Changes in Real Estate legislation
Quarter 3 of 2019

Amendments to the federal laws

Amendments to the town planning and land laws


The town-planning laws are being amended once again. Most of the amendments have to do with integrated and sustainable development.

Selective amendments are also being made to Russia’s Town-Planning Code. In particular:

- Public discussions or public hearings on draft LUDR should now take from one to three months from when the draft LUDR are published (it used to be from two to four months).

- It is now not required to hold public discussions or public hearings, to publish an announcement of a decision to prepare draft amendments to the LUDR, to prepare a commission report with recommendations on amending the LUDR or rejecting such amendments in the event of a one-time change of:
  - Permitted uses in town-planning regulations for a specific zone, without changing the previously set maximum/minimum parameters of the permitted construction or reconstruction of capital construction facilities and/or
  - One or more maximum/minimum parameters of the permitted construction or reconstruction of capital construction facilities set by town-planning regulations for a zone by not more than ten percent.
  - The list of facilities whose design documentation must undergo state expert review has been updated.
  - Territorial development plans determining the boundaries of areas where facilities will be sited, if the plan involves the appropriation of land plots for state and/or municipal needs, are now valid for six years.

This means that a competent authority has six years from approval of the territorial development plan providing for appropriation to decide whether to appropriate a land plot.

The amendments to the Town-Planning Code are joined by amendments to the Land Code concerning:

- Reallocation of state or municipal lands and/or land plots between the state and municipalities. Among other things, land plots that are owned by the state or a municipality and have been granted to individuals or legal entities may be reallocated with land plots that have not been granted to anyone and are not encumbered by third-party rights.

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1 The Russian Federation Town-Planning Code
2 Land Use and Development Rules
3 The Russian Federation Land Code
The possibility of granting, without holding a tender, land plots within an area for which a local government authority has decided to pursue integrated development to a person who has concluded an agreement for integrated development of the area.

Amendments have also been made to the Federal Law On the Enactment of the RF Town-Planning Code. Now changes to a construction permit ("construction permit") that have been applied for less than 10 business days before the construction permit expires cannot be denied, if not more than three years have passed between the expiration date of the construction permit and the date the developer's application for the changes is received. This is also provided that the application is filed prior to January 1, 2020.

We believe this rule was introduced in part for cases where housing developers completing challenging properties need to amend construction permits; they are allowed to amend those permits within one year of acquiring title to the land plot.

Amendments have also been made to the Federal Law On Amendments to the Russian Federation Town-Planning Code. Now territorial development plans and boundary-setting plans (proekt mezhevaniya territorii) approved prior to January 1, 2017 can be used without making them consistent with the RF Town-Planning Code in terms of their composition and contents.

Federal Law No. 222-FZ On Amendment of Article 9.5 of the Russian Federation Administrative Offenses Code of July 26, 2019

The administrative fines for violating the ban on operating a capital construction facility without a commissioning permit (where required) have gone up considerably (several dozen times). Now the fine is from RUB 500,000 to RUB 1,000,000 for legal entities and from RUB 20,000 to RUB 50,000 for officers.


The adopted amendments state that gas stations and warehouses storing fuels and lubricants can now be built within the boundaries of a water conservation zone at bases (structures) where small boats are stored and federal security service facilities.


The Resolution amends certain Russian Government acts relating to public easements.

For example, amendments have been made to the Regulation on the Composition of the Sections of the Design Documentation and the Requirements for their Content that were approved on February 16, 2008 by RF Government Resolution No. 87V. The amendments have to do with the design documentation containing a summary. Now it must also contain:

- Information about the land plots subject to an easement or public easement.
- Information about the amount of money required to compensate the titleholders of land plots and/or immovable properties located on those land plots for losses and/or a fee for the titleholders of the land plots.

Amendments have been made to RF Government Resolution No. 1532 of December 31, 2015 On Approval of the Rules for The Provision of Documents Submitted or Provided in accordance with Parts 1, 3-13 and 15 of Article 32 of Federal Law No. 218-FZ of July 13, 2016 On the State Registration of Real Estate. According to these amendments, the authorities that have rendered a decision establishing or terminating a public easement shall send a copy of the decision to Rosreestr within five business days of the decision.


4 Federal Law No. 191-FZ On the Enactment of the RF Town-Planning Code of December 29, 2004
The exhaustive lists of procedures in nonresidential capital construction, the construction of power grid facilities of less than 35 kV, heating supply systems, water supply and sewerage facilities have been brought into conformity with the requirements of applicable land and town-planning laws, in particular those having to do with establishing use-restricted zones. The updated lists have been in effect since August 13, 2019.

