FOREIGN COMPANIES THAT CONDUCT INTERNET ACTIVITIES MIGHT BE OBLIGED TO FORMALIZE THEIR LEGAL PRESENCE IN RUSSIA

On July 2021, Federal Law 236-FZ "On the Activities of Foreign Persons in the Information and Telecommunication Network" Internet "on the Territory of the Russian Federation" came into force. This law prescribes that foreign entities conducting activities in Russia via the Internet are obliged to formalise their presence in the country. The original name of the law is: Федеральный закон от 01.07.2021 № 236-ФЗ "О деятельности иностранных лиц в информационно-телекоммуникационной сети "Интернет" на территории Российской Федерации.

What does the obligation to ''land'' in Russia means?

All foreign entities whose activities in Russia relate to the Internet are obliged to establish an official legal presence in Russia. Legal presence should be in form of branch, representative office, or legal entity. Find out how to register legal entity by watching our YouTube video here or even easier — get in touch with our team and find out — here.

Who is obliged to formalize their presence according to this Law?

Foreign owners of Internet resources (websites, webpages, software, social media) that are accessed by more than 500,000 users from Russia per day, if at least one of the following circumstances apply:

- information in the Russian language, state languages of the states of the Russian Federation or other languages of the peoples of the Russian Federation is available on the Internet resource;
- advertising aimed at Russian consumers is placed on the Internet resource;
- the foreign entity processes personal data of users located in Russia;
- the foreign entity receives financing from Russian individuals and legal entities

What if foreign entities have less than 500,000 users from Russia per day?

If they are required to formalize their presence in Russia depends on several qualification criteria, that are to be determined. If your business is falling under this ''less than 500,000 users per day'' category, schedule a consultation with our team to find out whether this Law is applicable to your business — here.

Who will monitor these activities and identify if certain businesses are subject to this law?

Roskomnadzor will monitor the Internet to identify foreign entities that are subject to the law.

If your company, as a foreign legal entity, is actively participating and conducting internet business activities in Russia, we recommend that you check provisions of this Law and identify if they are applicable to you. If you fail to comply with this Law, strict measures and sanctions are foreseen.

To avoid applicable sanctions and ensure that you follow-up with recent obligations, schedule a consultancy hour with our in-house Lawyer and get your internet business fully compliant — here.

Rufil Russia Consulting is an international business

consultancy and one-stop-service agency based in Moscow! We are specialized in company registration, legal services, tax consulting and business consulting. **Our mission:** "We support international business in Russia and create a better quality of life for our customers, employees and investors.

Find out more about how to register and run your company in Russia -> <u>WATCH OUR VIDEO</u> and <u>DOWNLOAD OUR PRESENTATION</u>. <u>GET IN TOUCH</u> with us for all additional questions.

Our full list of services, our full contact data and more information about our company you can find on our <u>website</u> and social media.

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