



High
Time
to Think about
Business
in Russia

Competition
Litigation 2014



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«Great, outstanding and charismatic personalities;
Personal involvement in any project;
Great business ethics and comfort in communications».

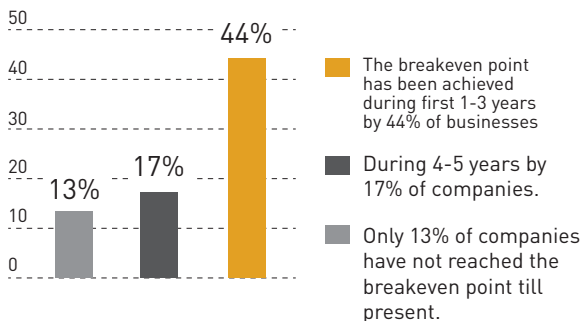
Legal 500, 2012

High Time to Think about Business in Russia

According to the Association of European Business Annual Survey “Strategies and Prospects of European Companies in Russia”:¹

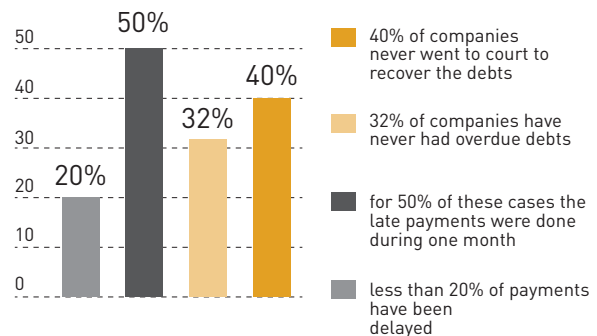
Market Entry

The main reasons for entering the Russian market are still the same - its high potential, big size and positive dynamics (95%, 89% and 89% of respondents have pointed out these reasons as the most important). The breakeven point has been achieved during first 1-3 years by 44% of businesses, during 4-5 years by 17% of companies. Only 13% of companies have not reached the breakeven point till present.



Financing

Financial terms for the AEB members are rather acceptable: as a rule, less than 20% of payments have been delayed, and for 50% of these cases the late payments were done during one month. 32% of companies have never had overdue debts 40% of companies never went to court to recover the debts, for those who had the court practice the cases were mostly successful



In 2012 for 55% of the surveyed companies the turnover was up to EUR 100 million. However 78% of representatives report that their companies' turnover increased in 2012 vs. 2011.



¹The survey «Strategies and Prospects of European Companies in Russia» is conducted by the Association of European Businesses (AEB) for the sixth time and jointly with International Institute of Marketing and Social Research “GfK Rus” since 2011. This survey is highly valuable source of first-hand information that gives an overview of the Russian investment climate attractiveness and highlights the key challenges and strategies that impact European companies while doing business in Russia. Moreover, the availability of previous results gives the opportunity to make comparative year by year analysis. The third wave of the survey was conducted in March-April 2013. 87 AEB member companies took part in this survey.

Competition Litigation in Russia 2014



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Partnership "Assistance
to Competition
Development"

1. General

1.1 PLEASE IDENTIFY THE SCOPE OF CLAIMS THAT MAY BE BROUGHT IN RUSSIA FOR BREACH OF COMPETITION LAW.

A number of publicly enforced competition cases substantially prevails in Russia over private enforcement litigation. In practice, competition law issues are mostly handled by the Federal Antimonopoly Service ("FAS"), which is empowered to initiate and conduct antitrust investigations.

Where the FAS finds that an infringement has been committed, it can issue a decision ordering an undertaking to end the infringement, it may impose behavioural remedies (to rescind, amend or to conclude a contract, for example), and/or an administrative fine. However the competition authority in Russia cannot grant an injured party civil remedies; for example recognise an agreement as null and void or award damages for breach of competition law rules.

At the same time, competition rules can be enforced directly and an undertaking or individual who has suffered as a result of a breach of competition law rules can file a stand-alone action without a prior administrative proceeding in the FAS or a follow-on action. The Supreme Arbitrazh Court of the Russian Federation clarified this issue (Section 20 of Decision of the Plenum of the Supreme Arbitrazh Court of the Russian Federation of 30.06.2008 №30).

However, currently, the vast majority of competition cases lodged before national courts are claims of undertakings seeking the annulment of decisions and remedies imposed by the FAS.

The scope of claims for breach of competition law is defined in the Competition Law (Federal Law № 135-FZ of 26.07.2006 "On the Protection of Competition") and the Civil Code (Civil Code of the Russian Federation (part one) № 51-FZ of 30.11.1994). Similarly to other jurisdictions, Russian competition law prohibits the following actions:

- abuse of dominant position (article 10 of the Competition Law);
- cartels and other restrictive agreements, concerted practices and coordination of economic activity (article 11 and 11.1 of the Competition Law);

- unfair competition (article 14 of the Competition Law); and
- restriction of competition during tendering procedures (article 17 of the Competition Law).

Article 37 of the Competition Law specifically provides that a person whose rights were infringed as a result of a breach of competition law rules is entitled to redress including to bring actions for damages. The general rules on civil remedies that are defined in the Civil Code shall be applied in competition litigation. Thus Russian courts have the power to grant an aggrieved party the following remedies:

- termination of anticompetitive behaviour (cease and desist order);
- recognition of restrictive agreements null and void and applying consequences of invalidity;
- recovery of damages; and
- specific performance including an order to amend an agreement.

1.2 WHAT IS THE LEGAL BASIS FOR BRINGING AN ACTION FOR BREACH OF COMPETITION LAW?

The legal basis for bringing an action for breach of competition law is the Competition Law and Civil Code as described above.

1.3 IS THE LEGAL BASIS FOR COMPETITION LAW CLAIMS DERIVED FROM INTERNATIONAL, NATIONAL OR REGIONAL LAW?

The legal basis for competition law claims is derived from the national law enacted on a federal level.

