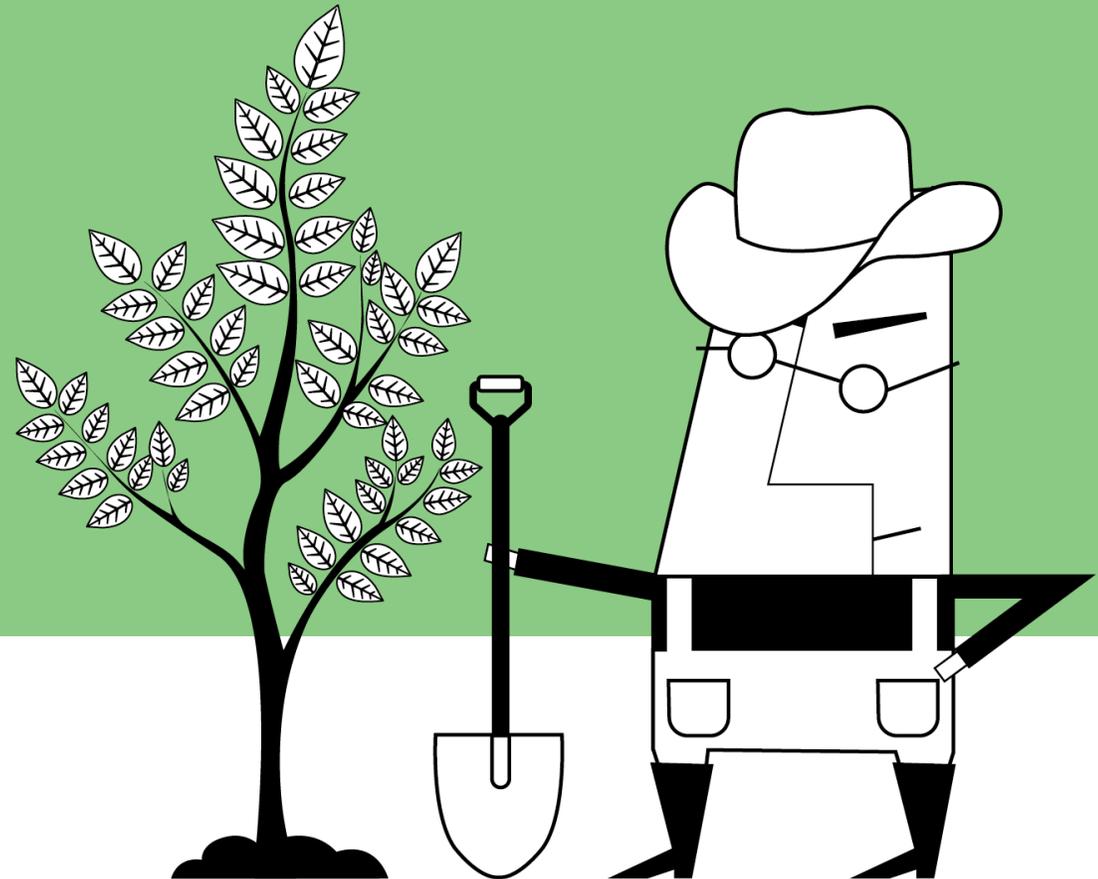


ENVIRONMENTAL REGULATION



About the practice



Two lawyers of the practice are certified as environmental auditors.



Developing amendments to the laws on industrial safety, on the water supply and on water discharge.



Providing legal support in the largest environmental damage compensation dispute in history. The amount of the claims was RUB 148 billion.

Services

- Reviewing the environmental protection requirements applicable to a project that is being implemented;
- Applying hygiene and public health rules and regulations;
- Resolution of disputes related to harm caused to the environment and to other issues arising from the use of natural resources (including licensing);
- Working on matters connected with the processing and recycling of waste and with the payment of environmental duty by manufacturers and commodity importers;
- Support for projects taking place in specially protected natural areas;
- Advising on industrial safety.

The Russian Constitutional Court has confirmed that Zapolyarneft's lawyers and Pepeliaev Group have taken the correct position in terms of whether environmental charges are proportional

On 2 June 2015, the Russian Constitutional Court announced its resolution concerning the claim of OOO Zapolyarneft stating that environmental charges imposed on this company were disproportionate. One of the rules of the Russian Forestry Code and the Russian Government's resolution based on it were recognised as inconsistent with the Constitution.