We remind you that the exhaustive lists of procedures in construction are intended primarily to prevent entities involved in urban planning from being obligated to follow procedures not covered by those lists.

Article 14.9.1 of the Administrative Offenses Code stipulates administrative penalties for missing the deadlines for completing the procedures or for requiring the completion of a procedure that is not on the exhaustive list of procedures in the relevant field of construction.

RF Government Resolution No. 1064 On Determining Cases Where a Construction Permit is Not Required of August 17, 2019

Since August 28, 2019, there has been no requirement to get a construction permit for the construction or reconstruction of communication lines and facilities if they are not extremely hazardous or technically complex facilities.


According to Article 105(17) of the Land Code, flood zones and waterlogged zones are some of the types of use-restricted zones that received new uniform rules for establishing, changing and terminating them in the Land Code and the Town-Planning Code in 2018.

This Resolution brings the procedure for establishing flood zones and waterlogged zones into conformity with applicable law. According to the procedure:

- The boundaries of such zones are established or changed by decision of the Federal Agency for Water Resources (or its regional offices)
- Such zones are considered established or changed as of when the relevant information is entered in the Unified State Register of Real Estate

RF Government Resolution No. 1132 On Approval of the Regulation on the Exclusion Zone of August 31, 2019

According to Article 105(9) of the Land Code, an exclusion zone is one type of use-restricted zone. The Russian Government approved this regulation to implement Article 106 of the Land Code and Article 15 of the Federal Law On State Protection.

Protected objects are defined as buildings, structures, facilities and adjacent land plots, which are protected by the state protection authorities to keep subjects protected by the state (the President of Russia, the heads of foreign states and governments and other persons listed in the Federal Law On State Protection) safe and secure.

An exclusion zone is established indefinitely to prevent circumstances that pose a threat to the security of state security facilities and protected objects.

The Resolution sets forth:

- Requirements to the statute adopted by the Federal Protective Service of Russia establishing (changing or terminating) an exclusion zone.
- The list of restrictions on using land plots and limits on business and other activity in an exclusion zone (in particular, it may not be permitted to site and operate any immovable properties).

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6 Russian Federation Code of Administrative Offenses
7 In the version of Federal Law No. 342-FZ of August 3, 2018
8 The Russian Federation Land Code
9 Federal Law No. 57-FZ On State Protection of May 27, 1996
The decision of the Federal Protective Service of Russia specifies the dimensions of the exclusion area and specific restrictions. The distance from the boundaries of the protected object to the boundaries of the exclusion zone should not be more than 1 km, or 3 km in the mountains.

The Federal Protective Service of Russia sends information about when an exclusion zone is established, changed or ceases to exist in order for that information to be entered in the Unified State Register of Real Estate.

Ministry of Economic Development of Russia Decree No. 366 of June 24, 2019 On Amendment of the List of Documents Confirming the Applicant’s Right to Acquire a Land Plot without a Tender approved by Ministry of Economic Development of Russia Decree No. 1 of January 12, 2015

According to the Land Code, the lease agreement for a state or municipally owned land plot may be concluded without holding a tender if the land plot is being granted to a participant of a free economic zone in the Republic of Crimea and the federal city of Sevastopol to implement an agreement on the terms of activity in a free economic zone concluded in accordance with Federal Law No. 377-FZ of November 29, 2014 On the Development of the Republic of Crimea and the Federal City of Sevastopol and the Free Economic Zone in the Republic of Crimea and the Federal City of Sevastopol.

The Ministry of Economic Development of Russia Decree lists the documents that confirm the applicant's right to enter into a land lease agreement without a tender in this case.

Changes in the laws on state registration of real estate

Federal Law No. 76-FZ of May 1, 2019 On Amendments to Certain Legislative Acts of the Russian Federation Regarding the Specifics of Changing the Terms of a Credit Facility Agreement or a Loan Agreement that are Concluded with an Individual Borrower for Purposes Unrelated to the Borrower’s Entrepreneurial Activity and under which the Borrower’s Obligations are Secured by Mortgage, at the Borrower's Request

One of the things this law does is amend the laws on the registration of real estate having to do with notarization of transactions for the disposal of shares in the co-ownership of real estate and mortgage agreements for those shares.

