Innovative, out-of-the-box solutions are required from lawyers, according to Dmitry Medvedev, Chairman of the government of the Russian Federation, speaking during the plenary session yesterday. While Medvedev was describing legal and regulatory issues related to the internet, his statement could apply to any topic discussed during the opening session, titled ‘Mission of law in an era of change’.

In a series of speeches, panellists highlighted a number of areas that have seen rapid change – as well as those that require more attention.

The internet
Medvedev mentioned the internet as an area of dramatic change, especially because most legal infringements in the area happen across borders. Legal debates related to the internet can be as broad as freedom of speech versus national security, but also focus on more granular issues such as the specifications of personal data protection regulations in a particular jurisdiction.

He noted that personal data protection is increasingly an international issue; there’s no equivalent to a UN convention on personal data issues. However he believes that there will be a means to protect personal data that will be reasonable and efficient, and emphasised that smart societies must live without breaching the law.

Wolfgang Brandstetter, Federal Minister of Justice of the Republic of Austria, noted another element of the internet – social media. He was focussed on its role in spreading hate speech, or worse. In his remarks he commented on recent atrocities by the Islamic State. “We must recognise the dark side of modern technology communication,” he said, warning that terrorists can misuse it for propaganda and lead young people to participating in the groups.

In light of such developments, Brandstetter said, he has announced the tightening and sharpening of criminal law in relation to hate speech.

Global affairs
Speakers also reflected on the state of international relations today. Considering a high-level analysis, Renaud Sorieul, Secretary of the UN Commission on International Trade Law (Uncitral), noted that the organisation’s approach is changing; it is seeing a shift from unifying global regulations to harmonisation of domestic regulations. Uncitral is now seeing that the biggest obstacle at the national level is not necessarily disparate legal traditions, but a lack of a domestic regime – for example, not permitting the use of electronic contracts.

That will inform its approach going forward. While it will continue to establish conventions where relevant, Sorieul said that the organisation plans to release more model laws and legislative guides. They will give states, if they choose, the flexibility to adapt the relevant national legislation.

Sorieul also noted the rise of regional entities in international trade, from the EU to the Eurasian Economic Union (EEU). Indeed in his speech, Medvedev highlighted the formation of the EEU, as well as the signing of the regional body’s first free trade agreement with Vietnam.

Reasons for caution
Focussing on current events, Austria’s Brandstetter believed that the general political situation doesn’t give reason for optimism, citing the rise of the Islamic State as well as the European Union’s recent relationship with Russia.

Medvedev also commented on sanctions, saying that in the past 100 years, the country has systemically been under sanctions. In response to the US and EU sanctions, Russia has decided to protect its food supply. “I want to point out that this isn’t a good way to develop international trade relationships and I can just say that in the nearest future we have to take a decision whether to extend these measures or lift them,” said Medvedev. “I can speak plainly about the fact that these actions will be reciprocal and will be based on the actions of our partners from other countries,” he added.

Brandstetter commented on the Russian delegation’s suspension from the Council of Europe saying that it revealed a lack of mutual respect. He believed a dialogue could continue without a suspension from the Council of Europe.

On a lighter note, he then alluded to the 60th edition of the Eurovision Song Contest, which was held in Vienna this year and was watched by over 300 million people. Russia came in second to Sweden, becoming the first country to finish second while accruing over 300 points. Brandstetter noted that the competition’s theme was ‘Building Bridges’. He said he hoped that Europe would take it into account in its interactions with Russia in the future.

PROFILE: DMITRY MEDVEDEV
Second only to the President, Medvedev completed his law doctorate at the end of the 1980s as the Berlin Wall fell and a new Russia was emerging.

His political career began in 1990 as advisor to the St Petersburg city council, where he first met Vladimir Putin. In 1999, he moved to Moscow to work under President Putin, and rose through the ranks of state government at great speed. During this time he also acted as chairman of Gazprom.

In 2008, he succeeded his former colleague as president of the Russian Federation, receiving approximately 70% of the vote. Medvedev served as President until 2012, when he stepped down to become Chairman of the government.

During his career as Chairman he has taken part in the US G8 summit, the first in his position to do so. He is also the first Chairman to be officially affiliated to a political party.
Ulana Zinina
Microsoft
Russia

I am speaking at the session on personal data. For me, the most important issues are assuring global services for all users and increasing the use of cloud services while keeping users safe.

Valentina Talimonchik
St Petersburg State University
Russia

I will attend the session on the alternative views of legal education. As an associate professor at the university, this is where my professional interest lies.

Lucio Calantuoni
Professor of Sport Law and Class Arbitrator
Italy/Switzerland

I spoke last year and though there is not a specific sports panel this year, I am interested in developments in arbitration and general business law.

Maksim Olisov
BI Group
Kazakhstan

Innovations in managing non-credit financial institutions. This is not strictly my line of work but very important. I will also hear Valery Zorkin, who’s like a philosopher as well as a lawyer.

Marina Filippova
St Petersburg State University
Russia

I’m interested in social law, labour law and the legal education session. I believe that Russian legal education should be more practice-based.

Alexander Kalinin
Rockwool
Russia

I will look for the sessions on Islamic finance, anti-monopoly and borders of the internet and everything dedicated to IP and trademark issues.

