



WE WILL HELP YOU TO IMPLEMENT YOUR PROJECTS IN ST PETERSBURG AND THE NORTH WESTERN FEDERAL DISTRICT

Pepeliaev Group's
St Petersburg Office

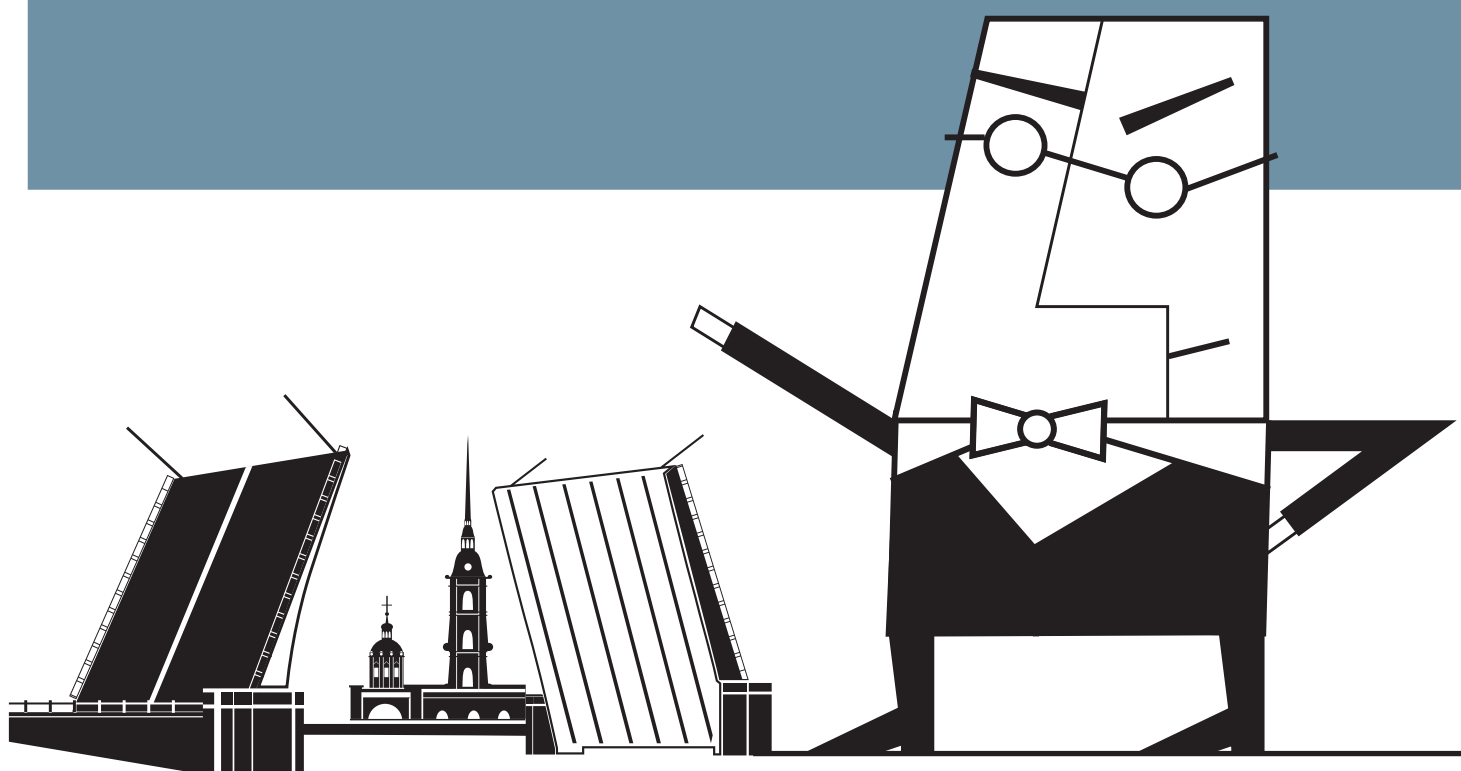


TABLE OF CONTENTS

FACTS AND FIGURES
ABOUT THE OFFICE

04

SERVICES
AND PROJECTS

06

Tax Practice

Corporate Law /M&A

Land Law, Real Estate and Construction

Dispute Resolution and Mediation

Bankruptcy and Anti-crisis Protection of Business

The Environment

Administrative Law Defence of Business

Employment and Migration Law

Art and Culture Law

KEY CONTACTS

34

ABOUT THE FIRM

36

GEOGRAPHICAL
COVERAGE

38

FACTS AND FIGURES ABOUT THE OFFICE

Pepeliaev Group's St Petersburg Office was opened in 2004 and became the firm's first regional outpost.

Today, Pepeliaev Group has one of the strongest teams of lawyers on the legal market of St Petersburg and the North West of Russia. The team is renowned for its experience of providing support for investment projects, handling transactions with land and real estate, resolving complex taxation matters and defending clients in tax and commercial disputes.

We have 20 years of experience in providing highly professional legal support for comprehensive projects in St Petersburg, the North-Western Federal District and other regions. With our assistance, clients have completed hundreds of projects including:



The construction of plants



Retail projects



The construction of roads



The construction of residential buildings



The construction of oil and gas infrastructure

Lawyers of the practice have vast experience in resolving complex tax and business disputes (including in the Russian Supreme Court and Russian Constitutional Court) with some of these cases setting precedents and generating case law that is favourable for business.

Key areas of practice

- Corporate law and M&A
- Tax law & tax disputes
- Land law, real estate and construction
- Dispute resolution and mediation
- Bankruptcy and anti-crisis protection of business
- Ecology and environmental regulation
- Administrative law defence of business
- Employment and Migration Law
- Art and culture law

Over the last three years:



\$100 million

Thanks to our efforts in defending clients' interests in litigation, we have saved them more than \$100 million.



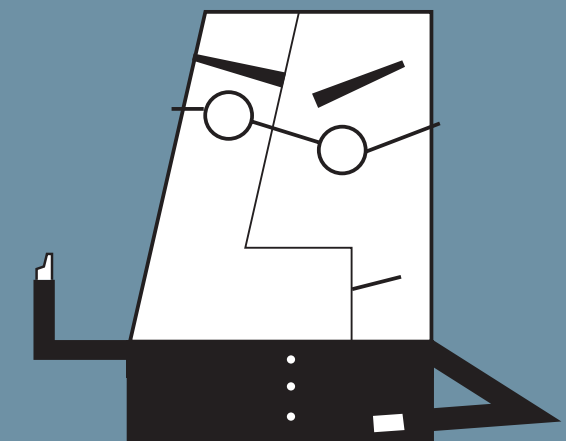
€225 million

We have provided legal support during major transactions in various industries, including one of the most high-profile transactions on the retail market: the acquisition of Billa Russia hypermarkets by the Lenta chain for €225 million.



1,000 developments

We have examined more than 1,000 pieces of real estate within the scope of due diligence that we have conducted for our clients.