1.4 ARE THERE SPECIALIST COURTS IN RUSSIA TO WHICH COMPETITION LAW CASES ARE ASSIGNED?

There are no specialist courts in Russia to which competition claims are assigned. The arbitrazh courts (state commercial courts) consider competition claims brought by the undertakings. Individuals who do not carry out an economic activity can bring competition claims in the courts of general jurisdiction. The Court on Intellectual Property Rights has a jurisdiction in respect of unfair competition cases.

1.5 WHO HAS STANDING TO BRING AN ACTION FOR BREACH OF COMPETITION LAW AND WHAT ARE THE AVAILABLE MECHANISMS FOR MULTIPLE CLAIMANTS? FOR INSTANCE, IS THERE A POSSIBILITY OF COLLECTIVE CLAIMS, CLASS ACTIONS, ACTIONS BY REPRESENTATIVE BODIES OR ANY OTHER FORM OF PUBLIC INTEREST LITIGATION?

Any undertaking or individual whose rights were infringed as a result of a breach of competition rules has a legal standing to bring an action for breach of competition law rules. The FAS has legal standing in claims seeking an annulment of restrictive agreements and enforcement of its decisions and remedies. Moreover the FAS has legal standing in private enforcement claims as well. Its procedural status in private litigation may vary from case to case.

Collective claims were introduced into the Russian legal system by amendments to the Arbitrazh Procedural Code in 2009. A prerequisite for bringing a collective claim is a connection of all parties of the claim with one legal relation.

Collective claims are rather underdeveloped in Russia.

1.6 WHAT JURISDICTIONAL FACTORS WILL DETERMINE WHETHER A COURT IS ENTITLED TO TAKE ON A COMPETITION LAW CLAIM?

In defining the court competent to adjudicate a competition claim, general rules on jurisdiction are to be applied. According to the Arbitrazh Procedural Code and the Civil Procedural Code a claim for breach of competition law rules can be brought in the court where the defendant is registered (if the defendant is a legal entity) or resides (if the defendant is an individual).

1.7 DOES RUSSIA HAVE A REPUTATION FOR ATTRACTING CLAIMANTS OR, ON THE CONTRARY, DEFENDANT APPLICATIONS TO SEIZE JURISDICTION AND IF SO, WHY?

Private enforcement is underdeveloped in Russia and therefore Russia does not have a reputation for attracting claimants.

1.8 IS THE JUDICIAL PROCESS ADVERSARIAL OR INQUISITORIAL?

The judicial process in Russia is adversarial. On the contrary, the administrative procedure in the FAS is inquisitorial and the commission of the FAS during competition investigations acts both as a "prosecutor" and a "judge".

2. Interim Remedies

2.1 ARE INTERIM REMEDIES AVAILABLE IN COMPETITION LAW CASES?

There are no specific rules on interim remedies to be provided in competition litigation. General rules on interim remedies provided in the Arbitrazh Procedural Code and Civil Procedural Code are to be applied in this respect.

2.2 WHAT INTERIM REMEDIES ARE AVAILABLE AND UNDER WHAT CONDITIONS WILL A COURT GRANT THEM?

A court may grant interim remedies at any stage of the judicial procedure if it finds that failure to grant interim remedies will lead to difficulties in the execution of the judicial decision or will cause the claimant substantial damages. The list of available interim remedies is provided in the Arbitrazh Procedural Code and the Civil Procedural Code but it is not exhaustive. Thus the court may, for example, freeze the assets of the defendant or prohibit the defendant from carrying out particular actions or grant other measures it finds fit.

3. Final Remedies

3.1 PLEASE IDENTIFY THE FINAL REMEDIES WHICH MAY BE AVAILABLE AND DESCRIBE IN EACH CASE THE TESTS WHICH A COURT WILL APPLY IN DECIDING WHETHER TO GRANT SUCH A REMEDY.

Damages, the recognition of restrictive agreements null and void, the application of consequences of invalidity of restrictive agreements, and an order to conclude (to amend) an agreement are the most common remedies in private competition litigation.

In order to recover damages, the claimant has to prove illegal the act (restriction of competition), the amount of suffered damages, and a causal link between the illegal act and the damages suffered. The burden of proof lies upon the claimant.

With regard to the claims seeking the invalidity of restrictive agreements, it is the violation of the provisions of the Competition Law that should be proved.

In claims related to entering or modifying agreements, the claimant has to prove the legal obligation of the defendant to enter into (or to modify) the agreement (it is the most common remedy in abuse of dominance cases).

3.2 IF DAMAGES ARE AN AVAILABLE REMEDY, ON WHAT BASES CAN A COURT DETERMINE THE AMOUNT OF THE AWARD? ARE EXEMPLARY DAMAGES AVAILABLE?

Damages are an available remedy in competition litigation. In pursuing the provisions of the Civil Code an aggrieved party may

only recover actual damage and lost profit and the amount of damages has to be proved by the claimant. In accordance with the provisions of the Civil Code, a judge at his/her own discretion may mitigate the amount of the award (article 333 of the Civil Code). Exemplary damages are not available.

3.3 ARE FINES IMPOSED BY COMPETITION AUTHORITIES TAKEN INTO ACCOUNT BY THE COURT WHEN CALCULATING THE AWARD?

Fines imposed by the competition authorities are not taken into account by the court when calculating the award. In accordance with the Administrative Code (Article 3.5, article 14.31-14.33 of Administrative Code) the amount of an administrative fine to be imposed upon an undertaking in breach of the Competition Law is calculated on the basis of turnover on the market where the infringement occurred. On the contrary the award is not punitive in nature. As was stated earlier, an aggrieved party may only recover the actual damage and lost profits and the amount of damages has to be proved by a claimant.

4. Evidence

4.1 WHAT IS THE STANDARD OF PROOF?

A court evaluates the evidence in accordance with its own convictions based on a full, impartial and immediate examination of the evidence. No evidence has predetermined value.