Igor Livchitz
Eversheds
Finland

I will be attending any relevant M&A sessions. Even though the Russian M&A market is narrow, we are increasingly being approached by Russian clients in regards to outbound deals.

Sergey Sosnovsky
Pepelaeva
Russia

I will of course hear the plenary session which will cover politics as well as the law and go to Valery Zorkin’s session. He is a very respected person.

VOX POPS: Which sessions are you looking forward to?
Michael Buckner
General Counsel
General Electric Russia & CIS

As a student of law and history, the plenary session and discussion of the Nuremberg Trials are especially interesting. I was invited by the Russian Corporate Counsel Association to discuss legal departments in the digital age on Thursday.

Artem Goryunov
Vinder Law Office
Russia

My field of law is corporate disputes, bankruptcy and litigation so I will attend anything related to this. The insolvency of individuals is a big issue this year.

Dmitriy Glazounov
Egorov Puginsky Afanasiev & Partners, Russia

I am interested in the innovations in the sessions related to non-credit financing institutions. This is a growing sector within Russian financing that has only recently been subject to regulation.

Ramunas Audzevicius
Motieka & Audzevicius
Russia

All lawyers are busy with sanctions work. The session on anti-monopoly issues will be interesting as the tensions between the EU and Russia are affecting the market, especially in the EU.

Andrey Rybalov
Constitutional Court
Russia

I work in private law. Discussions on limited property rights and obligation law are very important at the moment as new regulations come into force.

Nigora Avazmukhamedova
Council Law Firm
Uzbekistan

I am a corporate lawyer but I also have an interest in IP. I really enjoyed the speech of Mr Medvedev and definitely agree with him that the target of law is peace.

Maxim Losik
Castren & Snellman
Russia

I will be following the M&A track as this is my key responsibility at my firm. I will also join the discussion on the reform of the Russian civil court as this is crucial to the whole legal market in Russia.

Esteban Jorge Giudici
Interpol
France

I am a panellist discussing the role of law in the prevention of illegal trade. Between 8% and 15% of the world’s GDP is in the shadow economy. As a bridge between Europe and Asia, Russia is very important.
Seventy years of international justice

A lexander Zvyagintsev, deputy prosecutor general of the Russian Federation, spoke of the importance of using history as a reference point for the future in yesterday’s session on the Nuremberg trials. A series of 13 hearings in which many high-ranking Nazi officials were prosecuted, the Nuremberg trials are widely regarded as the first step towards establishing an international court.

Although both the reasoning and method surrounding the trials were widely questioned and disputed at the time, the fact that an agreement was reached between representative of four separate jurisdictions is remarkable in itself. Yesterday’s lunchtime session was in honour of the 70th anniversary of the trials.

Speaking during the session, Alexander Zvyagintsev emphasised the importance of remembering and teaching history as it happened.

The Nuremberg trials took place over 11 months, covering 16,000 pages of material, with 6,000 courtroom permits issued during that time. The absence of both guilt and compassion displayed by those accused taught the world a valuable lesson in the barbarity of humanity, he said.

The issues posed by conducting a universal trial over four jurisdictions – the UK, the US, France and the Soviet Union all provided judges and prosecutors – prompted the recognition of the need for a permanent international criminal justice system.

While some were in favour of summary execution, others insisted on a fair trial. Such tensions resulted in a lengthy and cumbersome process, with it eventually being decided that during the tribunals, verdicts would be decided by vote.

Zvyagintsev insisted that the truth of both the events and procedural processes of the Nuremberg trials must be taught so that it can continue to be used as a model for future cases.

Active attempts to rewrite the events of World War II and to turn Nazis into heroes are damaging to our future, he said. In response to suggestions that the world should move on from the atrocities of the past, he asked: “How do we find an axe to cut off our memories?”

Prevaling principles

This is not to undermine the precedence the trials have had for international law ever since. Crime against humanity was given an official legal definition, and for the first time in history, individuals were tried for international crimes. Sir David Maxwell-Fyfe, prosecutor at the trials, went on to be a founding member of the European Convention on Human Rights.

The International Criminal Court (ICC) was eventually established over 50 years later. Prior to this, the Nuremberg Tribunal was used as a model in the Eichmann trial, as well as when prosecuting those responsible for the Rwanda genocide and the Balkan wars of the early 1990s.

But while the Nuremberg principles should continue to prevail in the modern world, a rise in extremist groups – including those in support of neo-Nazism – and a lack of education suggests that they are not. “Impunity cannot be left to its own devices,” he said.

To prevent the rise of such groups, Zvyagintsev emphasised the role of legal work. For example, in Russia, the promotion of Nazi offences carries criminal punishment and imprisonment of up to five years, he said.

The general consensus of the session was that the significance of the Nuremberg trials is only as effective as its continued remembrance.

How to crush insider dealing

R ussia can learn from Brazil’s approach to tackling insider dealing, according to Sergey Shvetsov, first deputy chairman of the Bank of Russia.

Speaking at yesterday’s session, ‘Innovations in managing operations of non-credit financial institutions’, Shvetsov compared his country’s pursuit of insider dealings with its BRC counterpart Brazil.

Russia, which has legislation in place to deal with the activity, is pursuing several new cases a month according to Shvetsov. “The case load is growing like a snowball,” he said.