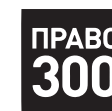


For more than 10 years in a row, the St Petersburg Office and its key experts have been mentioned in **leading international and Russian ratings:**



CHAMBERS
EUROPE

CHAMBERS
GLOBAL



Best Lawyers

Key clients of the Office:

ЭТАЛОН

ЗБАЛТИКА



AEM-TECHNOLOGIES
ROSATOM

lenta

TECHNONICOL



Tax practice

PROTECTION IN TAX DISPUTES

01 CONFIRMED THE RIGHT TO DEDUCT VAT AMOUNTS UNDER TAX EXEMPT TRANSACTIONS

We defended in the Russian Supreme Court the investor and developer of the Nikol-skie Ryady project in a dispute with the tax authority concerning the right to deduct VAT for restoration works carried out in a building that was a listed building of national significance. The Board for Economic Disputes accepted our arguments and upheld the client's application in its entirety (Ruling No. 307-KG17-9857 of the Russian Supreme Court's Judicial Board for Economic Disputes dated 27 November 2017). This made it possible for the practice of lower courts to be changed in similar cases.

02 SUCCESSFULLY PROTECTED BANK LOYALTY PROGRAMMES

We achieved victory before the Presidium of the Russian Supreme Commercial Court in the case of Citibank concerning whether taxable income arises when VIP clients receive incentives from banks (Resolution No. 13986/12 of the Presidium of the Russian Supreme Commercial Court dated 9 April 2013). Our team of lawyers was able to prove that no taxable income arises, thus creating a precedent of significance for the entire banking sector.

03 WON IN THE RUSSIAN CONSTITUTIONAL COURT A CASE CONCERNING THE VAT RATE UNDER A TIME CHARTER AGREEMENT

Our team helped a Russian oil company which hired a tanker under a time charter agreement to export oil along the Northern Sea Route to the Russian border and then to Rotterdam. It was expected that 0% VAT would apply to these transactions. Due to an accident that happened within Russia, the oil had to be reloaded onto another owner's tanker. The first ship owner decided that the chartering services in the transaction that had been effected were taxable at the 18% rate and applied to the court to recover VAT from the charterer. We developed for the client a legal position which only the appellate court upheld; the first instance court, the cassation court and the Supreme Court took our opponent's side. However, we prepared, together with our client, an appeal to the Russian Constitutional Court, which upheld our position. It ruled that, according to the interpretation of the rules of the Russian Tax Code from the standpoint of constitutional law, the 0% rate was to be applied (resolution No. 31-P of the Russian Constitutional Court dated 30 June 2020).

04 A COURT DISPUTE CONCERNING A REFUSAL TO REFUND OVER RUB 500 MILLION OF VAT

Further to a desk audit of our client, an exporter of foreign premium cars, the tax inspectorate concluded that the taxpayer had not been pursuing the purpose of receiving a profit because it had not included VAT paid to the Russian supplier in the mark-up for its export transactions. We defended the client when the case was considered by courts of two levels and succeeded in proving that the inspectorate had been wrong in its conclusion about there being no economic benefit. The inspectorate refunded VAT to the taxpayer. The aggregate amount for different episodes exceeded RUB 500 million.

PROVIDING SUPPORT DURING TAX AUDITS / PRE-TRIAL SETTLEMENT OF TAX DISPUTES

01 CHALLENGED ADDITIONAL TAX ASSESSMENTS IN TRANSACTIONS WITH "BAD FAITH" SUPPLIERS

Acting for a major client, we had a dispute settled with the tax authority concerning additional tax assessments in transactions with "bad faith" suppliers. Based on a field tax audit, the inspectorate concluded that the client had unlawfully accepted VAT for deduction and reduced its profit tax by expenses on buying goods from more than 10 suppliers. Despite the unfavourable court practice that has been generated in similar cases, our lawyers succeeded in having the tax inspectorate's claims reduced by several hundred million roubles by proving that the inspectorate had no grounds for charging the client with the intentional non-payment of taxes.

02 CHALLENGED ADDITIONAL ASSESSMENTS FOR THE SPLITTING UP OF A BUSINESS

We provided support during a tax audit of our client, a regional retail chain. The tax inspectorate had claims against it concerning VAT and profit tax in connection with the alleged splitting up of a business, thus creating a tax evasion scheme. We proved at the pre-trial stage that the additional assessments were ungrounded which made it possible to reduce them by more than 2,000 times.

03 SUCCESSFULLY PROTECTED A CLIENT DURING A DESK TAX AUDIT

The team of our tax practice succeeded in protecting the position of our client (a major Russian power engineering company) concerning whether VAT had been lawfully deducted with respect to prod-

ucts purchased for the production of equipment for nuclear power stations which was intended to be exported.

TAX ASPECTS OF INFRASTRUC- TURE / INVESTMENT AND CON- STRUCTION PROJECTS

01 ADVISING ON TAX ASPECTS OF PUBLIC-PRIVATE PARTNERSHIPS

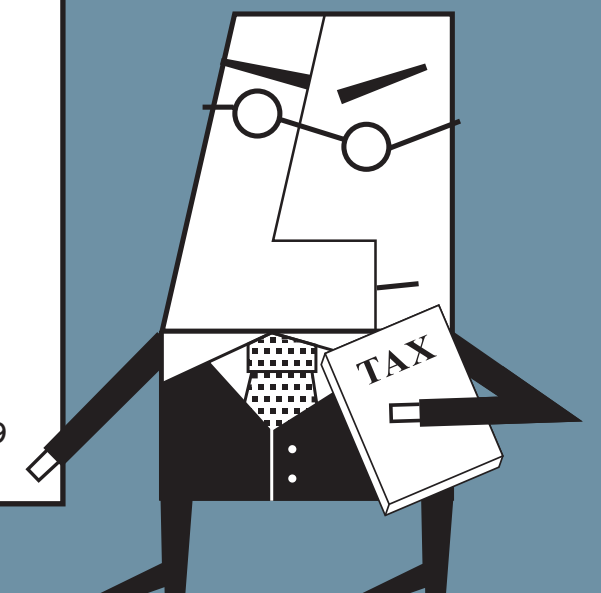
We are advising a company which was created for the construction and operation of a motor road of national significance on various tax-related matters including: the deduction of the client's expenses on the construction of both the primary facility and social infrastructure facilities connected with it; the tax consequences of agreements being entered into in the framework of the construction; and different matters that arise during contacts with tax authorities.

02 ADVISING ON THE TAXATION OF DEVELOPERS' ACTIVITIES

We are providing support to large construction and development companies with respect to complicated tax matters that arise in development projects. This includes advising on matters connected with VAT, profit tax under shared construction agreements and land tax, as well as analysing the tax consequences of different transactions in which developers bear expenses connected with the creation of social, transport and other infrastructure facilities. Our recommendations help our clients to solve with the maximum efficiency problems with the booking and taxation of different transactions connected with the construction of residential buildings and commercial real estate.

"AN IMPRESSIVE TRACK RECORD
IN RESOLVING TAX DISPUTES
AND OUTSTANDING EXPERIENCE
OF HANDLING LARGE-SCALE TAX
DISPUTES, INCLUDING REPRESENTATION
AT THE LEVEL OF THE RUSSIAN
SUPREME COURT".

CHAMBERS EUROPE, 2019



ADVISING ON COMPLEX TAX MATTERS THAT ARISE IN CLIENTS' DAY-TO-DAY ACTIVITIES

01 ADVISED ON THE CALCULATION OF INCOME OF FOREIGN COMPANIES

We advised a Russian furniture producer on the taxation of transactions involving the purchase of goods (furniture fittings) and delivery services from Slovak companies. Despite only the transportation of goods by motor vehicles being mentioned in the agreement, in reality, the Slovak company was providing forwarding services to organise transportation using the resources of Polish and Belarusian carriers. Moreover, these services were provided both before and after Double Tax Treaties were suspended with "unfriendly" countries and the Russian Tax Code was amended to mitigate the consequences of these suspensions.