4.2 WHO BEARS THE EVIDENTIAL BURDEN OF PROOF?

The burden of proof lies upon a claimant.

4.3 ARE THERE LIMITATIONS ON THE FORMS OF EVIDENCE WHICH MAY BE PUT FORWARD BY EITHER SIDE? IS EXPERT EVIDENCE ACCEPTED BY THE COURTS?

There are no limitations on the forms of evidence which may be put forward by the parties of judicial proceedings. Generally, expert evidence is accepted by the court.

4.4 WHAT ARE THE RULES ON DISCLOSURE? WHAT, IF ANY, DOCUMENTS CAN BE OBTAINED: (I) BEFORE PROCEEDINGS HAVE BEGUN; (II) DURING PROCEEDINGS FROM THE OTHER PARTY; AND (III) FROM THIRD PARTIES (INCLUDING COMPETITION AUTHORITIES)?

The concept of pre-trial disclosure is unknown in the Russian legal system. In accordance with the Arbitrazh Procedural Code

and the Civil Procedural Code, a court may –upon the motion of any party– request evidence if a party to a judicial proceeding cannot obtain evidence independently. The motion to request evidence should identify the evidence, provide information regarding the facts it supports and reasons why evidence could not have been obtained independently.

4.5 CAN WITNESSES BE FORCED TO APPEAR? TO WHAT EXTENT, IF ANY, IS CROSS-EXAMINATION OF WITNESSES POSSIBLE?

A court may order a witness to appear in court. Failure to fulfil this obligation by the witness may result in bringing the latter to court by the bailiff and imposition of judicial fine for contempt of the court. Cross-examination in a way it exists in Anglo-American system is not possible in Russian courts. However attorneys of the claimant and defendant can pose the questions to the hostile witnesses during the court proceeding.

4.6 DOES AN INFRINGEMENT DECISION BY A NATIONAL OR INTERNATIONAL COMPETITION AUTHORITY, OR AN AUTHORITY FROM ANOTHER COUNTRY, HAVE PROBATIVE VALUE AS TO LIABILITY AND ENABLE CLAIMANTS TO PURSUE FOLLOW-ON CLAIMS FOR DAMAGES IN THE COURTS?

An infringement decision by national or international competition authority or an authority from another country does not have probative value as to liability of the defendant in a follow-on action. However, the findings of the competition authority as well as documents collected during antitrust investigations can be used in a follow-on action.

In practice, the FAS's infringement decisions are subject to judicial appeal. The judicial decision confirming the findings of the competition authority is res judicata for follow-on litigations.

4.7 HOW WOULD COURTS DEAL WITH ISSUES OF COMMERCIAL CONFIDENTIALITY THAT MAY ARISE IN COMPETITION PROCEEDINGS?

Currently, the legislation does not define how the courts should deal with confidential information that may arise in competition proceedings.

4.8 IS THERE PROVISION FOR THE NATIONAL COMPETITION AUTHORITY IN RUSSIA (AND/OR THE EUROPEAN COMMISSION, IN EU MEMBER STATES) TO EXPRESS ITS VIEWS OR ANALYSIS IN RELATION TO THE CASE? IF SO, HOW COMMON IS IT FOR THE COMPETITION AUTHORITY (OR EUROPEAN COMMISSION) TO DO SO?

The FAS has legal standing in private enforcement claims and it may express its views or analysis in respect of the case. Its procedural status in private litigation may vary from case to case.

5. Justification / Defences

5.1 IS A DEFENCE OF JUSTIFICATION/PUBLIC INTEREST AVAILABLE?

The public interest defence is not available in competition litigation.

5.2 IS THE "PASSING ON DEFENCE" AVAILABLE AND DO INDIRECT PURCHASERS HAVE LEGAL STANDING TO SUE?

Neither the currently effective Russian legislation nor case law regulates the issue of the "passing on defence". However it seems that it is highly unlikely that an indirect purchaser could have a legal standing in competition cases.

6. Timing

6.1 IS THERE A LIMITATION PERIOD FOR BRINGING A CLAIM FOR BREACH OF COMPETITION LAW, AND IF SO HOW LONG IS IT AND WHEN DOES IT START TO RUN?

A limitation period for bringing a claim is three years. The term starts to run from the date when a person has learnt or should have learnt that his/her rights had been infringed and not from the date of the FAS's respective decision.

6.2 BROADLY SPEAKING, HOW LONG DOES A TYPICAL BREACH OF COMPETITION LAW CLAIM TAKE TO BRING TO TRIAL AND FINAL JUDGMENT? IS IT POSSIBLE TO EXPEDITE PROCEEDINGS?

It usually takes from one to two months to prepare the case to bring to trial and around one to one-and-a-half years to final judgment (all three judicial instances).

7. Settlement

7.1 DO PARTIES REQUIRE THE PERMISSION OF THE COURT TO DISCONTINUE BREACH OF COMPETITION LAW CLAIMS (FOR EXAMPLE IF A SETTLEMENT IS REACHED)?

According to the procedural rules, parties can discontinue a trial and settle the case at any stage of the judicial procedure. In the

Russian legal system a settlement agreement is subject to the court's affirmation. The court may refuse to affirm the settlement agreement if it is unlawful or infringes rights and legitimate interests of third parties.

8. Costs

8.1 CAN THE CLAIMANT/DEFENDANT RECOVER ITS LEGAL COSTS FROM THE UNSUCCESSFUL PARTY?

A claimant/defendant can recover their legal costs from the unsuccessful party (including attorneys' fees) as long as the claimant/defendant can support, by the documents, the costs incurred in the result of litigation. However the legal costs can be mitigated by the court at its discretion. In practice exorbitant attorney's legal fees cannot be recovered in full amount.

8.2 ARE LAWYERS PERMITTED TO ACT ON A CONTINGENCY FEE BASIS?

Lawyers are not permitted to act on a contingency fee basis.