Brazil, however, which has a similar level of financial markets activity to Russia, making it a useful benchmark, pursues around only six cases a year. This is due to a culture of fear, according to the panellist, with prohibitive fines for wrongdoing in the South American jurisdiction.

“They reach a appropriate level of fear in the Brazilian financial markets,” said Shvetsov adding that the damages can be up to several hundreds of millions of dollars in Brazil.

Russia does have legislation in place. Its government introduced the Federal Law On Countering the Abuse of Inside Information and Market Manipulation and the Amendment of Certain Legislative Acts of the Russian Federation No 224-FZ (the Insider Trading Law) was published in 2010.

It is now in the process of introducing an agreement with the Bank of Russia, aimed at reducing supervision of compliant market participants, mitigating a possible negative impact on the business reputation as a result of their involvement in legal proceedings.

“If you use insider information you stand to make huge profits and in order to protect the market against such practices we should include appropriate punishment – financial or criminal.”

Bankruptcy changes

Elsewhere in the session speakers tackled bankruptcy legislation for non-credit financial institutions. Among a number of measures currently being assessed by the Bank of Russia, the main regulator, the Russian banking industry, responsible for banking licenses, rules of banking operations and accounting standards, is additional liability of directors.

“When talking about bankruptcy, the role of the board of directors is crucial in the amendment of the corporate governance code,” said Shvetsov. “We have re-stated this. They bear minimum responsibility at the moment and that is a problem.”

Speakers also discussed the approach of regulating pension funds, and preventative measures that could be taken to keep savers’ money safe.

The Bank of Russia has followed the US model, and the segregation of broker accounts between clients’ money and brokers’ money. There is a caveat under Russian law though: if the client permits the broker to use his or her money then the use of such funds is permitted. “But contracts being signed now are making use of this item,” he said.

“They reach an appropriate level of fear in the Brazilian financial markets”
Islamic finance’s rising tide

Islamic finance is set to grow in the new Eurasian Economic Union (EEU). The new economic union has re-focused attention on the development of an Islamic finance market. The EEU has a significant Muslim population, and panelists speaking at yesterday’s morning session, ‘Strategic approach to Islamic financial instruments’, encouraged attendees to consider opportunities in this area.

Moderators to the discussion were Maksim Tafintcev, president of the Arab European Lawyers Association, and Linar Yakupov, president of the Association of Regional Investment Promotion Agencies and president of the Fund for the Development of Islamic Business and Finance.

Kazakhstan has long been a regional leader in this space. Over 70% of its population is Muslim

Kazakh experience

Kazakhstan has long been a regional leader in this space. Over 70% of its population is Muslim, according to a 2009 census. Asulu Baibagyssova, head of representation in Russia for the National Bank of the Republic of Kazakhstan, was the panel’s first speaker. She noted that work began in relation to developing the country’s Islamic finance market in 2008 following the global financial crisis, which involved establishing a legislative platform to make its development possible. Only two years later, Al Hilal Bank became the first Islamic bank to open in Kazakhstan.

In March 2012 the Kazakh government passed its first Islamic Finance Development Roadmap, which outlined its goals from 2012 to 2020. That roadmap involved amendments to insurance and Islamic finance legislation as well as other laws related to securities and property registration, among others. This April Kazakhstan’s parliament approved new Islamic finance laws introducing new definitions for takaful, or Islamic insurance, and murabahah, an acceptable form of credit sale under shariah law.

More broadly Baibagyssova hoped that this would allow the diversification of funding; for example, Islamic banks may be more willing to finance projects in mining and agriculture – sectors that involve hard assets in which it may be difficult to get conventional financing. She also highlighted the Islamic securities section of the Kazakh Stock Exchange. There are no listings on it now, but they are now analysing the experiences of different countries to start issuing sukuk.

However she warned that growth wouldn’t be immediate, and noted that they are revising figures and indicators. Until recently, she said, they thought that by 2020 three to five percent of its banking system would be under Islamic banking, and by 2025 that would increase to 10%.

But she also noted the experiences of other countries such as Turkey and Malaysia. Turkey introduced its first Islamic bank in 1984, but now Islamic lenders account for just over five percent of its banking system. In contrast Malaysia’s first Islamic bank was established in 1983, and by 2010 they accounted for 22% of the banking sector.

EEU potential

Moderator Yakupov noted that Russia will take a different approach, and that work is being done regarding introducing Islamic products under the existing legal framework.

Inese Tenberga, expert on banking law of the faculty of law at the Saint-Petersburg State University, noted during her presentation that there have been recent roundtable discussions on Islamic finance in the State Duma Committee on Financial Markets. The first, in March, was titled ‘Challenges and prospects on Islamic banking implementation in Russia’, while the second was held this month and was titled ‘Alternative banking in Russia: prospects and legislative initiatives’. A draft law that supports the development of Islamic banking is now being considered.

Looking at the EEU, Tenberga noted that since the enforcement on the agreement of the EEU, which is meant to strengthen the relationships between the members’ economies; it could also foster the development of Islamic finance. She noted that in the agreement for the EEU, there is a special division dedicated to the regulation of financial markets. It also emphasises the need to adopt harmonised requirements for supervision and regulation of financial markets, and within that framework there must be equal conditions for the functioning of Islamic banking.

