

June 27, 2016

Increasing of liability for illegal engagement of foreign nationals on construction projects

Dear Sir or Madam,

We would like to inform you that the draft Federal Law № 1015753-6 “On Amendments to the Code of Administrative Offences of the Russian Federation (hereinafter - the “**Administrative Code**”) for prevention of illegal engagement of foreign nationals to work on construction projects” (hereinafter - the “**Draft Law**”) is currently under consideration by the State Duma at the first reading. This information is relevant for the companies carrying out projects on construction of their objects in Russia.

According to the Draft Law, the Administrative Code will be supplemented by a new article, which will provide for responsibility of the construction project’s owner:

- For presence at the construction project of foreign nationals infringing the rules of stay in Russia;
- For admitting of foreign nationals to work on construction project in violation of statutory rules on engagement of foreign nationals.

The abovementioned breaches may lead to the following liability:

- Administrative fine for company officials in the amount from 40 000 up to 50 000 rubles;
- Administrative fine for legal entities in the amount from 700 000 up to 1 000 000 rubles or administrative suspension of activities up to 90 days.

Please note that according to the Draft Law, the construction project’s owner may be brought to the administrative liability even if construction activities are carried out by the contractor.

We are monitoring the issues related to the consideration of the Draft Law and will keep you informed about its further amendments and adoption.

Hope that the information provided herein would be useful for you.

If any of your colleagues would also like to receive our newsletters, please let us know by sending us his/her email address in response to this message. If you would like to learn more about our Labor and Employment practice, please let us know about it in reply to this email. We will be glad to provide you with our materials.

If you have any questions, please, do not hesitate to contact the Partner of ALRUD Law Firm – Irina Anyukhina (ianyukhina@alrud.com).

Kind regards,

ALRUD Law Firm

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