

January 31, 2014

Dear Sirs,

We would like to inform you about the recent developments in regulation of promotional activity in the Russian Federation.

On December 28, 2013 the President of the Russian Federation signed the Federal Law N 416-FZ on Introducing Amendments to the Federal Law on Lotteries and other Legal Acts of the Russian Federation (hereinafter the “**Law**”) prohibiting to all entities, except for the special state authorized bodies, appointed by the Government of the Russian Federation, to organize lotteries in Russia. All the lotteries will be operated by Russian legal entities that won a tender to enter into a contract for conducting a lottery with the authorized state body – organizer of the lottery.

The prize funds of all lotteries are formed based on the income from the lottery.

It is **prohibited to conduct promotional lotteries** (games of chance that do not require the participant to pay entering fee and whose prize fund is formed by the organizer of the lottery), as well as regional state lotteries, municipal lotteries and non-state lotteries. The Law permits to conduct only all-Russian or international lotteries, both draw and no-draw.

No gambling in form of lottery is allowed. It is also prohibited to conduct lotteries via Internet or other means of communications, as well as use lottery terminals, except for conducting all-Russian or international lotteries.

Permissions for conducting lotteries are not being issued as of **December 28, 2013**.

Promotional lotteries, regional state lotteries, municipal lotteries and non-state lotteries which have been already approved and started should be finalized till **July 01, 2014**; the winners of such lotteries should be identified and awarded with the respective prizes till the set deadline.

The Law came into legal force on **January 30, 2014**.

Please click [here](#) to view a full text of the newsletter in English and Russian.

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For more information please visit our web-site or contact directly Irina Anyukhina, Partner, Head of Intellectual Property practice.

Kind regards,

**ALRUD Law firm**

*Note: All information was obtained from publicly available sources. The author of this information letter assumes no liability for the consequences of decision-making based on such information.*