That isn’t the case now, but she noted that the chairman of the National Bank of Kazakhstan recently spoke about the necessity of introducing Islamic banking within the framework of the Eurasian space.

In the agreement there is a special division dedicated to the regulation of the financial markets. This emphasises the necessity of adopting harmonised requirements aimed at supervision and regulation of financial markets, she said.

And within that framework on the union there must be equal conditions for functioning of Islamic banking.

Tenberga also considered the development of Islamic finance markets such as Bahrain, Indonesia, Kuwait, Malaysia and the UAE, and observed that a consistent policy aimed at Islamic finance’s integration in the global financial system is crucial.

The development of an Islamic banking system involves not only adopting individual standards and norms, but also the training and education of professionals and the population, as well as developing specific features such as shariah boards.

Preview: Battling illegal trade

Burgeoning illegal trade and its consequences are increasingly relevant as market conditions constantly and dramatically change. Whether drugs, alcohol, wildlife or human organs are being traded, the shadow economy poses a substantial financial and social risk.

One of today’s sessions will address how to combat and prevent these markets, and will detail the valuable role that international law plays in the fight against them. Black markets so often contain cross-border elements but individual regimes and their often-contradictory laws and regulations can stymie efforts.

That’s further complicated because characteristics of each underground market differ depending on where trade is conducted and what is exchanged. For this reason, participating nations should implement targeted legal actions that consider the most common feature across these markets: criminal structures.

During the session, participants will consider the features of black markets, including corruption and money laundering, and how the global free movement of goods has allowed illegal trade to flourish.

They will then discuss the various international treaties that apply to illegal trade, including the UN Convention against Transnational Organised Crime (UNCOC) and the UN Convention against Corruption (UNCAC).

Speakers are also likely to address the role of innovative legal systems and frameworks in combating illegal trade. They plan to explain how these can be utilised to best establish a system whereby all stakeholders can cooperate efficiently and effectively.

Participants include Alexey Andronov, general counsel at trade company Megapolis CJC, Konstantin Raynot, illicit trade manager at Philip Morris, and various staff members from Interpol.

The session will be moderated by Alexander Ardeiko, head of the treaty and law department at the ministry of internal affairs of the Russian Federation.

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**Islamic Finance Development Roadmap**

- **2012 to 2020**
  - First Islamic bank in Kazakhstan
  - Amendments to insurance and Islamic finance legislation
  - New Islamic finance laws
  - Development of Islamic securities section

**EEU**

- **2008**
  - First Islamic bank in Russia
  - Amendments to insurance and Islamic finance legislation

**Malaysia**

- **1983**
  - First Islamic bank
  - Development of Islamic finance

**Kazakhstan**

- **2009**
  - Islamic finance laws introduced
  - Analysis of international experience

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**Preventing and combating illegal trade**

**2015**

- **Thursday, 12.30pm – 2.30pm**
  - Hall 5, General Staff Building

- **Participants**
  - Alexey Andronov, general counsel at Megapolis CJC
  - Konstantin Raynot, illicit trade manager at Philip Morris
  - Various staff members from Interpol

- **Moderator**
  - Alexander Ardeiko, head of the treaty and law department at the ministry of internal affairs of the Russian Federation
Day two of the St Petersburg International Legal Forum offers no shortage of insightful discussions, run by some of the world’s leading professionals.

Start the day with a roundtable on the impact of state intervention on tax policy. Speakers include Richard Batch, corporate tax director of the International Air Transport Association, Galina Akchurina, partner and head of tax resolution at FBK Legal, and Polina Ulovkina, consultant to the Department of International Taxation at the Russian Ministry of Finance.

During this session, they, among other global legal and business heads, will discuss initiatives such as the anti-offshore law, and consider how to assess potential legal risks when conducting business either with Russia, or internationally.

The session will benefit from the fact that speakers will comprise representatives from both authorities and businesses. The combination of two parties will likely result in a lively, interesting discussion.

Between 10.00 am and 12.00 pm, leading Russian and international experts will come together with Russian government officials and lawyers to discuss the potential benefits and dangers posed by trademarks.

The session is likely to be particularly insightful for those involved in the implementation of trademark rights.

The session will be moderated by Evgeniy Arievich, chairman of the commission on intellectual property at ICC Russia and Ludmila Novosiolova, president of the court of intellectual property rights. It will see participants addressing issues such as unfair competition and monopolies, and abuse of rights and disputes, in a roundtable discussion.

Speakers include Shen Oliver, judge at the Regional Court of Munich and Frederick Mostert, researcher at Oxford University’s College of St Peters, among others.

The session is likely to be particularly insightful for those involved in the implementation of trademark rights, as well as anyone with an interest in intellectual property. One of the more colourful aspects of the law, almost every day an additional story of a trademark-related dispute emerges from somewhere in the world.

Combating uncertainty
Running from 12.00 pm to 1.15 pm is a session that aims to address the key questions and legal issues posed by the implementation of sanctions. Speaking on the topic will be Stepan Guzyey, partner at Lidings, Batraz Pliev, vice president of corporate and legal affairs at PromsvyazCapital and Anton Rogachevsky, vice president of legal affairs at Baltika Breweries, among others.