Starting July 31, 2019, transactions for the disposal of and mortgage agreements for co-ownership shares do not need to be notarized in the following cases:

- When all co-owners dispose of or mortgage their shares in a single transaction.
- When mortgage agreements for co-ownership shares in real estate are made with lending institutions.

Federal Law No. 286-FZ of August 2, 2019 On Amendments to the Federal Law on the State Registration of Real Estate

Since August 13, 2019, in order to register termination of an individual's ownership of real estate based on electronic documents signed using an enhanced digital signature, the owner first needs to enter a record in the Unified State Register of Real Estate that such registration is allowed.

Federal Law No. 299-FZ On Amendments to the Federal Law on the State Registration of Real Estate of August 2, 2019

January 1, 2020 will see the entry into force of amendments to the Federal Law On the State Registration of Real Estate according to which a good-faith purchaser may claim from the Russian Federation the payment of one-time compensation for loss of housing if the owner recovers the housing under Article 302 of the Civil Code (“Recovery of Property from a Good-Faith Purchaser”).

The compensation is paid on the basis of an effective court judgment on the claim of the good-faith purchaser

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10 Article 39.6(2)(38) of the RF Land Code

11 Federal Law No. 218-FZ On the State Registration of Real Estate of July 13, 2015

12 The Russian Federation Civil Code
to the Russian Federation requesting payment of the compensation.

However, please note that if the good-faith purchaser loses the housing because Rosreestr has failed to properly perform its duties, then damages are paid under Article 66 of the Federal Law On the State Registration of Real Estate ("Liability of the Title Registration Authority").

Ministry of Economic Development of Russia Decree No. 433 of July 19, 2019 On Amendments to the Procedure for Providing Information Contained in the Unified State Register of Real Estate and the Procedure for Notifying Applicants of the Progress of the Service to Provide Information Contained in the Unified State Register of Real Estate, approved by Ministry of Economic Development of Russia Decree No. 968 of December 23, 2015

The Ministry of Economic Development of Russia Decree No. 433 of July 19, 2019 On Amendments to the Procedure for Providing Information Contained in the Unified State Register of Real Estate and the Procedure for Notifying Applicants of the Progress of the Service to Provide Information Contained in the Unified State Register of Real Estate, approved by Ministry of Economic Development of Russia Decree No. 968 of December 23, 2015

The Ministry of Economic Development of Russia has updated the forms of extracts from the Unified State Register of Real Estate and the procedure for completing and issuing them.

Changes in public-private partnership laws


Among other things, the Law provides that a public-private partnership agreement ("PPPA") made for IT facilities may include as one of its elements the public partner’s obligation to assign the rights to the IP in the existing IT facilities to be modified to create the PPPA facility to the private partner.

The Russian government may determine cases where the exclusive right to intellectual property cannot be assigned to the private partner.

Other changes

The Law introduces tougher administrative penalties for providing hotel services without getting a certificate that the hotel has been assigned to a specific category. For example, the fine for legal entities that have committed this offense could be up to 1/25 of the total proceeds from sale of all goods (or work and services) for the calendar year preceding the one in which the administrative offense was discovered, but in any event at least RUB 50,000.

Using a category other than the one in the certificate in the hotel’s advertising, name or hotel-related activity is now also a ground for imposing an administrative penalty.

Please note that the new version of Article 14.39 of the Administrative Offenses Code which sets the penalties for these offenses has already applied since July 1, 2019 to hotels with more than 50 rooms. Other hotels will be subject to penalties somewhat later, for example:

- Hotels with more than 15 rooms starting January 1, 2020.
- All hotels starting January 1, 2021.

We remind you that RF Government Resolution No. 158 of February 16, 2019 approved the Regulation on the Classification of Hotels. It classifies all types of hotels according to a six-star system.


The Law introduces changes to the Federal Law On the Enactment of the RF Housing Code in terms of the procedure for forming a land plot on which an apartment building is located, if the underlying land plot was not formed before the Housing Code was enacted.

According to the Law, it is the duty of the state and local government authorities to form such land plots and they can do it even without a request from owners of space in the apartment building.

However, the competent authority must notify the owners when it starts taking action to form the land plot no later than five business days after its decision.

RF Government Resolution No. 902 of July 15, 2019 On Amendments to the Regulation on the Submission by the Federal Executive Authorities, the State Authorities of Constituent Entities of the Russian Federation and Local Government Agencies to the Federal Executive Authority (or its Regional Offices) authorized by the Russian Federation Government to Perform State Cadastral Inventory and/or State Registration of Title, to Maintain the Unified State Register of Real Estate and Provide Information Contained in the Unified State Register of Real Estate of Additional Information Reproduced on Public Cadastral Maps and Repeal of Certain Provisions of Some Acts of the Russian Federation Government

The amendments have to do with how information on the boundaries of minimum distances between main pipelines and buildings, structures and facilities unrelated to those objects is reflected on public cadastral maps.