8.3 IS THIRD PARTY FUNDING OF COMPETITION LAW CLAIMS PERMITTED? IF SO, HAS THIS OPTION BEEN USED IN MANY CASES TO DATE?

Third party funding is not prohibited but it is not common in practice.

9. Appeal

9.1 CAN DECISIONS OF THE COURT BE APPEALED?

The decision of the arbitrazh court of first instance is subject to the judicial appeal in the appellate arbitrazh court and arbitrazh court of cassation.

10 Leniency

10.1 IS LENIENCY OFFERED BY A NATIONAL COMPETITION AUTHORITY IN RUSSIA? IF SO, IS (A) A SUCCESSFUL AND (B) AN UNSUCCESSFUL APPLICANT FOR LENIENCY GIVEN IMMUNITY FROM CIVIL CLAIMS?

Article 14.32 of the Administrative Code (Code of Administrative Offences of the Russian Federation №195-FZ of 30.12.2001) offers a leniency programme for the parties of the anticompetitive agreements. According to the said provisions of the Administrative Code the first undertaking that discloses information to the FAS regarding anticompetitive agreements and provides sufficient proof of it, enjoys immunity from the FAS's prosecution and the imposition of administrative fines for the violation of competition law rules.

Article 178 of the Criminal Code (Criminal Code of the Russian Federation № 63-FZ of 13.06.1996) sets out similar leniency rules and provides immunity from criminal prosecution to individuals who assisted prosecution in solving of the crime and mitigated the harm caused by the infringement of competition law.

However leniency applicants are not given immunity from the civil claims in follow-on actions.

10.2 IS (A) A SUCCESSFUL AND (B) AN UNSUCCESSFUL APPLICANT FOR LENIENCY PERMITTED TO WITHHOLD / EVIDENCE DISCLOSED BY IT WHEN OBTAINING LENIENCY IN ANY SUBSEQUENT COURT PROCEEDINGS?

Currently the Russian legislation does not protect the interests of leniency applicants in the subsequent follow-on court proceedings and all the documents that were submitted to the FAS within a leniency procedure can be requested by the court from the FAS or the defendant upon the reasoned motion of the claimant.

LAW FIRM & AUTHOR DETAILS

Yust is a full-service law firm. It was founded in 1992 and has stayed among the leaders of the Russian legal market for over 20 years. Our team comprises about 80 attorneys and associates based in the Moscow, Kiev and Donetsk offices.

Yust's competition group is one of Russia's leading competition practices. It has an outstanding reputation for providing high quality advice and achieving successful outcomes for clients engaged in a full range of matters, including antitrust investigations, litigation and mergers. Chambers Europe, Global Competition Review, and Best Lawyers have consistently

rated Yust's competition group as one of the leading Russian competition practices. Chambers Europe 2013 denotes Yust as a strong Russian office well known for its outstanding work in antitrust litigation".

Lawyers of the Competition Group are members of the Expert Council of the RF Federal Antimonopoly Service and Competition Support Association. They cooperate closely with the Federal Antimonopoly Service in drafting laws amending the currently effective competition legislation.



«Professionalism, excellent knowledge of Russian specifics, ability to combine English law with Russian law particulars».

Chambers Global, 2012



I know YUST law firm for almost 6 years. And all these years were filled with professional respect and trust.

Legal 500, 2012



YUST team is able to combine "creativity" and "strong negotiation skills" with "24-hour availability" and a "pace of reaction on requests".

IFLR 1000, 2014

About YUST Law Firm

YUST is a full-service law firm. It was founded in 1992 and stays among the leaders of the Russian legal market for over 20 years.

Our team comprises about 80 attorneys and associates based in Moscow, Novosibirsk, Kiev and Donetsk offices.

YUST Competition Group is one of the Russian's leading competition practices. It has outstanding reputation for providing high quality advice and achieving successful outcomes for clients engaged in a full range of matters, including antitrust investigations, litigation and mergers. The Group has consistently been ranked as an elite practice by legal directories with specialists singled out as leaders in the field.

The practice group includes two partners and six associates who are specialists in competition and sectoral regulation.

Lawyers of the Group are members the Expert Council of the RF Federal Antimonopoly Service and Competition Support Association. They cooperate closely with the Federal Antimonopoly Service in drafting laws amending currently effective competition legislation.

Areas of expertise

- Abuse of dominance
- Cartels
- Distribution and other vertical agreement
- Unfair competition
- Merger control and Strategic Investments
- Public procurement
- State Aid
- Antitrust Investigations
- Dawn Raids
- Litigation

Industries

- Aquatic bioresources
- Automotive
- Aviation
- Banks
- Chemicals
- Energy
- Food and Beverages
- Insurance
- Natural resources
- Natural monopolies
- Ports
- Pharmaceuticals
- Railway services
- Retail
- Telecommunications



«Absolutely value for money!!!»

Legal 500, 2012



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Senior Partner, Law Firm YUST

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Professional experience:

Artem Kukin is a senior partner at Yust Law Firm and a member of Moscow Bar. He holds the degree of Doctor of Law. Artem Kukin successfully represents the interests of clients in respect of mergers and acquisitions carried out in the gas and petroleum processing industries, ferrous and non-ferrous metallurgical industries, property investment, chain retailing, dockside operations and investment into agro-industrial assets, etc. He is recommended in the publication European Legal Experts as an expert in corporate law, mergers and acquisitions (M&A transactions) and in the field of litigation. He is also a Who's Who Legal nominee. Artem Kukin has participated in the development of a series of programmes and projects involving the government of the City of Moscow and the International Bank for Reconstruction and Development (including the structural reform of companies operating in the oil and gas sector) and has made a consultative contribution to the drafting of such legislation as the reform of the power generating industry, advocacy, the state registration of legal entities, etc.