The speakers will shed light on the necessary restructuring of assets during times of economic uncertainty, as well as corporate disputes and methods of providing legal protection for shareholders and owners during turbulent times.

Continuing the theme of conducting business in an uncertain climate, another highlight of today is a session focussing more on the financial side of the corporate world. Legal practice heads of major Russian companies and representatives of various government bodies will come together to discuss the impact the geopolitical landscape of 2015 has had on conducting trade.

The session is entitled ‘Key aspects of financial activity amid economic turbulence’.

Drawing on real examples from both Russian and international companies, experts will consider a variety of topics, from the processing of loan obligations to bankruptcy cases. They will also look at the potential issues posed when restructuring financial institutions, and will undertake a broad review of the most recent changes to the laws that govern the financial markets.

Moderated by Andrey Yakovlev, managing partner at Yakovlev & Partners, the discussion will feature comments from Tatiana Udaltsova, a member of the management board at the Bank of Moscow, Alexander Mosyagin, deputy chairman of the management board at Commerzbank, and Alexander Kirliovich, deputy director general of legal affairs at Gazprombank Invest. This panel will run from 1:15 pm to 2.30 pm.

M&A
Alternatively, from 12.30 pm to 2.30 pm, a roundtable on conducting M&A transactions and investment projects in Russia could appeal to many delegates.

Speakers from major national corporations will offer their view on the current climate in both Russia and from an international perspective, considering the impact of falling oil prices and the depreciation of the rouble on M&A.

Bearing in mind the common speculation that the oil market’s current state is likely to result in multiple mergers across the board, this is a particularly hot topic.

Moderated by Mikhail Kazantsev, speakers will consider the antitrust element to such deals as well as the lawyers’ perspective, with comments from partners across the world including the EU and Asia.

It also aims to touch upon the bearing recent legislative changes to the Civil Code have had on the structuring of M&A deals, and external financing options for M&As in times of economic crisis.

Panelists include Piotr Marezewski, managing director of Thomson Reuters Russia, Rupert Boswall, senior partner at Reynolds Porter Chamberlain, and Maria Miroshnikova, partner at Ivanov & Partners.

Increasing transparency
The day comes to a close with a public talk session titled ‘Amnesty of capital: a guide to action.’ This entails a roundtable discussion, running from 3.30 pm to 6.30 pm, on increasing the transparency of business in Russia, and how capital amnesty programmes can help.

Speakers, some of whom represent responsible for the capital amnesty programme, others being legal experts, will consider how appropriate or effective the current programme is.

They will also discuss whether the business community and the state have sufficient trust in each other, and will shed light on their own experiences of carrying out tax amnesties on an international scale.

Another area of focus is the value of amnesty in the context of taxation rules that apply to controlled foreign companies, and both the reach and limitations of the Financial Action Task Force (FATF).

Away from the areas of corporate law, and running from 3.30 pm to 5.30 pm is a discussion on moral foundations and natural rights. Speakers will come together to discuss such questions of whether a person really has the right to judge, what the notions of right and wrong are, and what rooted core values really mean.

They will also consider whether or not are fundamental regulatory requirements in place within all religions and societies.

Speakers include Janina Dill, professor of politics and international relations at the University of Oxford, Michael Swamson, barrister at Brick Court Chambers, and Alberto Mazzoni, president of the International Institute for the Unification of Private Law.

Once the day is over, head to Rubinstein Street for the forum’s official Legal Drink evening, which kicks off at 8.30 pm at Café Saygon: a great opportunity for networking with other delegates, or just a chance to relax after a busy day of enlightening sessions.
After two days of enlightening sessions, why not relax with fellow guests at a variety of parties and events hosted by the forum’s cultural partners—all with a drink in hand, of course. Delegates can let their hair down at an assortment of bars, restaurants and music venues, with the added bonus of soaking up the culture of Rubinstein Street, a location deeply significant to the city’s history.

Located in the heart of St. Petersburg just off the famous Nevsky Prospekt (and a short walk from Palace Square, the forum’s location), it was once home to its namesake, pivotal composer Anton Rubinstein: a marker of the iconic street’s cultural blossoming.

Also known to have frequented the area in times long passed are Grigori Rasputin, novelist Alexandr Kuprin, poet Evgeny Rein, count Mikhail Tolstoy, a relative of Leo Tolstoy, and later, famous baritone singer Eduard Khil, better-known as Mr Trololo. In the early 1980s, the renowned street played host to Russia’s first ever official rock club, Rubinstein 13. At the time, Rubinstein 13 was the only place in St Petersburg that allowed young musicians to legally play rock music. The club helped launch the careers of many well-known Russian acts, including Akvarium and Kino – but not before a jury of Communist party officials had approved the songs, of course.

Now, the street is widely known for late night parties, particularly in the summer during the city’s famous White Nights phenomenon, as well as its trendy inhabitants and dozens of bars, cafes and restaurants. This year, the forum’s cultural partners have gone all out to get plenty lined up, making sure there’s something for even the fussiest of delegates.

Start in the reinvented legendary rock n’ roll venue Café Saygon, which was once a symbol of the underground culture of Leningrad during its USSR era. From 8pm onwards, firm Pen & Paper will be hosting the party, allowing you to enjoy a live performance from rock band Two Planes, and a DJ set from Re-Disco, while you get acquainted with the other guests.

