Board; Vice-President, ABB Russia; **Anna Korotchenkova**, Department of Corporate Technologies in Russia and Central Asia, Siemens.

Following publications were published in August 2014:



**Business Quarterly  
(Summer 2014)** with  
focus on **Automotive  
Industry**

Upcoming publications:

- **Real Estate Monitor (release date: 15 September 2014)**
- **HR Sector in Russia: Surveys, Analyses, Facts (release date: 22 September 2014)**
- **How to invest in Russia (release date: 29 September 2014)**
- **Business Quarterly with focus on Waste Management & Ecology (release date: 9 December 2014)**

The advertising opportunities in the upcoming publications are available. Please see the [Media Kit 2014](#).



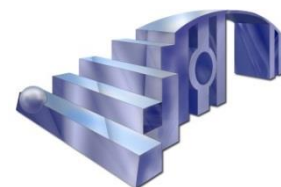
## The AEB Welcomes New Members



FinEx ETF is a new entrant focusing on exchange traded funds and a wholly-owned subsidiary of the FinEx Group, an investment management company that offers both passive and actively-managed investment products. The FinEx Group has assets under management of more than USD1bn (as at 31 December 2012). FinEx ETF has a specialist focus on both investments and investors in emerging markets.

FinEx ETF constitute exchange traded funds issued by an Irish domiciled company, FinEx Funds PLC established under Irish law (the "**Fund**"). FinEx Funds PLC is an open-ended investment company with variable capital having segregated liability between their funds organised under the laws of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities ("Undertakings for Collective Investment in Transferable Securities") Regulations 2011 (S.I. No. 352 of 2011) and is authorised by the Central Bank of Ireland.

[www.finex-etf.ru](http://www.finex-etf.ru)



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## The AEB Welcomes New Members



**Energy Solutions Provider**

SDMO INDUSTRIES is a French company founded in Brest (FRANCE) in 1966. Our company deals with research, production, tests, sales as well as installation, commissioning, after-sale service, spare parts, trainings organisation and projects development over low/high voltage gensets with/without a canopy/container, appropriate for parallel work all over the world. Due to our vast experience and use of high-quality production materials SDMO INDUSTRIES takes the 3rd place among the biggest world genset manufacturers regarding turnover. Our distributors and branch offices present in more than 150 countries contribute to successful growth of the company. SDMO brand is known in Russia since 1995. Moscow branch office was inaugurated in 2011.

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- Power Products (7,5 - 3300 kVA): adaptable diesel gensets.

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