Evgeniy Zhilin,

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Professional experience:

Evgeniy Zhilin Graduated cum laude from the Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation. In 2005, he completed a course of post-graduate study at the Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation. Mr. Zhilin has participated in a consultative capacity in the drafting of legislation relating to advocacy in the Russian Federation. He has considerable experience in undertaking the legal due diligence of Russian legal entities, including provision of the necessary legal support in respect of their acquisitions. Acts as a consultant to major foreign concerns wishing to establish subsidiary companies or enter into joint ventures within the Russian Federation. Has wide experience of conducting cases in the Supreme Court of the Russian Federation and in the Russian Federation's courts of arbitration, including disputes involving state authorities. He acts as an external advisor to the Russo-German Law Institute. Recommended by EMEA Legal Experts as an expert in corporate law and M&A and by Best Lawyers rating agency as an expert in trade law. The IFLR 1000 international rating points him out as one of the leaders of the Firm's M&A practice.



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Alexander Bolomatov is a member of the Moscow Bar Association «Law firm “YUST”». He graduated from the Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation. Has wide experience of conducting proceedings in courts of all instances within the system of general jurisdiction and in Russian courts of arbitration. Has represented client interests in the Supreme Court of the Russian Federation and in the Presidium of the Russian Federation Supreme Court of Arbitration. Has also represented the interests of both Russian and foreign companies in international commercial courts of arbitration (the International Commercial Court of Arbitration of the Chamber of Commerce and Industry of the Russian Federation, the International Chamber of Commerce (ICC), the Arbitration Institute of the Stockholm Chamber of Commerce). He has considerable experience in undertaking the legal due diligence of Russian legal entities, including provision of the necessary legal support in respect of their acquisitions, and has wide experience in conducting property transactions and the legal protection of patent rights and rights appertaining to the use of trademarks. Mr. Bolomatov has implemented a number of major projects relating to the corporate protection of Russian companies and has rendered legal support for the creation and structural optimization of major holdings.



Radmila NIKITINA,
Head of Competition Law Group, Law Firm YUST
Member of Non-Commercial Partnership “Assistance to Competition Development”

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Professional experience:

Has an extensive experience of advising on the matters of Russian competition law including the issues of execution of competition limiting agreements and of concerted actions, of abuse of a dominating position, of dishonest competition, of agreeing the deals of economic concentration, meeting the requirements of the legislation on foreign investments in strategic sectors of the economy and of the legislation on government orders; represents the interests of the clients at the Federal Antimonopoly Service and the courts of arbitration on cases of competition law violations

OUR CLIENTS

Over the past year the vast majority of Yust antitrust practice workload continued to focus on litigations and representing clients in antitrust investigations. However the firm has been involved in advising clients on other antitrust matters including clearance of major M&A transactions and providing advice on wide range of business arrangements. The firm expertise span to different industries including natural resources, telecommunications, railway services, aviation, ports, financial services, insurance, pharmaceuticals, markets affected by the natural monopolies.

While many of the firm's clients are confidential there are a number of projects that the firm can disclose information about.

Thus in 2011 and 2012 the firm successfully represented **Sberbank OJSC** in multiple antitrust investigations in connection with the payment protection insurance program implemented by the bank in cooperation with insurance companies.

This year Yust antitrust team advises **Gazprom komplektatsiya LLC (subsidiary of Gazprom JSC)** on competition law issues in connection with the FAS's ongoing investigation of steel pipe cartel.

In 2011 the firm successfully represented **Agrogtorg LLC (X5 Retail Group)** in a dispute with competition authority before the Supreme Arbitrazh Court of Russia on unfair competition related matter.

In 2012 the firm successfully represented **United Grain Company JSC** in antitrust investigations opened by the FAS in respect of United Grain Company JSC and Troika Dialog JSC on alleged violation of competition law requirements in the process of issuance and sale of UGC shares.

In 2011 and 2012 the firm represented **Allianz OJSC** and **Renaissance Insurance Group LLC** in antitrust investigations and litigations on antitrust matter related to implementation of the payment protection insurance programs.

In 2012 competition team represented **Pavlovskgranit JSC** in investigation opened in relation to compliance with competition law requirements of M&A transaction of the company.



Clients are very happy with the work of Yust. One in-house counsel describes it as being “very good to junior level” while a client says its best attributes are “high professionalism”, a “deep working over requests” and the “high pace of resolving requests”. An international partner says the firm has “always provided impeccable service, a real angle into the current status of business matters and a proper alternative to the international majors”.

IFLR 1000, 2014

Antitrust team of the firm advised **RUSNANO JSC**, **Pavlovskgranit JSC** and **Bayer AG** in connection with obtaining clearance of acquisition transactions with FAS.

In 2012 the firm advised one of the major Russian air companies on the issues related to the access to the international flights.