Information about the boundaries of these minimum distances will no longer be reproduced on public cadastral maps as of the date the following information is entered in the Unified State Register of Real Estate:

- About the boundaries of minimum distances to main and industrial pipelines (gas pipelines, oil pipelines and petroleum product pipelines, ammonia pipelines) a description and list of whose coordinates are approved by a decision of Russia’s Energy Ministry, or
- About the boundaries of minimum distance areas to main or industrial pipelines (gas pipelines, oil pipelines and petroleum product pipelines, ammonia pipelines) that are set based on a decision of the competent federal executive authority in accordance with Article 106 of the Land Code.

RF Government Resolution No. 1019 On Amendments to the Regulation on State Land Supervision of August 3, 2019

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13 Federal Law No. 189-FZ On the Enactment of the RF Housing Code of December 29, 2004
14 The Russian Federation Housing Code
Since August 15, 2019 there has been stricter control over compliance with the legislation on the circulation of agricultural land.

Rosselkhoznadzor (the Federal Service for Veterinary and Phytosanitary Supervision) is being given the authority to do unscheduled inspections of agricultural land. Minselkhoz (the Ministry of Agriculture of Russia) has been instructed to approve indicators of the risk of violating mandatory requirements that will be used as a basis to conduct the inspections.

RF Government Resolution No. 1107 of August 28, 2019 On Amendments to the Rules for Information Subjects to Post Information that Must Be Posted in the Unified Housing Construction Information System pursuant to Russian Federation Laws

The Resolution changes how information is entered in the unified housing construction information system.

Developers who received expert reports on design documentation and/or the results of engineering surveys before July 1, 2018, must post both the text and graphic parts of the design documentation and engineering survey results and their annexes in the unified housing construction information system.

The information must be posted as electronic PDF files within six months of when the information systems operator publishes information on its official site that the technology exists to use developers’ online accounts to post design documentation.

Ministry of Construction of Russia Decree No. 453/pr of August 8, 2019 On Amendments to the Form of the Project Declaration Approved by Decree No. 996/pr of the Ministry of Construction, Housing and Utilities of the Russian Federation of December 20, 2016

The Decree updates the project declaration form. It must now contain information about:

- The amount of payments under contracts to develop a built-up area and integrated development of an area.
- A targeted credit (targeted loan), including information making it possible to identify the lender, the loan amount available with the lending limit and the unused balance of the credit line as on the latest reporting date.
- The number of co-funding agreements concluded stating how the developer’s liability is secured (using escrow accounts, contributions to the compensation fund or other methods), and the types of co-funding facilities, their areas and co-funding agreement prices.

Ministry of Economic Development of Russia Decree No. 318 of June 4, 2019 On Approval of the Procedure for Considering the Declaration on the Characteristics of the Immovable Property, including its Form

The laws on cadastral valuation state that holders of title to real estate may provide the competent publicly-funded institution with a declaration of those properties’ characteristics in order to gather and process the information required to determine cadastral value.

The Decree has approved:

- The procedure and time for reviewing the declaration.
- The list of documents attached to the declaration.
- The grounds for refusing to review a declaration.
- The form of the declaration.

It seems that voluntarily submitting the information could help to avoid incorrect cadastral valuation of the property and disputes with the competent publicly-funded institution in the future.

We remind you that preparation for state cadastral valuation is done before January 1 of the year the cadastral value is determined.

Clarifications of federal legislation

Federal Tax Service of Russia Letter No. AS-4-21/16183@ of August 15, 2019 On Clarifications (Recommendations) of Issues of Determining How to Pay and File Tax Returns for Corporate Property Tax in Respect of Capital Investment in the Form of Permanent Improvements to a Leased Immovable Property (together with the Clarifications (Recommendations) of Issues of Determining How to Pay and File Tax Returns for Corporate Property Tax in Respect of Capital Investment in the Form of the Taxpayer's Inseparable Improvements to the Leased Immovable Property)

The Federal Tax Service's clarifications affect tenants whose capital investment in inseparable improvements to leased real estate is recognized as fixed assets.

The Federal Tax Service advises that corporate property tax will be charged on such capital investments until they are retired from the tenant's fixed assets.

