

Medvedev Proposes Legislation on Business

By [The Moscow Times](#)

April 02, 2012

The  **Moscow Times**

President Dmitry Medvedev on Monday proposed legislation to update Russian company law in a move designed to stop Russian companies from registering their businesses abroad.

Medvedev on Monday sent amendments to the Civil Code to the State Duma, saying the move should "help the economy and improve the investment climate."

Russian and foreign investors have complained that an outdated legal framework is one of the reasons why doing business in Russia is difficult.

Many Russian businesses that operate solely or primarily in Russia are owned by holding companies registered abroad, meaning that the company can use foreign jurisdictions in case of legal disputes. Russian businesspeople often prefer European law and courts for their legal battles because the Russian legal system is seen as arbitrary and laws are outdated and vague.

In the most recent high-profile court case, Russian billionaire Boris Berezovsky sued fellow Russian Roman Abramovich in London for several billion dollars for allegedly intimidating him into selling shares in their jointly owned oil giant Sibneft.

The amendments will make it easier to register a company in Russia and will help shareholders and business owners protect their property rights.

Authorities are also hoping that a better legal framework will encourage companies to remain Russia-based and use local courts.

"It's common knowledge that big Russian businesses are increasingly moving to foreign jurisdictions these days," Justice Minister Alexander Konovalov told reporters in the Kremlin on Monday. "We must create adequate legislation and its enforcement in our country that would prevent businesses from going abroad to sue each other or resolve conflicts, but enable them to do this in our country."

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