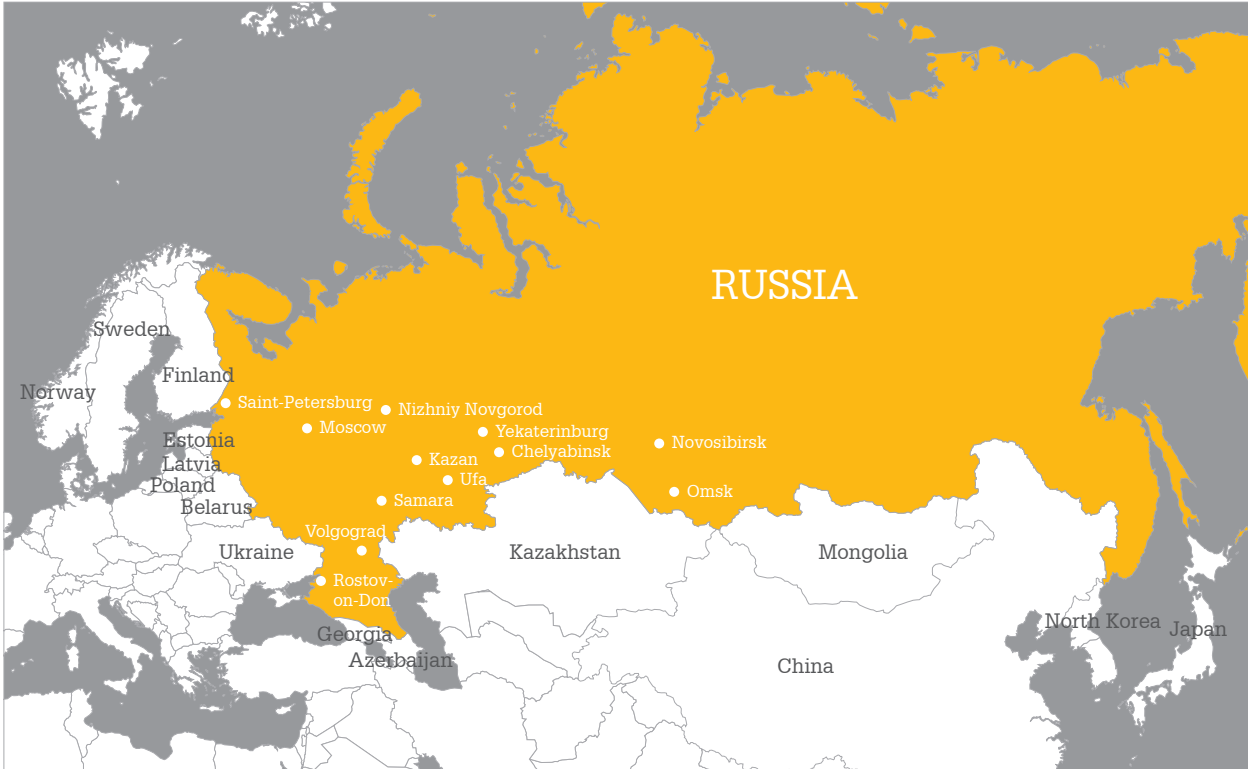
In 2012 the firm advised major pharmaceutical company in relation to litigation on unfair competition matter.

In 2012 the team represents company active on the fish market with respect of ongoing FAS's investigation of cartel on the fish market.

In 2012 the firm advised the major producer and distributor of high tech medical equipment on matters related to the abuse of dominant position and on wide range of business arr

Other clients of the firm includes **Mobile TeleSystems**, **CenterTelecom**

RUSSIA: Main statistical and Economic Indicators



SURFACE AREA – 17 098 246 km²

CAPITAL – Moscow

MAJOR CITIES (thous. of inhabitants):

Moscow (11551,9), Saint-Petersburg (4868,5), Novosibirsk (1485,3),
Yekaterinburg (1386,5), Nizhniy Novgorod (1261,5), Samara (1166,8), Omsk (1154,0),
Kazan (1145,4), Chelyabinsk (1131,2), Rostov-on-Don (1091,5),
Ufa (1074,9), Volgograd (1020,9)

STATE BORDERS:

Norway, Finland, Poland, Estonia, Latvia, Lithuania,
Belarus, Ukraine, Georgia, Azerbaijan, Kazakhstan, China,
Mongolia, DPRK (North Korea), USA, Japan

POPULATION [01.01.2013]: 143, 4 mln. of inhabitants

DENSITY OF POPULATION [2013]: 8, 39 prs. per km²

GDP PPP/ (2012) – 1,95 USD bln.

KEY SOCIO-ECONOMIC INDICATORS OF RUSSIA IN JANUARY-SEPTEMBER 2013

	September 2013	As % of total		January – September 2013 in % January – September 2012	Reference		
		September 2012	August 2013		September 2012 in %		January – September 2012 in % January – September 2011
					September 2011	August 2012	
GDP, bil. rubles	31098,4 ¹⁾	101,4 ²⁾			104,5 ³⁾		
Industrial production index ^{4),5)}		100,3	99,3	100,1	102,0	99,0	102,9
Agricultural products, bil. rubles	684,4	98,6	144,5	101,8	91,4	151,2	97,1
Freight turnover, bil. t-km	423,7	101,8	101,7	99,6	106,0	100,3	103,2
Incl. railway transport	179,2	98,5	97,4	97,4	107,0	97,0	105,4
Retail sales, bil. rubles	2011,6	103,0	98,6	103,8	105,3	99,5	106,9
The volume of paid services to the population, bil. rubles	552,7	102,8	99,1	102,4	102,6	100,2	103,7
Foreign trade turnover, bil. USD ⁶⁾	70,5 ⁷⁾	99,1 ⁸⁾	95,8 ⁹⁾	100,0 ¹⁰⁾	97,1 ⁸⁾	100,4 ⁹⁾	104,6 ¹⁰⁾
Of which: export of goods	42,2	102,3	97,0	98,1	94,0	100,1	104,4
Import of goods	28,4	94,7	94,1	103,1	101,8	100,8	105,1
Fixed capital investments ¹¹⁾ , bil. rubles	1188,2	98,4	103,1	98,6	99,7	100,7	109,6
Consumer price index		106,1	100,2	106,9	106,6	100,6	104,6
Manufactured products producers' price index ⁴⁾		101,9	101,4	103,7	111,6	104,8	106,7
Real disposable income ¹²⁾		98,7	95,7	103,6	105,3	99,0	103,8
Accrued average monthly wages of one employee ¹¹⁾ :							
Nominal, rubles	29811	114,8	102,0	113,2	111,6	101,1	114,2
Actual		108,2	101,8	105,9	104,7	100,5	109,2
Total number of unemployed people, mil. people	4,0 ¹²⁾	103,8	100,7	98,1	84,2	100,8	83,9
Number of officially registered unemployed people, mil. people	0,9	86,1	95,1	84,7	80,9	95,7	79,5

1) The data for the I half-year 2013. [Preliminary estimates].

2) I half-year 2013 % to I half-year 2012

3) I half-year 2012 % to I half-year 2011

4) By the following activities: "Mining operations", "Processing activities", "Energy, gas, water production and distribution"

5) With account of correction to non-formal activity.

6) Data is calculated by Bank of Russia according to balance of payments methodology in FOB price

7) Data for august 2013 year.