Next up is the Force Majeure party at Sardinia restaurant, courtesy of joint-hosts Kommersant newspaper and Hogan Lovells, who promise to transport those in attendance back to the post-revolution, pre-sanction Russia.

For something a little different, head to Wine Cabinet for a wine tasting party exclusive to guests of the St Petersburg International Legal Forum. Hosted by Goltsblat BLP and legal departments of various international companies will be waiting for you.

From 8:30 pm onwards, Yust will be hosting a Latin-American themed party, complete with whiskey tasting, Spanish guitar music and dancing.

S&K Vertical’s party is this year hosted at Tesla steampunk cocktail bar. Make sure you arrive in time to catch the firm’s managing partner Sergey Slagoda on the drums.

The venue for Monastyrsky Zyuba Stepanov & Partners event is MZS Brain & Brave club. Expect a friendly atmosphere – and a sore head in the morning.
The benefits of pro bono services are being recognised across the board. But what limitations does it face?

Pro bono work is becoming more valuable to law firms and corporate legal departments. Not only is it important to ensure that those in need have access to legal advice, but it can also be instrumental in the training, motivation and satisfaction of both new and experienced practitioners.

With a heightened focus on teamwork, it can have a positive impact on morale and provide exciting opportunities and challenges to lawyers at all levels. It can also enhance the public’s perception of a firm and add value to corporate social responsibility programmes. For students, pro bono work can foster a culture of commitment from an early stage while providing positive and practical experience.

The difficulty in the globalisation of pro bono is that every jurisdiction has a different approach to taxation and regulation of such work. The participation of leading law firms is essential for its evolution because they have the resources available. They can also promote pro bono services as a professional goal for all practicing lawyers and set an example from the top.

While more sophisticated jurisdictions may have rules that make a certain amount of pro bono services compulsory – for example, the New York State Bar Association insists that law students must devote 50 hours to such work – many are only now recognising pro bono’s benefits.

“In the last decade, pro bono legal services have made inroads worldwide, and are now available even in developing markets such as Russia and China,” said Glenn Kolleeny, partner at Dentons in Moscow, who is moderating today’s session.

“Not only law firms, but in-house legal departments and law schools are playing an increasingly important role. My hope is that by organising the session on the globalisation of pro bono, we can encourage its further development, including in developing and transitional economies.”

The panel plans to discuss whether there should be an international best practice approach to pro bono work and potential hurdles to its globalisation. They will consider how to engage smaller national firms, individual lawyers, law schools and bar associations in the discussion on pro bono, as well as how such programmes should be structured and what role judges should play in encouraging pro bono services.

Another possible topic is how international law firms and multinational corporations have impacted pro bono services, and how these companies have provided such assistance. Emerging markets’ role in pro bono services will also be addressed, with a focus on Russia. Then the speakers will look to the future of legal services for the public good, and how this may shape access to justice in the coming years.

“My hope is that by organising the session on the globalisation of pro bono, we can encourage the further development of pro bono, including in developing and transitional economies,” added Kolleeny.

Speakers include Özgür Kahale, pro bono counsel Europe at DLA Piper; Matthias Fischer, counsel at Latham & Watkins; and Kendall Coffey, chairman of the southern district conference at the Florida Federal Judicial Nominating Commission.

“This session will be particularly useful for teachers in the legal field. However as such work is becoming increasingly relevant to both firms and corporate legal departments, it is highly recommended to all.

In October 2014, the Russian Civil Code was extensively amended in relation to regulating intellectual property. For instance, a fully fledged expert examination of utility models will be conducted, rather than a formal examination. The previous absence of a fully fledged expert review resulted in there being patents that formed the basis for so-called ‘patent trolls’ to assert claims against good-faith manufacturers.

No longer will licensing agreements and contracts assigning exclusive rights require state registration. Instead, rights transferred or granted under a contract must be registered with the Russian Patent and Trademark Office (Rospatent). This is a significant step in favour of businesses because, according to the new rules, a contract may take effect as soon as it is signed rather than after it has been registered with the state.

A number of other new developments concerning licensing agreements are undoubtedly of interest to investors in Russia. Examples of these developments include that royalty-free licenses between commercial entities are not allowed, but the restriction applies only if the license is (i) granted worldwide, (ii) on exclusive basis, and (iii) granted for the period until the expiration of the exclusive right(s). Based on the new rules, commercial entities are entitled to enter into a royalty-free license agreement, unless the agreement falls within conditions (i)-iii above.

‘Open’ licences for copyright protected items have also been introduced – meaning a right owner may allow the public at large to use works on terms set out in the agreement. This is actually equivalent to a free licence, yet the rules regulating these agreements differ from those regulating creative common and other public licences. Since 2013 the Intellectual Property Court has been operating in Russia, and it is now possible to make an assessment of the court’s progress. First, the quality of decisions taken in IP-related disputes has significantly improved. Second, a research and advisory board of the court has been established. This assists and supports the court in issuing analytical information bulletins concerning various aspects of dispute settlement rules, allowing investors to assess how issues will play out.