02 TAX ISSUES OF A TRANSACTION BEING MADE INVOLVING MEMBERSHIP INTERESTS AND REAL ESTATE

We advised a developer in St Petersburg that specialises in creating and operating commercial real estate with regard to the procedure for the taxation in Russia of transactions with membership interests of a Russian LLC which a Russian national and a national of an 'unfriendly' state who is not a Russian tax resident held through a Cyprus-based holding company. We also advised the client in relation to transactions under which dividends were paid in the form of membership interests of the Russian LLC from a Cypriot company to a member in Hong Kong.

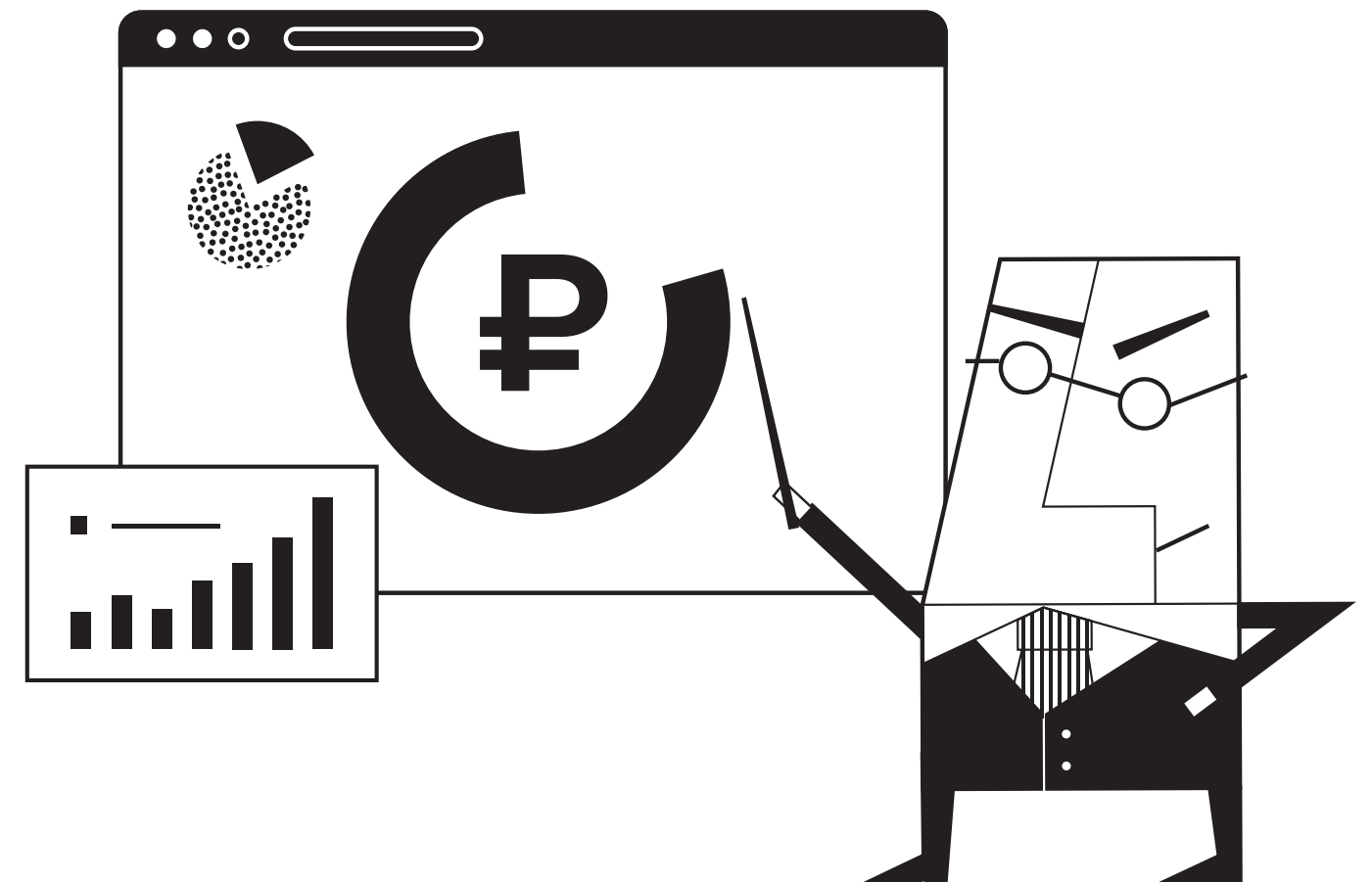
03 ADVISED ON THE TAX CONSEQUENCES OF A FOREIGN COMPANY SELLING ITS BUSINESS TO A RUSSIAN OWNER

We provided assistance to a well-known producer of heat insulation materials before and during the sale of a company by a European transnational corporation to a new Russian owner. Our services consisted of preparing advice on the tax implications and drafting agreements for the services of the "clipping out" of the general SAP database information relating to the Russian company so that it could still be used should the company decide to quit using SAP software and to trans-

fer to 1C (Russian accounting software). In addition, we advised the client on the tax and civil law risks arising after a foreign member sells shares to a Russian member in connection with the Russian company using trademarks owned by the group of companies. We analysed the possibilities for eliminating these risks and offered to the client the best options in terms of the tax consequences of the transactions.

04 ADVISED ON DEBT UNDER A LOAN

We advised a Russian company, which had been included in the American SDN list and as a result was unable to receive from a Cypriot company a settlement of debt under a loan agreement. The advice concerned the possible options and tax consequences of such debts being written off.





Corporate law and M&A

TRANSACTIONAL SUPPORT

01

PROVIDED SUPPORT IN A RANGE OF TRANSACTIONS IN THE CONTEXT OF A HOTEL CHAIN ENTERING THE RUSSIAN MARKET

We provided comprehensive support to a foreign developer building a hotel chain in different regions of Russia. Our task involved structuring and providing assistance during transactions that involved purchasing real estate (land plots and buildings). This included due diligence of the assets being acquired, analysing the tax consequences of the transactions being concluded, drafting the necessary documents, negotiating with sellers on behalf of the client and having the transactions approved by the antitrust authority.

02

PROVIDED SUPPORT TO A COMPANY IN THE CONTEXT OF ITS BUSINESS BEING DISPOSED OF TO A NEW COMPANY

We provided comprehensive legal support to a Russian member of an international metallurgical group of companies whose members decided to sell all its production assets (a plant including buildings and production lines) and non-production assets (a land plot) to a new company. Our tasks included working through different options for structuring the transaction including analysing whether the approval of the Government Commission was required for the disposal of real estate, as well as drafting sale and purchase agreements. Our lawyers succeeded in finding a way to conclude the transaction without obtaining the approval of the Government Commission.

03

PROVIDED SUPPORT IN A TRANSACTION FOR THE SALE OF MEMBERSHIP INTERESTS IN ONE OF THE LARGEST PRINTING HOUSES IN THE NORTH WESTERN FEDERAL DISTRICT

In the course of this project, lawyers from the St Petersburg practice developed a refinancing plan and structured (including from the standpoint of tax implications) a transaction for the sale of membership interests in one of the leading Russian companies in the publishing market, providing comprehensive assistance with the transaction. This project was unique because the structure of the transaction had to meet several criteria at the same time and had to be the most effective from the standpoints of business management and of taxation. It also needed to ensure that the business or a membership interest in it could be quickly sold to new members.