8) August 2013 and august 2012 y-o-y % in current price

9) August 2013 and august 2012 y-o-y % in current price

10) January-August 2013 and January-August 2012 % the corresponding period of the previous year, in current price

11) Data for the periods 2013 year - evaluation.

12) Preliminary data.

PRODUCTION OF GDP IN I HALF-YEAR 2013

	I quarter		II quarter		I half-year	
	Bil. rubles	As % of total	Bil. rubles	As % of total	Bil. rubles	As % of total
GDP in market-prices	14987,7		16110,8		31098,4	
Gross value added in basic prices	12811,5	100	13771,7	100	26583,2	100
Agriculture, hunting and forestry	238,3	1,9	383,8	2,8	622,2	2,3
Fishing, fish farming	29,8	0,2	28,8	0,2	58,6	0,2
Mining operations	1358,5	10,6	1396,8	10,1	2755,3	10,4
Processing activities	1916,4	15,0	2018,0	14,6	3934,4	14,8
Production and distribution electricity, gas and water	573,9	4,5	413,6	3,0	987,4	3,7
Construction	548,0	4,3	810,4	5,9	1358,4	5,1
Wholesale and retail trade, repair of motor vehicles, motorcycles, household products and personal demand items	2538,2	19,8	2698,5	19,5	5236,7	19,6
Hotels and restaurants	121,2	0,9	136,8	1,0	258,0	1,0
Transport and communications	1017,2	7,9	1153,3	8,4	2170,5	8,2
Financial activity	650,2	5,1	671,9	4,9	1322,1	5,0
Real estate operations, leasing and providing services	1580,1	12,3	1705,9	12,4	3286,0	12,4
State administration and providing military protection, obligatory social security	996,5	7,8	1012,2	7,4	2008,7	7,6
Education	449,9	3,5	465,4	3,4	915,3	3,4
Health care service, providing social services	548,2	4,3	616,9	4,5	1165,1	4,4
Providing other communal, social and personal services	245,1	1,9	259,3	1,9	504,5	1,9
Activities of households	0,0	0,0	0,0	0,0	0,0	0,0
Net taxes on products	2176,2		2339,0		4515,2	

FOREIGN INVESTMENTS AND CAPITAL FLOW IN I HALF-YEAR 2013

1. As of the end of June 2013, accumulated foreign capital in the Russian economy amounted to 370.6 billion U.S. dollars, up 10.7 % compared with the corresponding period of the previous year. The largest share in the accumulated foreign capital accounted for the other investments made on a returnable basis - 66.9 % (as of end of June 2012, - 59.0%), the share of direct investments was 31.2% (38.5 %), portfolio- 1.9 % (2.5 %).

In the I half of 2013, Russian economy received 98.8 billion dollars of foreign investment, which is 32.1 % more than in the I half of 2012. Volume repaid investments made earlier in Russia from abroad, was 62.5 billion dollars or 7.4 % less than in the I half of 2012.

1) According to the organizations that have provided statistical reports (excluding the monetary and credit regulation, commercial banks), including ruble revenues, converted into U.S. dollars.

2) Accumulated foreign capital organization - the total amount of foreign investment received (or made) from the beginning with the maturity investments (retirement), as well as the revaluation and other changes in assets and liabilities

RECEIVING FOREIGN INVESTMENTS BY TYPES

	I half-year 2013			I half-year 2012 as % of – for reference	
	USD mln.	As % of		I half-year 2011	Total
		I half-year 2012	Total		
Investments	98795	132,1	100	85,3	100
Direct investments	12139	159,8	12,3	108,0	10,2
Contribution to capital	4503	115,6	4,6	128,9	5,2
Of which reinvestment	396	99,7	0,4	27,3	0,5
Leasing	1	36,8	0,0	5,6	0,0
Credits received from foreign co-owners of companies	6837	в 2,3p.	6,9	91,5	4,0
Other direct investment	798	111,9	0,8	102,4	1,0
Portfolio investment	326	27,3	0,3	в 4,9p.	1,6
Including: stock and shares	255	23,1	0,2	в 7,4p.	1,5
Debt securities	71	79,3	0,1	96,1	0,1
Other investment	86330	130,8	87,4	82,1	88,2
Incl.:					
Trade credits	12869	98,3	13,0	109,1	17,5
Other credits	72999	152,9	73,9	71,8	63,8
For a period of up to 180 days	10852	34,5	11,0	67,6	42,0
For a period over 180 days	62147	в 3,8p.	62,9	81,5	21,8
Other	462	8,9	0,5	в 2,7p.	6,9

FOREIGN INVESTMENTS BY TYPES OF ECONOMIC ACTIVITIES (USD mln.)

	I half-year 2013			Accumulated by the end of june 2013year	
	received	Paid(disposed)	revaluation and other changes of assets and liabilities	Total	% of total
Total	98795	62464	-3951	370634	100
Incl. agriculture, hunting, forestry	182	150	23	2622	0,7
Fishing, fish farming	10	25	-0,0	64	0,0
Mining operations	6120	4022	6	63301	17,1
Processing industries	58624	20758	-3843	148033	40,0
Energy, water and gas production and distribution	914	177	-59	8526	2,3
Costruction	385	244	-259	4237	1,1
Wholesale and retail trade; repair of motor vehicles, motorcycles, household products and personal demand items	15146	13555	173	63415	17,1
Hotels and restaurants	12	59	-1	588	0,2
Transport and communications	2098	2441	-31	31869	8,6
Financial actiyv	11318	18670	26	10893	2,9
Real estate operations, leasing and providing social services	3849	2247	23	35493	9,6
State administration and providing military protection, obligatory social security	-	-	-10	557	0,1
Education	0,3	0,1	-	3	0,0
Health care service, providing social services	109	40	0,0	347	0,1
Providing other communal, social and personal services	28	76	1	686	0,2

FOREIGN INVESTMENTS ACCUMULATED IN RUSSIAN ECONOMY BY MAIN INVESTING COUNTRIES (USD mln.)