Third, the court is using its new power to question experts in certain areas of science and technology or law which require a scientific approach. This is helping to improve the quality and predictability of court decisions. It also prevents case law from being formed that could have an adverse impact on further work.

‘Anti-piracy’ measures are another crucial new development. Since 2014, a law has been in force in this area, although it has received mixed reviews. Despite this, the law allows right owners to take special fast-track actions to block any content that has been unlawfully published on the internet, thereby mitigating the damage incurred as a result of copyright-protected items being illegally distributed online.

Data exclusivity

Amendments have been made to the legal regulation of data exclusivity and provisions related to obtaining patents for medicines:

(1) In respect of data exclusivity, a new law on the circulation of medicines has established that a minimum of four years should pass after the original medicine has been registered before an application to register a new generic may be filed, and three years should pass before it is possible to apply for a biosimilar medicine. It is still prohibited to use information about pre-clinical and clinical trial results for six years.

(2) In terms of patenting inventions that are classed as medicines, it has been determined that the patent office has the right to require that additional materials be provided. The period during which such materials are to be provided should be no more than 13 months. Criminal and administrative liability has been made stricter where trademark rights are violated – eg, in cases that involve counterfeit goods being manufactured.

The process of improving IP legislation in order to make investments in Russia more attractive is continuing. In particular, there are discussions about the principle of trademark exhaustion rights being changed from a regional/national basis to an international one, and how to regulate parallel imports. The platform for discussions has changed – now the issues are being discussed by the Eurasian Economic Commission.

However, interested parties continue to take the same stance. For instance, foreign investors with local manufacturing facilities in Russia have concerns over exhaustion rights being shifted from a national principle to an international one. One of the concerns is based on the risk of uncontrolled import of goods which properties and characteristics do not comply with Russian quality standards.
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A week of winners

Leaders in Eurasian integration and in-house teams are among those recognised in this year’s awards

Three leading figures in the Eurasian success story were awarded yesterday for their work in promoting legal integration of the Eurasian Economic Union (EEU).

Berik Imashev, Minister of Justice of the Republic of Kazakhstan was joined by two other winners. Alexey Mordashov, Head of the Russian Union of Industrialists and Entrepreneurs Committee on Integration, Trade and Customs Policy and WTO, Chairman of the Board, PAO Severstal and Svetlana Smirnova, director at the Russian Federal Centre of Forensic Science of the Ministry of Justice were also worthy winners.

The award

The formation of the Eurasian Economic Union (EEU) was an early highlight of the year; its establishment came into force on January 1 2015.

Belarus, Kazakhstan and Russia were inaugural states, while Armenia joined just a day later. Kyrgyzstan’s treaty came into force only a few weeks ago, on May 9.

To highlight the importance of the EEU, the St. Petersburg International Legal Forum invited applications for an award to recognise the promotion of legal integration in the EEU, as well as international legal cooperation.

The forum invited online nominations for legal practitioners and law professionals who made significant contributions to strengthening and developing intergovernmental relations – as well as the common economic space – until May 1 of this year.

Named the ‘Contribution to the Development of Legal Integration in the Eurasian Space,’ the 2014 award recipients included three senior officials from Russia and the EEU. From the EEU, winners included Fayzullo Abdulboyev, judge of the Court of the EEU and Tair Mansurov, secretary general of the Eurasian Economic Community.

The third award went to Anatoly Kapustin, president of the Russian Association of International Law and chairman of the International Law Commission of the Russian Bar Association.

Legal teams

In-house legal teams are also awards candidates at this year’s forum. Legal Insight’s tenth annual Best Legal Departments of Russia awards will be held for the second year in a row; the awards are scheduled during the forum to reflect Russian lawyers’ growing role in their companies as well as in the global community of lawyers. It will be held tonight at the restaurant Palkin on Nevsky Prospekt.

Over 200 of Russia’s lawyers are expected to attend.

The awards, first developed in 2005, have become increasingly important as the role of legal departments has shifted from having a back-office function into being seen as key players in relation to both managing risk and developing businesses. They recognise teams that have between three to 500 employees, and since its inauguration in 2005, more than 600 legal departments have participated.

Defining green

Green bonds’ opaque definitions are preventing the asset class truly taking off according to a recent poll

Green bonds have been the darling of the financial markets for some time. Viewed as a rare example of an investible product with noble aims, the asset class has been lauded since it emerged from the depths of the World Bank’s offices in 2008. The tool, which is favoured by multilateral and development banks, has grown rapidly since its introduction, with issuance in 2014 up to $33 billion. But while a wide range of corporates, utilities and banks now consider it as a source of funding, there is considerable room to grow. With a captive insurance investor base and potential for linkage with Europe’s burgeoning private placement market, volumes should, and could, be higher.

With this in mind, we decided to poll our readers on what is needed for green bonds to truly take off. The results indicate a clear need for improvement: definitions. Fifty five percent of those polled believe that clearer definitions over green classifications are the most pressing development for the asset class. There is a history of ambiguity here, with uncertainty over what constitutes ‘green’ a bugbear since the bonds first launched. There is some guidance though: the International Capital Market Association (ICMA) has a set of Green Bond Principles, which launched in January 2014, and were updated in March this year. While last year’s principles were voluntary best practice guidelines which suggested processes for designing, managing and reporting the use of proceeds, this year’s have been expanded to include a definition of a green bond.