Federal Antimonopoly Service of Russia Letter No. VK/81456/19 of September 18, 2019 On Certain Issues Arising in Connection with Transfer of Rights to Possess and/or Use Abandoned Property


That clause states that agreements transferring the rights to possess and/or use state or municipal property may be made without a tender if such rights are granted:

- To a person holding the rights to possess and/or use a utility support network.
- The property being transferred is part of that utility support network.

Based on the Federal Antimonopoly Service's letter, state or municipal property that is technologically connected to abandoned property cannot be transferred to a business entity operating the abandoned property.

A person's operation of an abandoned section of heating or water supply networks under a transfer certificate does not create the consequences required to then transfer the section of the network technologically connected with the abandoned section to that person without holding a tender because:

- The abandoned facilities are operated by the organization under a transfer certificate signed with a local government authority before title to those facilities is recognized or before the owner that abandoned the facilities took possession or use or disposed of the facilities.
- The local government authority cannot dispose of the property because it is not the property's owner.

Therefore, the organization has no legal right to possess or use the section.

Amendments to the laws of St. Petersburg and Leningrad Region


Amendments to the Environmental Code of St. Petersburg (the "Environmental Code") were needed to make it consistent with federal environmental protection laws.

In particular, St. Petersburg's Environmental Code now has a provision on establishing the protected zones of specially protected natural areas which the Governor of St. Petersburg decides to establish, modify or terminate.

The list of information contained in the regulation on a specially protected natural area has also been added. It includes information:
• About main and auxiliary permitted uses of land plots that are located within specially protected natural areas.

• About main and auxiliary permitted uses of land plots for each functional zone of a specially protected natural area, if it is zoned.

• About the maximum and/or minimum parameters of permitted construction and/or reconstruction of capital construction facilities if the permitted use of land plots within the specially protected natural area allows construction on them.

St. Petersburg Government Resolution No. 433 of July 4, 2019 On Cooperation of the Executive State Authorities of St. Petersburg in Integrated Development in St. Petersburg

The city of St. Petersburg has approved a policy to regulate cooperation between the authorities for integrated development. The policy specifies how St. Petersburg authorities cooperate when:

• Entering into integrated development agreements at the initiative of the title holders of land plots and/or immovable properties located on them.

• Deciding on integrated development initiated by the St. Petersburg Government.

This Resolution also empowers the St. Petersburg Property Relations Committee to enter into integrated development agreements on behalf of the St. Petersburg Government.


The Resolution, which went into effect on July 27, 2019, has further amended the St. Petersburg Land Use and Development Rules.

You can find out more about these changes in Dentons’ alert of August 8, 2019.16

St. Petersburg Property Relations Committee Order No. 127-r of July 31, 2019 On Holding Auctions for the Right to Conclude Lease Agreements for St. Petersburg-Owned Nonresidential Properties

On July 31, 2019 it became possible to enter into a lease agreement for an unused St. Petersburg-owned cultural heritage site (an unused cultural heritage site) at auction. The annual rent is RUB 1 per square meter of area of the unused cultural heritage site. The rent is set as of the date work is done to preserve the unused cultural heritage site.

Unused cultural heritage sites in poor condition that have approved preservation orders can be the subject of such lease agreements.

St. Petersburg Property Relations Committee Order No. 156-r of September 4, 2019 On Approval of the Administrative Provision of the St. Petersburg Property Relations Committee on Providing the Government Service to Make Decisions about Granting Lease or Free Use of Nonresidential Properties Owned by St. Petersburg without Holding a Tender, except where a State Preference is Granted

This new administrative provision has the St. Petersburg Property Relations Committee providing the government service to decide whether to grant lease or free use of St. Petersburg-owned nonresidential properties without a tender. The regulation goes into effect on September 4, 2019 and does not include cases where a state preference is granted.

The government service can be provided:

• Through a multifunctional center.

• By mail.

• Via the letterbox of the St. Petersburg Property Relations Committee.

• By contacting the St. Petersburg Property state public institution personally (and obtaining the result of the government service).

The service must be provided within 63 calendar days.

16 The alert is available at: https://www.dentons.com/ru/insights/alerts/2019/august/8/re-alert.
No state duty or other fee is charged for the service.