	Accumulated by end of June 2013 year		Of which			Received in 1 half-year 2013
	Total	% of total	Direct	Portfolio	Other	
Total investments	370634	100	115689	6831	248114	98795
Of which, by main investing countries	312487	84,3	85900	5304	221283	70262
Incl. Netherlands	66548	18,0	22956	153	43439	11165
Cyprus	64640	17,5	40831	1144	22665	11633
Luxemburg	47989	12,9	1194	219	46576	8927
China	32228	8,7	1383	15	30830	4609
UK (Great Britain)	24855	6,7	2292	2947	19616	8692
Germany	19812	5,3	10811	17	8984	2981
Ireland	18655	5,0	365	2	18288	5055
France	15786	4,3	2493	34	13259	9158
USA	11491	3,1	2772	768	7951	7554
Japan	10483	2,8	803	5	9675	488

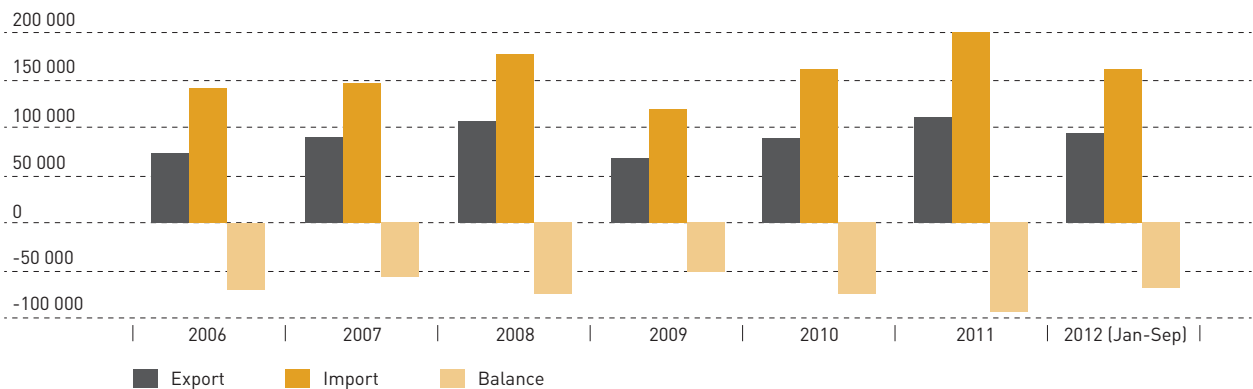
FOREIGN TRADE TURNOVER OF RUSSIA WITH MAIN TRADE PARTNERS

	January - July 2013 year			Received in January - July 2012 year		
	USD mln.	as % of		USD mln.	as % of	
		January - July 2012 year	Total		January - July 2011 year	Total
Foreign trade turnover	476459	100,1	100	475830	105,2	100
Foreign countries	413325	101,6	86,7	406897	106,4	85,5
EU countries	237918	102,5	49,9	232009	105,5	48,8
Belgium	6777	108,0	1,4	6276	90,3	1,3
Germany	41314	97,4	8,7	42410	107,8	8,9
Spain	6048	111,8	1,3	5407	92,1	1,1
Italy	30872	124,9	6,5	24716	102,8	5,2
Latvia	7142	136,5	1,5	5232	103,2	1,1
Netherlands	45002	91,1	9,4	49387	131,5	10,4
Poland	15179	95,7	3,2	15859	106,3	3,3
Slovakia	5394	98,7	1,1	5467	100,5	1,1
UK (Great Britain)	13269	110,0	2,8	12065	99,0	2,5
Finland	10724	108,4	2,3	9892	92,9	2,1
France	13855	98,9	2,9	14004	79,4	2,9
Czech Republic	5588	100,7	1,2	5546	102,4	1,2
APEC countries	116944	102,8	24,5	113710	108,2	23,9
China	49698	100,1	10,4	49632	110,6	10,4
Republic of Korea	14178	101,0	3,0	14038	108,8	3,0

	January -July 2013 year			Received in January -July 2012 year		
	USD mln.	as % of		USD mln.	as % of	
		January -July 2012 year	Total		January -July 2011 year	Total
USA	15160	91,9	3,2	16503	102,5	3,5
Japan	18825	107,2	4,0	17556	108,4	3,7
Turkey	18122	93,5	3,8	19388	112,8	4,1
Switzerland	6783	87,2	1,4	7776	106,1	1,6
CIS countries	63134	91,6	13,3	68933	98,8	14,5
EurAsEC countries	35831	97,1	7,5	36919	103,3	7,8
participant-states of Customs Union	34144	96,0	7,2	35582	102,9	7,5
Belarus	18676	83,5	3,9	22363	102,8	4,7
Kazakhstan	15469	117,0	3,2	13218	102,9	2,8
Kirgizia	1256	136,0	0,3	924	135,0	0,2
Tajikistan	431	104,2	0,1	414	87,5	0,1
Ukraine	20740	80,2	4,4	25869	90,0	5,4

EUROPIAN UNION, TRADE WITH RUSSIA (USD mln)

Period	Imports	Variation (% y-o-y)	Share of total EU Imports [%]	Exports	Variation (% y-o-y)	Share of total EU Imports [%]	Balance	Trade
2006	140.916	25.2	10.4	72.328	27.6	6.2	-68.589	213.244
2007	144.459	2.5	10.1	89.137	23.2	7.2	-55.322	233.596
2008	177.762	23.1	11.4	105.028	17.8	8.0	-72.733	282.596
2009	117.254	-34.0	9.7	65.614	-37.5	6.0	-51.640	182.790
2010	160.1		10.6	86.1		7.1	-73.9	182.868
2011	199.4		11.8	108.4		7.1	-91.0	241.476
2012 (Jan-Sep)	156.559			91.101			-65.458	



Source: Eurostat, DG Trade



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