“The principles have been great since inception, but investors need to feel certainty over the use of proceeds but also impact reporting,” says one poll respondent. Although not raised in the list of possible answers, impact reporting is vital to the success of the asset class. While most issuers would be expected to report on the use of proceeds, and whether projects meet the environmental criteria set, impact reporting goes a step further by having a third party review and measure a project against environmental-style key performance indicators.

And although multilateral and larger corporate issuers have the resources to conduct this accurately, it has been viewed as an obstacle for smaller issuers. The development banking community and European Bank for Reconstruction and Development have been active, along with the World Bank in producing guidelines. But more certainty is expected soon – again from the ICMA, which is working on an impact reporting blueprint, to be published on its website in the next few weeks.

Second in the list of points was the loosening of the insurance industry’s Solvency II requirements to encourage its investors towards green bonds. Of those polled, 27% believe Solvency II requirements should be relaxed. It’s easy to see why. “There are $900 billion of investible assets within the insurance company, but they’re being blocked by Solvency II,” says one poll respondent. Under the rules, which govern the insurance industry, investors are restricted from non-investment grade products – which often includes green bonds. The industry also has a naturally low risk tolerance, according to the same respondent. And green bonds are still tainted by a perception of high risk start-ups, despite such a storied pool of issuer involvement.

Private placement involvement

Coming in joint third is the need for a larger private placement involvement. With European regulators attempting to push funding back into the capital markets and away from traditional bank lending, the private placement market has been perceived as a silver bullet. And the advantages of yoking it together with green bonds are clear: a smaller, private investor market often has specific investment needs such as solar, wind, or sustainable land use. “If green bonds issuers tapped the private placement market they could attract a far more specific, interested investor base.”

Finally, a small minority chose ‘other’. In follow-up interviews, one respondent explains: “the real question is how does the green bond fit into the greater picture of incentives to mitigate climate change, and more generally to protect the environment, because green bonds are not just about climate change – they’re about pollution and biodiversity.” This article first appeared in the June issue of WLR.
Preserving heritage

A head of today’s two-part session on preserving cultural heritage, Aleksandr Kibovskiy, head of the Moscow department of culture at the Moscow City Government spoke explains why the issue is more critical than ever.

Q What will the session cover?

The discussion about the mechanisms of state preservation of cultural heritage among experts in this very complex area is a unique opportunity for delegates. Audience members will obtain new information about existing and forthcoming law enforcement practice in the area.

Around 120,000 cultural heritage objects are being protected in the Russian Federation. These are located both in cities and outside inhabited localities. The necessity to understand the particularities of respective legal acts applies not only to specialists, but also Russian and foreign companies, whose business is related to construction, real estate, land, services, and includes investors and developers, various state agencies and local government, as well as lawyers who represent their clients in courts.

As part of the session, we will address the most urgent issues in the sphere of state protection, maintaining and using cultural heritage objects. Issues of investing in cultural heritage; particular features of preservation of cultural heritage in federal cities, like Moscow and St. Petersburg; activity of public organisations and, of course, international and foreign experiences will also be covered.

Q What are the key legal challenges involved in the state preservation of cultural heritage?

The main difficulties are triggered by the lack of consistent and reasonable legislation on cultural heritage objects, which still contains all the disadvantages of the transitional period. Crucially, the current legislation preserved quite a few archaic clauses, which were effective at the time of the Soviet Union, but do not correspond to modern requirements. As a result, there are a lot of legal collisions and gaps in the legislation on cultural heritage objects, while the law itself is overloaded with redundant demands and administrative barriers.

However, all these problems could be eventually resolved after a proper discussion among professionals in various branches of law, as well as of restoration, construction, culture, history, art, economy, finance, management and industry.

Are there grey areas between the prioritising of cultural preservation and promoting necessary urban development? If so, how are these overcome?

While developing and implementing state policy is important to not only keep monuments of history and culture, but also to provide their modern existence in either urban or rural environment. Prioritising cultural heritage maintenance is not to be considered from the perspective of antagonising the development of Russian cities and territories.

The law on cultural heritage stipulates specific requirements to business and construction on the territories and on the zones of preservation of cultural heritage objects. Respective norms should be enhanced, but the very fact of their existence justifies that monuments are not to be regarded as obstacles on the way of progress.

One of the most effective mechanisms of maintenance of cultural heritage objects in their historical environment is the transmission of property rights to investors. Monuments could be adopted for modern use. We will also discuss developing and implementing these mechanisms. Generally issues of urban planning and attracting investment are the focus of state agencies that deal with maintenance of cultural heritage objects. Preservation of cultural heritage in a comfortable urban environment is a real and, importantly, worthy goal.

Q In the Russian context, could you provide some examples of where this has been an issue?

The main issue of the development of cities in a context of preservation of cultural heritage objects is directly related to unfair developers, who do not want to pay attention to the necessity to protect cultural heritage objects for the reasons of their vested interests.

In this regard, we are actively developing criminal legislation and administrative violation legislation. The bodies regulating the protection of cultural heritage objects, including those from Moscow and St. Petersburg, take part in drafting these projects. It is worth noting that since 2013 sanctions for violation of law have become more rigid and the number of components of crime has increased.
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