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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

RUSSIAN FEDERATION

FEDERAL LAW ¹

**AMENDING THE FEDERAL LAW
ON NON-PROFIT ORGANISATIONS
AS REGARDS IMPROVING THE LEGAL REGULATION
OF THE ACTIVITIES OF NON-PROFIT ORGANISATIONS
PERFORMING THE FUNCTIONS OF A FOREIGN AGENT
AND STRUCTURAL SUBDIVISIONS OF FOREIGN
NON-PROFIT NON-GOVERNMENTAL ORGANISATIONS
(No. 1052523-7)**

¹ *Unofficial translation*

No. 1052523-7

FEDERAL LAW**Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"****Article 1**

The following amendments shall be made to Federal Law no. 7-FZ of 12 January 1996 "On non-profit organisations" (Compendium of legislation of the Russian Federation, 1996, no. 3, art. 145; 2006, no. 3, art. 282; 2007, no. 49, art. 6039, art. 6061; 2008, no. 30, art. 3616; 2009, no. 23, art. 2762; no. 29, art. 3607; 2010, no. 15, art. 1736; no. 19, art. 2291; 2011, no. 29, art. 4291; no. 30, art. 4590; no. 47, art. 6607; 2012, no. 30, art. 4172; 2014, no. 8, art. 738; 23, art. 2932; 2015, no. 10, art. 1413; no. 48, art. 6707; 2016, no. 5, art. 559; no. 23 art. 3303; no. 27, art. 4169; 2017, no. 24, art. 3482; no. 31, art. 4766; 2018, no. 31, art. 4849):

1) in the first sentence of paragraph 6 of Article 2, after the words "and their branch companies", insert the words "or whose beneficial owners within the meaning defined in Article 6¹ paragraph 8 of Federal Law no. 115-FZ of 7 August 2001 "On countering the legalisation (laundering) of proceeds of crime and the financing of terrorism" are foreign citizens or stateless persons";

2) supplement Article 13² paragraph 12 with a sentence worded as follows: "The address/registered office of a structural subdivision of a foreign non-profit non-governmental organisation created or being created on the territory of the Russian Federation may not be residential premises.";

3) in Article 32:

a) [*"a" in the original Cyrillic text*] in paragraph 3:

in the first sentence, after the words "audit statement", insert the words ", programmes scheduled for implementation or being implemented, other documents providing a basis for the conducting of events and also a report on their implementation or information that the corresponding events have not taken place";

at the end of the second sentence, insert the words ", programmes scheduled for implementation and other documents providing a basis for the conducting of events - before implementation of the programme (or part thereof) commences, programmes being implemented and other documents providing a basis for the conducting of events – annually, and a report on the implementation of programmes and the execution of other documents providing a basis for the conducting of events or information that the corresponding events have not taken place – annually";

b) [*"б" in the original Cyrillic text*] in paragraph 4:

reword the first and second sentences as follows:

"A structural subdivision of a foreign non-profit non-governmental organisation shall submit to the authorised body a report on its activities in the form established by the authorised body, containing information on the amount and sources of the monetary funding received and other property, on the supposed distribution thereof, on the aims of spending and use thereof and on actual spending and use thereof, on the planned channelling of monetary funding and other property to recipients of such monetary funding and other property, on programmes scheduled for implementation or being implemented on the territory of the Russian Federation, on other documents providing a basis for the conducting of events as well as information on the conducting of events or information that the corresponding events have not taken place, on the spending of the said monetary funding by natural persons and legal entities to which they are granted, and on the use of the property provided to them. The time limits for submitting the report shall be determined by the authorised body.

A structural subdivision of a foreign non-profit non-governmental organisation shall submit to the authorised body the audit statement received from a Russian audit firm/Russian individual auditor on the results of the audit of the annual accounting/financial statements, if not otherwise provided for in an international treaty of the Russian Federation, the programmes scheduled for implementation or being implemented on the territory of the Russian Federation, other documents providing a basis for the conducting of events on the territory of the Russian Federation and also a report on their implementation or information that the corresponding events have not taken place. The procedure and time limits for submitting the programmes scheduled for implementation and being implemented on the territory of the Russian Federation and other documents providing a basis for the conducting of events and also the report on their implementation shall be determined by the Russian Federation Government.";

add a new third sentence reading as follows:

"The time limits for submitting the audit statement shall be determined by the authorised body.";

consider the previous third sentence as the fourth sentence;

c) [*"б" in the original Cyrillic text*] supplement paragraph 4² with a sub-paragraph 7 worded as follows:

"7) the receipt by the authorised body or a territorial agency thereof of information from state authorities, local self-government authorities, citizens or organisations concerning the participation of a non-profit organisation in events carried out by a foreign or international non-governmental organisation whose activities have been declared undesirable on the territory of the Russian Federation under the procedure established by Russian Federation legislation.";

d) [*"в" in the original Cyrillic text*] reword paragraph 12 as follows:

"12. The authorised body shall send a non-profit organisation performing the functions of a foreign agent or structural subdivision of a foreign non-profit non-governmental organisation a reasoned decision in writing prohibiting implementation on the territory of the Russian Federation of the programme (or part thereof) scheduled for implementation or being implemented on the territory of the Russian Federation. A non-profit organisation performing the functions of a foreign agent or structural subdivision of a foreign non-profit non-governmental organisation receiving a decision prohibiting the implementation of a programme (or part thereof) may not proceed with implementing that programme (or part thereof) and shall be under obligation to cease activities linked with the implementation of that programme (or part thereof). Failure to execute that decision shall entail the liquidation of the non-profit organisation performing the functions of a foreign agent or the liquidation of the subdivision of a foreign non-profit non-governmental organisation by court decision upon an application by the authorised body or territorial agency thereof, or the exclusion of the relevant branch or representative office of the foreign non-profit non-governmental organisation from the register of branches or representative offices of international organisations or foreign non-profit non-governmental organisations by decision of the authorised body.".

Article 2

The present Federal Law shall enter into force upon expiry of one hundred and eighty days following the date of its official publication.

President
of the Russian Federation

EXPLANATORY MEMORANDUM
to the draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"

The draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations" (hereinafter – the draft law) has been drawn up with the aim of improving Russian Federation legislation on non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations.

The draft law provides for the broadening of the concept of "foreign sources", a ban on registering structural subdivisions of foreign non-profit non-governmental organisations on residential premises, the introduction of an additional ground for carrying out extraordinary inspections and also the obligation for non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations to submit programmes and other documents providing a basis for the conducting of events and a report on their implementation to the Russian Ministry of Justice.

The introduction of the corresponding amendments into the legislation is prompted by the need to improve Russian Federation legislation on non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations for the purpose of safeguarding human and civil rights and freedoms as well as the legally protected interests of society and the State.

Implementation of the provisions of the draft law will have no impact on the revenues or expenditures of and will not incur additional expenditure from the federal budget or other budgets in the budgetary system of the Russian Federation.

Implementation of the provisions of the draft law will not entail socio-economic, financial or other consequences, including for entities engaged in entrepreneurial or other economic activities, nor will it affect the attaining of the goals of the state programmes of the Russian Federation.

The federal law will be implemented within the limits of the Russian Federation federal budget provision and the established limits of staffing levels of the Russian Ministry of Justice.

The draft law will not contravene the provisions of the Eurasian Economic Union or the provisions of the other treaties of the Russian Federation.

The draft law contains no binding requirements for which compliance is assessed within the framework of federal state supervision of the activities of non-profit organisations in the examination of cases involving administrative infringements.

FINANCIAL AND ECONOMIC JUSTIFICATION

for the draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"

The implementation of the provisions provided for in the draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations" will not require any additional expenditure from the federal budget or other budgets in the budgetary system of the Russian Federation.

LIST

of federal laws that will have to be declared void, suspended, amended or adopted in connection with the adoption of the Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"

The adoption of the Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations" will not require any federal laws to be declared void, suspended, amended or adopted.

LIST

of acts of the Russian Federation President, the Russian Federation Government and federal executive authorities that will have to be declared void, suspended, amended or adopted in connection with the adoption of the Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"

The adoption of the Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations" will require the publication of:

- a) [*"a" in the original Cyrillic text*] a Russian Federation Government order "Establishing the procedure and time limits for submitting programmes scheduled for implementation and being implemented on the territory of the Russian Federation and other documents providing a basis for the conducting of events and also a report on their implementation";
- b) [*"б" in the original Cyrillic text*] a Russian Ministry of Justice decree "Amending Russian Federation Ministry of Justice decree no. 170 of 16 August 2018 "Establishing forms of reporting by non-profit organisations".

It is proposed that the acts concerned be amended within six months following the adoption of the federal law.

The adoption of the federal law shall not require any acts of the Russian Federation President to be declared void, suspended, amended or adopted.

RUSSIAN FEDERATION GOVERNMENT

INSTRUCTION no. 2881-r

of 6 November 2020

Moscow

1. The draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations" shall be tabled in the State Duma of the Federal Assembly of the Russian Federation
2. The State Secretary/Deputy Minister of Justice of the Russian Federation, Andrey Viktorovich Loginov, shall be appointed as the Russian Federation Government's official representative in the examination by the houses of the Federal Assembly of the Russian Federation of the draft Federal Law "Amending the Federal Law "On non-profit organisations" as regards improving the legal regulation of the activities of non-profit organisations performing the functions of a foreign agent and structural subdivisions of foreign non-profit non-governmental organisations"

M. Mishustin
Prime Minister of the Russian Federation Government