Leningrad Region Architecture and Town-Planning Committee Decree No. 58 of September 2, 2019 On the Procedure for Approving Territorial Planning Documentation for Siting the Facilities Listed in Parts 4, 4.1, 5, 5.1 and 5.2 of Article 45 of the Russian Federation Town-Planning Code and Repeal of Certain Decrees of the Leningrad Region Architecture and Town-Planning Committee

The Order approved the procedure for preparing territorial development plans and boundary-setting plans in the Leningrad Region for siting:

- Local municipal district facilities and other capital construction facilities to be sited within two or more settlements and/or an area between settlements within a municipal district.

- A local facility of a municipal district and/or urban district whose construction or reconstruction is entirely financed by the municipal district or urban district budget and which is to be sited within two or more municipal districts or urban districts that share a boundary within a Russian Federation constituent entity.

- A local facility of a settlement whose construction or reconstruction is entirely financed by the local budget of the settlement and which is to be sited within two or more settlements that share a boundary within a municipal district.

Additional documents need to be submitted to check the documents prepared for a land plot granted to a horticultural or vegetable garden non-profit partnership. The following should be submitted: (1) resolutions of the partnership's general membership meeting on preparing and approving documents, (2) a copy of the partnership's current charter certified by its chairman.


The approved Regulation states that the Leningrad Region Town-Planning Policy Committee is the industry's executive authority that shapes and carries out the Leningrad Region's town-planning policy.

The Town-Planning Policy Committee has been ceded a number of important powers previously held by the Leningrad Region's State Property Management Committee and its Architecture and Town-Planning Committee.

Here are some of the Town-Planning Policy Committee's powers:

- Preparing and submitting for approval by the Leningrad Region Government regional town-planning design standards and the land use planning scheme for the Leningrad Region.

- Approving and amending the Land Use and Development Rules.

Legal precedents

Overview of Legal Precedents of the Russian Federation Supreme Court No. 2 (2019), approved by the Presidium of the RF Supreme Court on July 17, 2019

In this overview, Russia's Supreme Court reflected the positions of the Judicial Panel on Economic Disputes regarding issues of applying land and town-planning laws.

1. Ruling in case No. 308-ES18-10260

In this case, the Supreme Court admitted that the setting of the boundaries of disputed land plots cannot be considered justified if it is based on the results of expert examination but does not evaluate all of the necessary circumstances or examine the documents related to how the boundaries of land plots were set and modified. In this instance, the parties to the dispute became the owners of the plots only after they had been formed and recorded in the cadastre.
The reason for this finding is that, when resolving a boundary dispute, the court determines the actual and/or legal boundary between adjoining land plots. In doing so, the court considers, among other things, the information about where the plots’ boundaries were located and how they were approved when the plots were formed.

2. Ruling in case No. 306-KG18-16823

The municipal administration (the “Administration”) approved a territorial development plan and boundary-setting plan (the “TDBP”) based on which 592 plots were formed, cadastral inventory and state registration of title were done. The Administration later approved a new development plan for the territory within the same cadastral block. The previously approved TDBP became void as a result.

The Administration filed a lawsuit against the Rosreestr Directorate to remove the information about the plots from the Unified State Register of Real Estate. It held that the lapsing of the TDBP and the adoption of new territorial planning documentation meant that there was no reason to keep the state registration of title to the land plots formed according to the TDBP. The claim stated that Russian law has no filing procedure for canceling information about plots that have been inventoried and registered.

When it considered the Administration’s claim, the judicial panel said that, as current laws do not include the facts cited by the Administration as a reason to remove information about the recorded land plots from the Unified State Register of Real Estate, the courts’ findings that the Rosreestr Directorate needed to be ordered to remove the information about the land plots from the Register could not be considered justified: they were in conflict with the law.

Ruling of the RF Supreme Court’s Judicial Panel on Economic Disputes No. 305-ES19-5838 in case A40-21568/2018, of August 16, 2019

In this case, the Supreme Court considered whether a seller had an obligation to remit to the buyer rent duly received by the seller for the period from the date the transfer certificate to the purchase agreement was signed until the transfer of title was recorded by the state.

The Supreme Court said that the law does not prohibit the parties to a purchase agreement from agreeing in their dealings with one another that the proceeds from the asset being sold are payable to the buyer from a time other than state registration of transfer of title.

The seller cannot refuse to perform this obligation if it has confirmed in writing (including by providing a letter of guarantee) its obligation to remit to the buyer rent charged from the date the transfer certificate is signed until the date of state registration of the buyer’s title.

Contact

Karina Chichkanova
Partner, Head of Dentons’ Russia Infrastructure and St. Petersburg Real Estate and Construction practice

T: +7 812 325 84 44
E: karina.chichkanova@dentons.com

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