The claimant, an oil producer, promptly performed clean up work, which to a significant extent removed the adverse consequences of an oil spillage resulting from a technology breakdown.

The legislative rules that were challenged were uncertain, and this gave rise to contradictions in court and administrative decisions. As a result, the amount charged to the claimant was of the same order as the fee that would have been imposed on it if it failed to clean up the spillage. When applied this way, the challenged rules discouraged companies from performing a clean up, because a company would lose out by doing this, incurring greater costs, when the amounts charged to it are factored in, than if it had refused to clean up. The Federal Supervisory Natural Resources Management Service and the courts that supported it took the stance that neither the level of pollution, nor the outcome of the clean up work is relevant, and that a fixed fee is to be paid for the violation that the company has committed.

'From the legal viewpoint the Constitutional Court handed down a profoundly justified and well-balanced decision. Both the oil company, as the claimant in the lawsuit, and we as its representatives adhered to a common position that it is not only the property interest which matters in this case. It is far more important that the law should promote the restoration of the forest's ecological system. However, what happened was precisely the opposite. Moreover, the general legal principle of proportionate liability should be observed in all the spheres, including environmental violations,' Pepeliaev Group's managing partner Sergey Pepeliaev noted.

Legal assistance to an oil company with regard to the use of natural resources

Pepeliaev Group's lawyers provided legal support to a major Russian oil company regarding the rational use of natural resources, use of mineral resources, and environmental protection. Among the issues covered were the compensation of damage caused to the environment, the devastation of forests, excessive air pollution, industrial safety, compliance with sanitary legislation, and other matters.

Advice to a large Russian company on the use of natural resources

Provided legal advice to a large Russian company on the use of natural resources, use of subsoil and environmental protection, including on compensation for environmental damage from oil spills, wood cutting, high level of air pollutants emission etc

Conducted a due diligence of a company trading carbon emission quotas

Conducted a due diligence of a company trading carbon emission quotas in terms of its potential acquisition. Analysed the procedure for obtaining a license and the issues of compliance with license agreements and environment legislation. Assessed possible risks relating to violation of legislation.

Support of a large oil company with regard to rational usage of natural resources

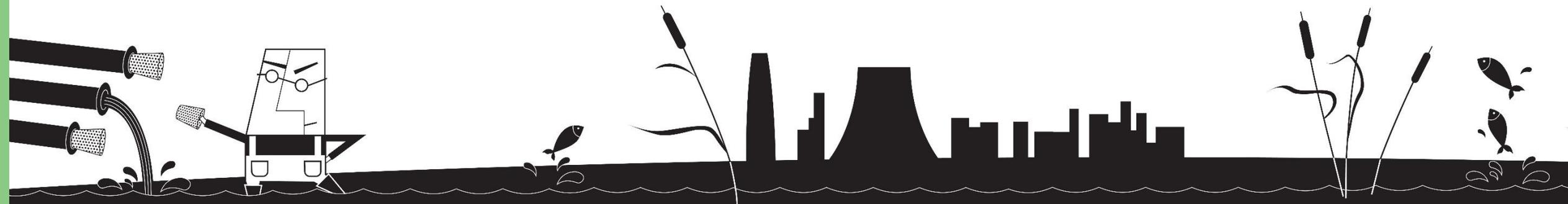
Supported a large oil company with regard to rational usage of natural resources, use of subsoil and environmental protection (including compensation for environmental damage, wood cutting, excessive emission of air pollutants), as well as industrial safety, compliance of sanitary legislation and other matters

Our services

Drawing up a production sharing agreement (PSA) in relation to developing the Khvalynskoye field

Within the framework of a state contact with the Russian Ministry of Energy, Pepeliaev Group's lawyers provided services that involved a legal analysis of the draft of a PSA for the use of mineral resources of the Khvalynskoye field. Our lawyers participated in negotiations with the investor representing the Russian government; they provided recommendations on the wording of the PSA, and expert support to the government's representatives to ensure that the project was as favourable as possible for the Russian Federation, and that the state's interests were protected. In the course of the project, we analysed the PSA's terms and conditions from the standpoint of whether they were in line with the current legislation on PSAs, the legislation on mineral resources, and the tax regime on the use of mineral resources taking into account the specifics of international status of the Caspian Sea, etc.