04

TRANSACTIONAL SUPPORT WITH A VIEW TO LAUNCHING ON THE MARKET A NEW SERVICE IN THE AREA OF DIGITAL MEDICINE

We represented a research and innovation company in a transaction with a developer of medical devices based on artificial intelligence (AI) for the purpose of releasing a unique service on the market. Our team's work included negotiating on behalf of the client, providing support during the performance of agreements between the parties to the transaction which was structured as investments of the parties to the transaction in the authorised capital of a new company; preparing transaction documents and option agreements as well as handling the conclusion of the transaction. The transaction worth over USD 25 million was successfully completed.

05

REPRESENTED A CLIENT IN A TRANSACTION TO PURCHASE A CHAIN OF PETROL STATIONS

Pepeliaev Group's lawyers provided support to a large group of companies in the context of a purchase of a large chain of petrol stations in St Petersburg. This included preparing a letter of intent,

carrying out legal due diligence of the assets being acquired, negotiating with the seller and concluding the transaction.

ASSISTANCE IN INVESTMENT PROJECTS

01

PROVIDED SUPPORT IN AN INVESTMENT PROJECT TO LAUNCH A CAR-MAKING PLANT ST PETERSBURG

We provided full-fledged legal support in the context of the construction of a car assembly plant of a major global car manufacturer including selecting and carrying out due diligence of a land plot for the construction, then handling the subsequent purchase of it. We advised the client on different matters connected with obtaining tax benefits, negotiated with representatives of federal (the Ministry of Economic Development and the Russian Federal Customs Service) and regional authorities for the client to obtain the status of a strategic investor, concluded an investment agreement for the purpose of the duty-free import of components, and so on. For many years after the production had been successfully launched, we advised the client on a range of legal issues including land, construction, tax and employment law matters, and represented the client in court disputes.

03

PROVIDED LEGAL SUPPORT DURING THE SETTING UP OF A CAR PRODUCTION FACILITY IN RUSSIA

In the framework of a project to establish a joint Russian-Chinese enterprise to produce cars in Russia, we carried out legal due diligence of the asset being acquired (over 200 real estate items within the territory of the plant), then prepared recommendations on how to minimise risks and prepare the asset for sale.

02

PROVIDED LEGAL SUPPORT IN THE CONTEXT OF PREPARING TO IMPLEMENT AN INVESTMENT PROJECT THAT INVOLVED CONSTRUCTING A SEA PORT

Lawyers of our St Petersburg office advised a Korean multi-industry group on matters of legal regulation connected with the construction of a sea port and with attracting investments for it. Our team prepared legal opinions and recommendations on different corporate law matters and specific aspects of investing. We analysed the possible tax implications of acquiring the sea port as the client's property, as well as conditions for the client to receive tax benefits. In addition, we analysed construction and land use matters, as well as environmental and migration matters connected with the implementation of the project.

04

PROVIDED COMPREHENSIVE SUPPORT TO A CLIENT DURING THE CONSTRUCTION OF A GAS PIPELINE IN EASTERN SIBERIA

This complex and unique project was implemented by our client, a major fuel and energy company, and by an independent investor. We developed and offered to the client recommendations on structuring the project, analysed the investment agreement from the standpoint of setting up the most efficient flow of cooperation between the investor and the developer, and carried out an audit of rights to land plots for the construction of the gas pipeline as well as the risks connected with using them, taking into account special aspects of the legal regime for them.

CORPORATE GOVERNANCE MATTERS IN THE CONDITIONS OF SANCTIONS

01

PROVIDED ADVICE ON THE APPLICATION OF SPECIAL ECONOMIC MEASURES

The client required clarifications on restrictions that were in effect on completing transactions for the disposal of shares of Russian joint-stock companies and membership interests in the authorised capital of Russian LLCs, as well as advice on investments by Russian residents in the form of capital contributions to foreign companies. In the conditions of constantly changing legislation, our support has enabled the client to receive up-to-date information about the current restrictions on effecting transactions and on the procedure for obtaining approvals of the Governmental Commission for the Control of Foreign Investments.

02

PROVIDED SUPPORT FOR THE CREATION OF A JOINT VENTURE INVOLVING CAR PRODUCTION IN KAZAKHSTAN

We provided comprehensive support to a client during a complicated and multi-stage project taking into account current sanctions and other restrictions, including: (1) advising on the application of special economic measures and the need to obtain the Governmental Commission's approval of the transaction; (2) working through the structure of the future JV and analysing in parallel its possible currency, tax and corporate risks; and (3) preparing the documents under Kazakh law that were necessary to create the JV (a loan agreement, membership interest pledge agreement and a penalty option) to protect our client's interests to the greatest extent.

03

PROVIDED ASSISTANCE IN THE CONTEXT OF THE LIQUIDATION OF THE CLIENT'S RUSSIAN BUSINESS UNIT BECAUSE THE BUSINESS WAS LEAVING RUSSIA

Our tasks included developing and implementing the most efficient scenario for wrapping up in Russia the business of our client, a leading international container shipping company, in compliance with current statutory requirements. Within the framework of this project, we helped the client to: (1) carry out negotiations with other

members of the JV including concerning the distribution of profit between its members without having to use accounts of type "C" or to obtain an approval of the Governmental Commission; (2) resolve a corporate conflict between the members of the JV; and (3) prepare all necessary documents for the liquidation procedure.



Land law, real estate and construction

TRANSACTIONAL SUPPORT

01

PROVIDED SUPPORT IN THE CONTEXT OF ONE OF THE LARGEST TRANSACTIONS IN FOOD RETAIL WORTH €225 MILLION, INCLUDING CARRYING OUT COMPREHENSIVE DD

We provided comprehensive support to the major food and FMCG retailer Lenta in the context of its purchase of Billa Russia hypermarkets. This included carrying out due diligence of more than 160 real estate items and providing assistance in negotiations with respect to the transaction. In the framework of this project, we organised a new system for analysing and structuring data which enabled us to process large volumes of information in a short time and to identify the key risks that had the most significance when the real estate items were purchased. This was one of the largest transactions in this industry and we completed it successfully.

02

PROVIDING SUPPORT IN THE CONTEXT OF THE ACQUISITION OF REAL ESTATE FOR THE CONSTRUCTION OF RESIDENTIAL BUILDINGS AND INFRASTRUCTURE OBJECTS

We are providing ongoing legal support to a leader in the construction industry, GK Etalon. Over the last year, we have checked more than 20 land plots and the facilities on them, and have provided support to the client during the acquisition of a company that owned a well-known St Petersburg mixed-use development (the Leningrad Youth Palace). The transaction, worth over RUB 4 billion, was closed successfully.

03

PROVIDED ASSISTANCE IN THE CONTEXT OF THE ACQUISITION OF SEVERAL REAL ESTATE ITEMS UNDER SALE AND PURCHASE AGREEMENTS FOR A FUTURE ASSET

Pepeliaev Group's team of lawyers has carried out, at the request of a Russian investment fund, several legal audits of warehouse complexes under construction. The services also included analysing and amending sale and purchase agreements for a future asset and preliminary lease agreements for facilities under construction for the purpose of safeguarding the buyer's interests. The client has used the risks we identified and our recommendations on how to minimise them as a basis for the terms and conditions of the transactions to acquire these assets.

