



DEVELOPMENT OF COMPETITION POLICY IN THE RUSSIAN FEDERATION

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Improvement of the competition policy:

- development of the Russian competition legislation;
- creation of the system control over the observance of the competition while granting the state aid;
- participation in the procompetitive restructuring of the natural monopolies in the Russian Federation.



Promising changes of the competition legislation:

New Law on Competition

Aim:

perfection of the competition legislation, aimed at the increase of the enforcement efficacy.



New Law on Competition:

- unification of the rules, regulating competition relations on commodity and financial markets in the same law;
- switch in the control over economic concentration in most of the cases from the preliminary authorization (mandatory) to the notification;
- switch to the post-merger control in all cases, when a transaction is made in the frames of one group of persons;
- legislative establishment of the obligation to disclose the information about the real beneficiaries, taking part in transactions of the offshore companies;
- introduction of the procedure of the antimonopoly agencies' listening to the opinions of the transaction's participants and other persons in the process of the public examination of the concrete transaction;
- modification of the existing procedure of laying down demands, directed at the ensuring of competition,



New Law on Competition

(continuation) :

- revelation mechanism's improvement of anticompetitive agreements;
- reinforcement of the antimonopoly control over abuse of dominant position;
- specification of the order and register's of the economic entities, having the market share of the specified goods more than 35 % formation and keeping;
- estimation of the exceeding beneficial effect over negative consequences for the examined commodity market as a result of the anticompetitive actions specification's;
- strengthening of the powers of the competition authorities in receiving of information and suppression of a violations of the competition legislation;
- toughening of penalty sanctions for violation of the competition legislation.



The draft of the Law “On alterations to articles 17 and 18 of the Law on Competition”

The threshold value's increase of the cumulative assets of economic entities, whose transactions come within the antimonopoly control.



Preliminary control:

The threshold value currently in force:

- 20 millions rubles – about 660 thousands US dollars;
- Proposed increase of the threshold value will be at 150 times:
- 3 billions rubles – about 100 millions US dollars.



Posterior control:

The threshold value currently in force:

- 10 millions rubles – about 330 thousands US dollars;
- Proposed increase of the threshold value will be at 20 times:
- 200 millions rubles – about 660 thousands US dollars.



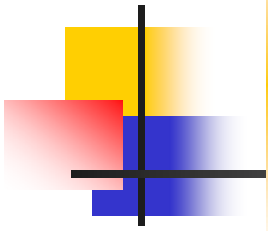
Creation of the system control over the observance of the competition while granting the state aid

Actuality:

- carry on negotiations on the accession of Russia to WTO (WTO's agreement on subsidy and compensation measures);
- fulfillment of the obligations, arising from the Agreement on partnership and cooperation between Russia and EC (article 53 "Competition").

Form of realization:

- special section in the new law on competition, devoted to the state control over granting benefits and preferences by government authorities.

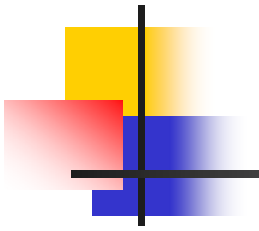


Creation of the system control over the observance of the competition while granting the state aid

(continuation)

Fundamental provisions:

- definition of basic principals of the realization of the state aid control over granting benefits and preferences by government authorities;
- division of benefits' and preferences' granting on three categories:
 - prohibited;
 - permissible;
 - authorized;
- introduction of the preliminary control by the antimonopoly authorities over granting benefits and preferences by government authorities.



Participation of MAP Russia in process of the procompetitive reforming of natural monopolies in the Russian Federation

Participation of MAP Russia in drafting of the Law “On Natural Monopolies”;

Introduction of the system for preventing creation of discriminatory conditions, including subjects of natural monopolies;

Participation of MAP Russia in the preparation of programs of reforming natural monopoly subjects;

Providing of regulation of natural monopoly subjects' activities, based on principles of publicity and necessity of preventing of competition legislation's.



Conclusions:

Creation and development in the Russian Federation of competition legislation, based on principals, compatible with rules, adopted in OECD countries.

Impending changes of competition legislation will allow rating up the effectiveness of its application and bringing down barriers to enter the market.

Competition principles in the Russian Federation are becoming an integral part of business making rules and rules of decision making by the state authorities.