While continuing to develop the draft of the PSA, our lawyers were holding negotiations with the Russian Ministry of Energy, the Ministry of Natural Resources and the Environment, the Ministry of Finance, and other ministries and the investor's members. In addition the lawyers were solving various legal issues relating to the legislation on PSAs, the use of mineral resources, environmental protection, and others. Our lawyers also developed amendments to the inter-governmental Agreement between the Russian Federation and Kazakhstan. This PSA was only the fourth in Russia. For this project, Pepeliaev Group won the 'European Tax Transaction of the Year in the Energy Sector' category at the ITR European Tax Awards.



The team



Natalia Stenina

Partner, PhD in Law

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Yulia Yurchenko

Head of Ecology group, Krasnoyarsk

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Natalia specialises in real estate, corporate law, and environment protection. She has vast experience in providing legal support to foreign and Russian clients.

WHAT THEY SAY

“Clients recommend ‘tough negotiator’ Natalia Stenina, one of the heads of the real estate practice” (The Legal 500).

Yulia has, for more than 15 years, specialised in tax and environmental law.

She is experienced in resolving complex issues connected with legislation on VAT and corporate profit tax, and in providing support for field and desk tax audits both in and out of court.

She is also experienced in environmental audits.

WHAT THEY SAY

Pepeliaev Group's team exhibits “excellent value for money and a result-oriented approach” (The Legal 500).

About the firm

A leading Russian law firm offering the full range of legal services.

Lawyers

160

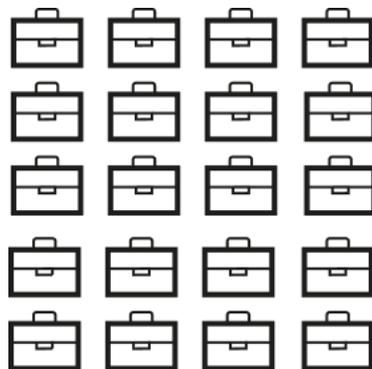


Our lawyers include
3 Doctors of Laws
and 19 PhDs in Law.



Clients

2000



Office

6

Moscow
St Petersburg
Nizhnekamsk
Krasnoyarsk
Vladivostok
Dubai

Developing Eastwards

- Chinese Desk
- Korean Desk

Ratings



CHAMBERS
EUROPE
CHAMBERS
GLOBAL

IFLR1000

World
Trademark
Review.

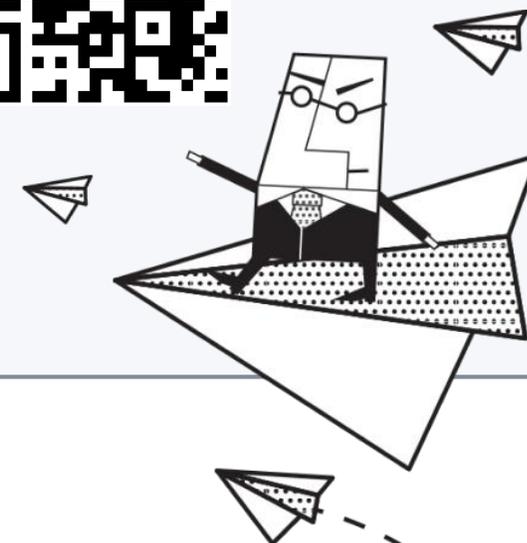
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TAX REVIEW



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News of the firm, themed overviews of legislation and administrative and judicial practice, and expert commentary