04

CARRIED OUT A RANGE OF COMPREHENSIVE AUDITS IN THE CONTEXT OF THE CLIENT'S PURCHASE OF ASSETS TO DEVELOP DEPOSITS

At the request of one of the largest oil and gas companies, we carried out a number of comprehensive DD audits of assets of companies involved in the development of deposits because our client had plans to acquire them. The scope of the audits included analysing rights to land plots where deposits were to be developed, whether licences and permits had been granted to carry out activities connected with the development of mineral deposits, whether the activities of the companies being acquired were in line with the rules of environmental laws, corporate matters, and so on

LITIGATION

01 A DISPUTE ON THE RECOVERY OF DEBT UNDER DESIGN AGREEMENTS

We helped the large French architect bureau Architecture Studio A.S. protect its interests in a case concerning the recovery of debt from a contracting party which had failed to perform its obligations in connection with a series of contracts being terminated for preparing the design of 11 residential buildings in St Petersburg. The court upheld the client's claims in their entirety; within the enforcement proceedings, not only was the principal debt (nearly EUR 700,000) returned to our client but default interest was also paid for the delay in paying the debt.

03 A DISPUTE ON THE RECOVERY OF DEBT FROM THE CLIENT BY THE GENERAL CONTRACTOR UNDER A CONSTRUCTION AGREEMENT

We represented the client, an oil processing plant, in the International Commercial Arbitration Court at the Russian Chamber of Commerce and Industry in a dispute with the general contractor concerning payment for construction coordination services. Owing to the legal position that Pepeliaev Group's team devised and the litigation strategy we developed, the client saved over EUR 10 million.

02 ASSISTANCE TO THE CLIENT IN DEFENDING BEFORE THE RUSSIAN SUPREME COURT A RIGHT TO A PREFERENTIAL LEASE RATE

We protected the interests of Essity LLC, one of Russia's leaders in the area of goods for hygiene and healthcare, before the Supreme Court in a complicated case concerning the application of a preferential lease rate for a land plot in federal ownership. The first instance and the appellate courts came down on the client's side, but the cassation court set aside their conclusions. We succeeded in having the Supreme Court set aside the decision of the Commercial Court for the North-Western Circuit and the client received an opportunity to have refunded the rent paid in excess in an amount exceeding RUB 67 million (case No. A56-50173/2022).

04 SUCCESSFUL CHALLENGED THE CADASTRAL VALUE OF A REAL ESTATE FACILITY

By going to court, we succeeded in having the cadastral value reduced by more than RUB 2 billion for the large St Petersburg business centre Petrovsky Fort, which considerably reduced the client's tax burden.

ADVISING ON DIFFERENT REAL ESTATE AND CONSTRUCTION MATTERS

01 LEGAL ASSESSMENT OF A CONSTRUCTION FINANCING SCHEME IN THE CONTEXT OF PUBLIC-PRIVATE PARTNERSHIPS

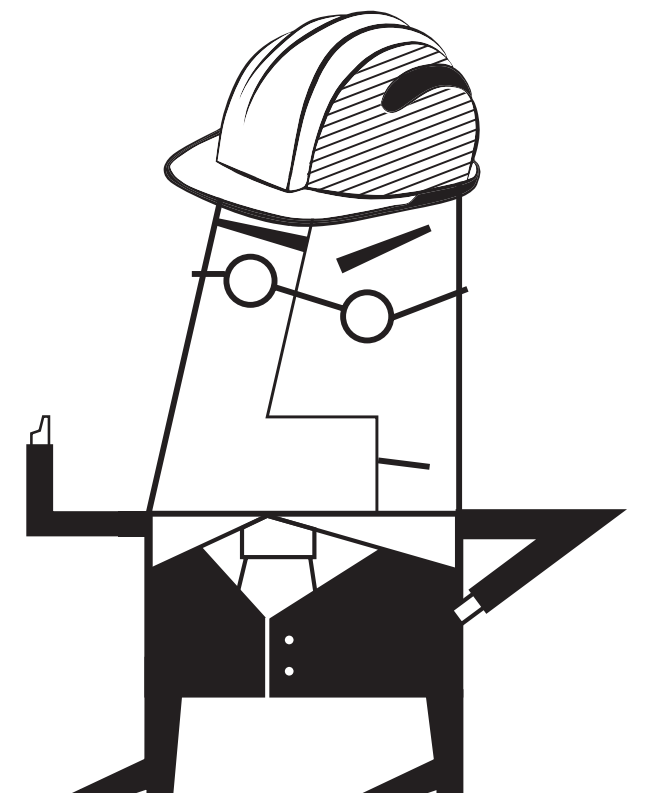
The team of our lawyers prepared for a contractor involved in the construction of the Western-High Speed Toll Road in St Petersburg a legal opinion concerning the legal risks of the current scheme of financing construction from state budgetary funds in connection with the client's transfer to supervision by the treasury (risks of the agreement being terminated and of different types of liability being imposed, including risks for controlling persons). We gave recommendations on how to minimise these risks.

03 CONSTRUCTION OF A CULTURAL HERITAGE SITE IN A PROTECTIVE ZONE

We analysed the permits and the draft investment agreement of our client, a major Russian oil and gas company which is building a social and business centre with a recreational zone in St Petersburg. Since the land plot allocated for construction included an archaeological heritage site and has for many years been the subject matter of multiple litigations (including with historic preservation activists), a careful audit was required, along with an assessment of risks of investing in the project.

02 ADVISING ON FEDERAL LAW 214-FZ

We are advising clients that are developers on different matters connected with restrictions imposed by Federal Law No. 214-FZ "On participation in the shared construction of apartment buildings ..." dated 30 December 2004. Our work includes analysing specific types of activities that developers perform with respect to compliance with the law, identifying key risks and preparing recommendations on how to eliminate violations.





Dispute resolution and mediation

O1 SUCCESSFULLY RECOVERED DEBT UNDER A SALE AND PURCHASE AGREEMENT

The team from Pepeliaev Group's St Petersburg Practice successfully protected in court the interests of a major Asian energy group which recovered debt in the amount of USD 4 million from a contracting party under agreements for the sale and purchase of Korean goods. The project continued for more than a year; our lawyers succeeded in winning the dispute, even though the evidence clearly contradicted itself.

O2 REPRESENTED A CLIENT IN A DISPUTE CONCERNING THE RECOVERY OF LOST PROFIT

We helped a client, a leading producer of low-alcohol beverages, to win a dispute with a former distributor of its products that had claimed the recovery of lost profit (over RUB 125 million) after our client had withdrawn from a distributor agreement and in connection with alleged multiple violations of the terms and conditions of the agreement by our client. Using the litigation strategy developed by our lawyers, we succeeded in convincing courts of three levels to uphold our arguments and set aside the distributor's claim in its entirety.

O3 WON A DISPUTE CONCERNING THE RECOVERY OF AN INSURANCE AMOUNT

We won in courts of three levels a dispute of our client, a large pharmaceutical group of companies, with an insurance company which essentially refused to pay the insurance amount after an insured event had occurred. Despite the existing adverse judicial practice in similar cases, the courts took the client's side, compelling the insurance company to pay in full the amount of the insurance and default interest for the use of another party's monetary funds.