Services



Tax advice &
tax disputes



Administrative law
defence of business



Banking and
finance practice



Bankruptcy



Family and
inheritance law



Employment and
migration law



Customs law and
foreign trade
regulation



Currency regulation
and currency control



International litigation
and arbitration



Corporate law / M&A



Antitrust regulation



Dispute resolution
and mediation



Criminal law defence
of business



Legal protection
of information



Real estate & construction



Intellectual property
and trademarks



Environment



Telecommunications,
media and IT



Digital group



Life sciences

Geographical coverage

Chinese Desk

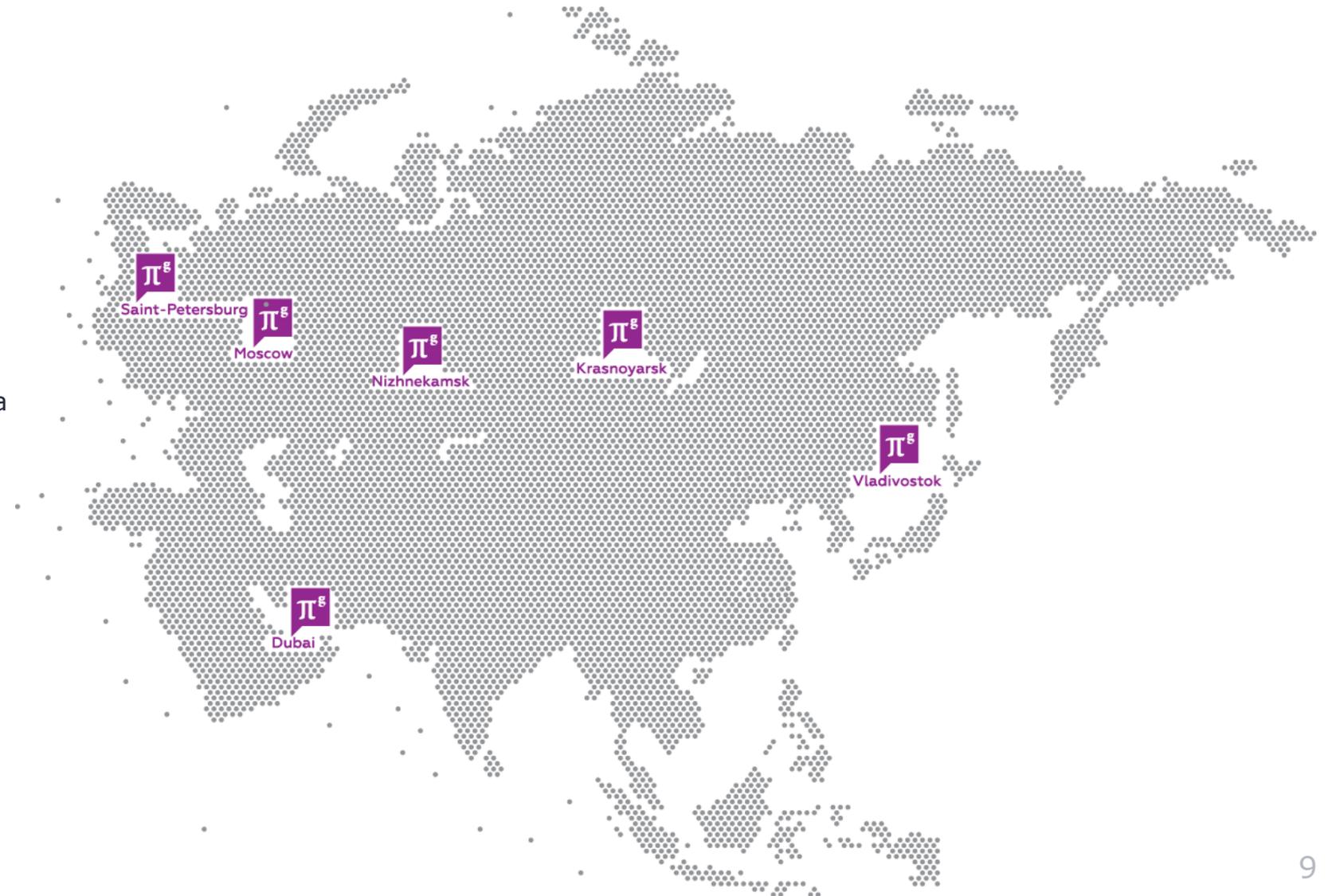
- Support for Chinese investors in Russia and for Russian investors in China.
- We have strategic partners on the Chinese market.
- Comprehensive legal support.

Korean Desk

- Legal advice to Korean companies in Russia and to Russian investors in Korea.

Middle East Desk

- PG TAX Consultancy LLC provides services on tax structuring and tax consultancy in UAE and GCC.



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