O4 SETTLED A DISPUTE OUT OF COURT CONCERNING THE REPAYMENT OF DEBT TO A CONTRACTING PARTY

We developed for our client, a major car manufacturer, the most efficient scheme for discharging its debt (over USD 16 million) to its contracting party under an agreement for the supply of equipment. Thanks to our involvement, the client succeeded in avoiding a court dispute with the contracting party and negotiating terms and conditions for repaying the debt that were acceptable for the client. This has reduced the burden on the client's business and helped it to remain financially stable.



Bankruptcy and anti-crisis protection of business

01

SUCCESSFULLY PROTECTED A CREDITOR IN A BANKRUPTCY CASE OF A CONTRACTING PARTY

We provided support to one of the largest Russian oil refineries in the framework of a bankruptcy case of a contracting party which was involved in the production and installation of equipment when the refinery was built. Over two years, we have represented the client in more than 40 litigations including concerning its inclusion in the register, the termination of the contractor agreement and the debtor's counterclaims to recover from the creditor losses exceeding RUB 260 million, while we successfully appealed against unlawful actions of the court-appointed administrator and decisions of the creditors' meetings. As a result, the conflict with the contracting party was successfully resolved and the debt to our client was settled.

02

CHALLENGED AN INEFFECTIVE PLAN FOR A DEBTOR'S EXTERNAL ADMINISTRATION

In the interests of the client, a creditor, our lawyers proved in court that a plan for external administration was not aimed at restoring the debtor's solvency but had the purpose of extending the bankruptcy procedure, granting an unjustified 18-month deferral of settlements with creditors and increasing the debtor's current expenses to the detriment of debtors. As a result, the plan was invalidated and receivership proceedings were opened in relation to the debtor, which greatly reduced the bankruptcy's timeframe.

03

PROTECTED A CLIENT IN A CONFLICT SITUATION WITH A CONTRACTING PARTY THAT HAD INITIATED ITS OWN BANKRUPTCY

We assisted a producer of beverages in a conflict situation with a contracting party which had not properly performed a contractor agreement for the construction of waste disposal facilities, had not returned an advance payment, had not eliminated the defects of the work it had performed and had not paid default interest for the delay. Our team succeeded not only in having the client's claims included in the register of creditors, but also in the client actually receiving the debt after it had concluded an assignment agreement.

04

INVALIDATING A DEBTOR'S TRANSACTIONS WORTH OVER RUB 2 BILLION

The case concerned the bankruptcy of a major manufacturer of petrochemical equipment. Prior to its bankruptcy, the debtor carried out transactions and made payments to its affiliated parties for the purpose of withdrawing assets. We were able to prove in court that such transactions were detrimental for independent creditors. This opened up the possibility for the bankruptcy estate to be increased to make settlements with the creditors.



The environment

ENVIRONMENTAL DISPUTES

01

WON A DISPUTE WITH A WATER SERVICE COMPANY OVER THE RECOVERY OF A PAYMENT FOR DISCHARGING POLLUTANTS

We represented one of the largest food companies in a dispute with a regional water service company over the recovery of a payment for discharging pollutants where the allowable concentration was exceeded and over the payment for the detrimental effect on the centralised water-discharge system, with the total amount exceeding RUB 30 million. Thanks to our lawyers' efforts, the decision of the first instance court was set aside and the claims were dismissed in full. The appellate and the cassation courts confirmed that the sampling of the user's waste water had been conducted with gross violations, which had compromised the accuracy of the results of the examination.

02

A DISPUTE CONCERNING FACILITIES WHICH POSED NO THREAT TO THE ENVIRONMENT

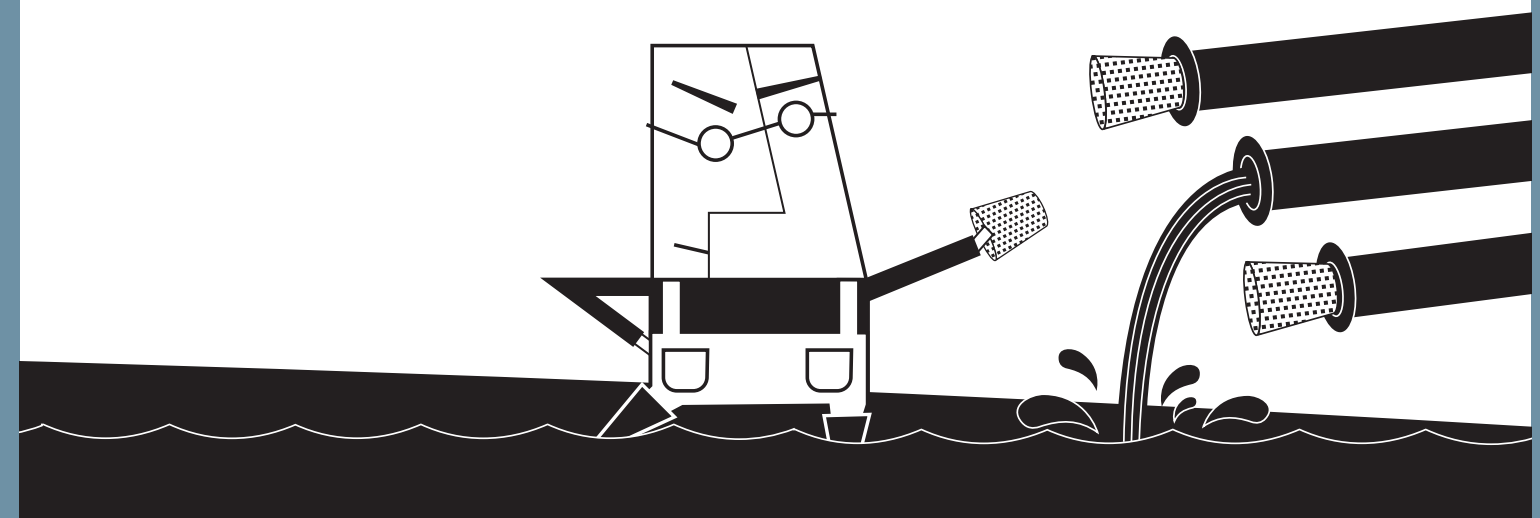
Pepeliaev Group's lawyers challenged in court resolutions of the committee for using natural resources and ensuring environmental safety to impose administrative liability on the client for three environmental offences. The facilities in which the offences had been identified posed no real threat to the environment and the committee's demands with respect to them were excessive. As a result of judicial reviews, the state authority's resolutions were set aside by the court and the administrative proceedings were terminated with the client not having any fines imposed.

03

PROTECTED A CLIENT IN A LAWSUIT OF THE PROSECUTOR SEEKING TO ELIMINATE THE DISCHARGING OF WASTE WATER INTO SEWAGE SYSTEMS IN EXCESS OF THE ESTABLISHED STANDARDS

The environmental prosecutor had insisted that our client, a car manufacturer, carry out certain technological measures which were unnecessary.

Owing to the successful work of the practice's lawyers, the court terminated the proceedings and no obligations were imposed on our client.



ADVISING ON COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

01 CARRYING OUT COMPREHENSIVE DUE DILIGENCE AUDITS OF ENVIRONMENTAL COMPLIANCE

We are carrying out due diligence of companies that our clients are acquiring or are planning to acquire from the standpoint of compliance with current environmental legislation. This includes checking whether their environmental document workflow is being performed correctly. The scope of such audits includes analysing agreements for the disposal of industrial waste, agreements for the use of water, permits concerning emissions into the atmosphere, industrial safety matters and environmental obligations of companies under current and discontinued licences, including licences for the extraction of mineral deposits and soil remediation.

02 PREPARED A LEGAL OPINION ON ENVIRONMENTAL MATTERS IN CONNECTION WITH A FACILITY BEING ASSIGNED TO THE WRONG CATEGORY IN TERMS OF ITS ADVERSE ENVIRONMENTAL IMPACT

Our client, a major pharmaceutical company, had an administrative offence case initiated against it in relation to a facility being mistakenly assigned to the incorrect category. We assessed whether facilities had been lawfully assigned to the corresponding categories of adverse environmental impact when they were registered, analysed the requirements of environmental legislation which were applied to these facilities and provided the client with our recommendations concerning the prospects for litigation.

03 ADVISED ON MATTERS CONNECTED WITH EXTENDED PRODUCER RESPONSIBILITY AND THE ENVIRONMENTAL CHARGE

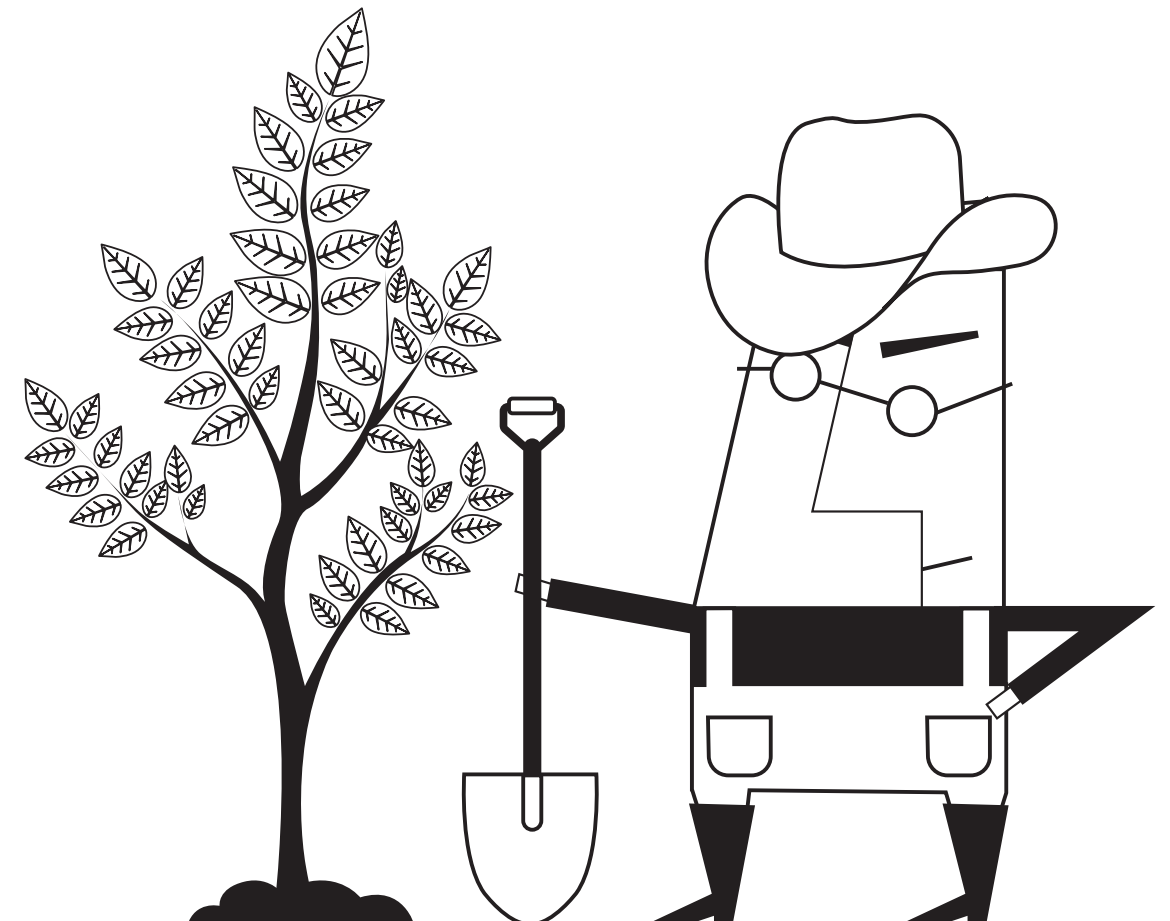
The Federal Supervisory Natural Resources Management Service sent to our client, a leading manufacturer of packaging from corrugated cardboard, a demand to make adjustments in its environmental records and to pay the environmental charge. Our lawyers assessed the company's system for the disposal of paper and cardboard in the framework of extended producer responsibility, analysing whether environmental document flow was being performed correctly, including documents confirming that the disposal standards had been met, and prepared a claim to be filed with the Federal Supervisory Natural Resources Management Service.

04 DEVELOPED DRAFT AMENDMENTS TO LEGISLATION IN THE FIELD OF WATER DISPOSAL

The purpose of the project was to eliminate gaps in the regulation of how payments were collected for an adverse impact on centralised water disposal systems and to prevent the unjustifiably high financial burden for users of a centralised water disposal system. This project has been important for many companies because, over recent years, court disputes have become more frequent in connection with the collection by water supply and sewage system companies from their users of payments for an adverse impact on centralised water disposal systems.

"WE ARE KEEN TO STRESS HOW HIGHLY PROFESSIONAL THE TEAM WAS IN PREPARING DOCUMENTS AND APPEARING IN COURT, HOW PROACTIVE AND CREATIVE IT WAS IN FINDING SOLUTIONS, AND HOW IT DEMONSTRATED AN ATTENTIVE AND SENSITIVE APPROACH TO OUR PROBLEMS AT ALL STAGES OF ITS WORK"

CLIENT FEEDBACK





Admonistrative law defence of business

O1

SUCCESSFULLY DEFENDED A CLIENT
IN A DISPUTE WITH THE MINISTRY OF EMERGENCY
SITUATIONS

Pepeliaev Group's lawyers represented a large producer of car spare parts before the commercial court when the client was appealing against two demands of the Ministry of Emergency Situations to eliminate violations of fire safety requirements in the building of the client's plant. All judgments were in favour of the client, with the audit by the Ministry of Emergency Situations and its demands being set aside in their entirety. Winning this dispute has helped the client to save nearly RUB 80 million of costs on performing the state authority's unlawful requirements to reconfigure the building of the plant for fire safety purposes.

O2

RESOLVED A CONFLICT SITUATION
IN THE CONTEXT OF THE RECONSTRUCTION
OF A LISTED BUILDING IN ST PETERSBURG

We succeeded in having all claims revoked of the Committee for the State Control, Use and Protection of Historical and Cultural Landmarks against our client, a developer that had performed at its own expense the reconstruction of a building and the restoration of a part of the interior design elements. The authority's questions were connected with whether some of these elements were present and what their condition was. Our lawyers succeeded in proving with documents that all the protected elements were present in a proper condition.

O3

CHALLENGED RESOLUTIONS TO IMPOSE
ADMINISTRATIVE LIABILITY

The State Labour Inspectorate issued several resolutions to hold our client, a major producer of low alcohol beverages, administratively liable under articles 5.27 and 5.34 of the Code of Administrative Offences for imposing on employees disciplinary sanctions for their participation in mass events which the Inspectorate had classified as strikes. We were able to prove that the events were not strikes and, therefore, the disciplinary sanctions were imposed rightfully. The resolutions of the State Labour Inspectorate were set aside and the administrative proceedings were terminated.

O4

DEFENDED A CLIENT IN A CASE
CONCERNING A VIOLATION
OF THE CONSUMER PROTECTION LAW

The Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing carried out an unscheduled audit of our client, a large bank, because of alleged violations of certain articles of the laws "On protecting consumer rights", "On banks and banking activity" and of the Russian Civil Code. Further to the results of the audit, the authority imposed administrative liability on the client and issued an order to eliminate the violations. Pepeliaev Group's lawyers were able to convince the court not only that the client's activities did not violate current legislation, but also that material violations had been committed during the proceedings in the case. The resolutions and orders of the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing were set aside.



Employment and migration law

01

PROVIDED COMPREHENSIVE SUPPORT RELATING TO EMPLOYMENT AND MIGRATION MATTERS DURING AN INVESTMENT PROJECT

In the context of a production launch by our client, which specialised in interior design components for marine vessels, the team of lawyers, among other things, structured the hiring procedure including providing support in registering foreign employees (among them, highly qualified employees) as part of the staff, preparing all HR documentation (including internal regulations) taking into account the company's specific features, developing an anti-corruption policy and personal data policy, as well as optimising the tracking of working time and organising occupational safety procedures.

02

SUCCESSFULLY CHALLENGED ACTIONS OF THE STATE LABOUR INSPECTORATE AND SAVED MILLIONS OF ROUBLES FOR THE CLIENT

Thanks to the assistance of the lawyers of Pepeliaev Group's St Petersburg Office, more than 15 orders and resolutions of the State Labour Inspectorate were set aside to impose administrative liability on a major producer of packaging materials based on the results of an audit. The Inspectorate had also imposed large administrative fines on the company and its CEO. Our team successfully challenged the inspectorate's actions and all administrative cases were terminated, with the orders being classified as unlawful.

03

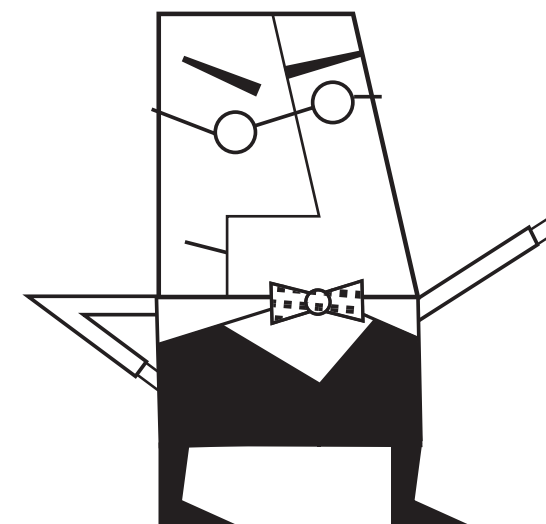
PROVIDED ASSISTANCE DURING DISMISSAL AND REDUNDANCY PROCEDURES

We advised on and drew up draft documents for the termination of employment relationships with the top management of companies operating in different industries including preparing step-by-step action plans and assessing the risks of the dismissals possibly being challenged in court. Based on our recommendations, the clients could terminate the employment relationships with their employees with minimal risks.

04

DREW UP A COMPANY'S INTERNAL POLICIES

We drew up internal policies for a client, a large industrial company, concerning a commercial secrecy regime and conflicts of interests, as well as procedures to ensure that employees complied with these policies. By doing so, we helped the client to prevent any leaks of its trade secrets and any work for competitors, as well as to combat these violations.





Art and culture law

O1 PROVIDED SUPPORT IN A TRANSACTION TO ACQUIRE MORE THAN 150 WORKS OF ART

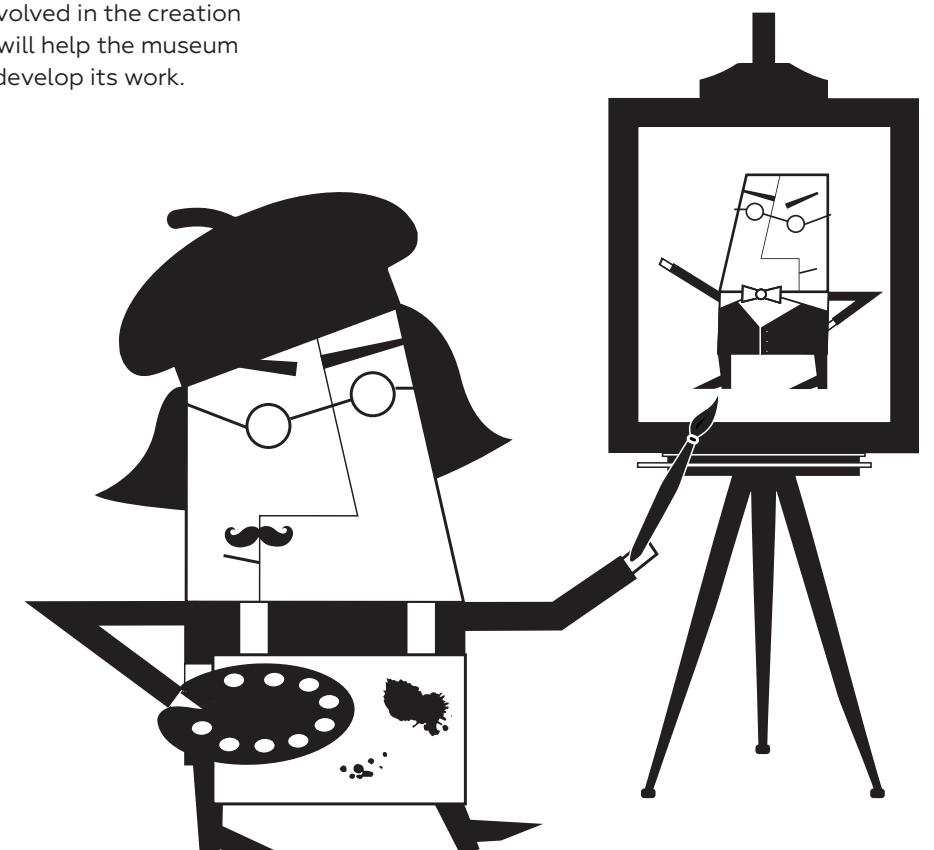
Represented the client in a transaction to acquire 150 modern art works from private collections in different countries across the world. Our work included drafting contracts for the sale and purchase of art works and the transfer of exclusive rights to them, advising on matters relating to expert examination and restoration, the liability of the parties, tax aspects of the transaction as well as the customs procedure for the art works to be imported into Russia. The transaction, worth over EUR 25 million, was successfully completed.

O2 PROVIDED LEGAL SUPPORT ON DIFFERENT MATTERS CONNECTED WITH PATRONAGE ACTIVITIES IN FAVOUR OF A CULTURAL INSTITUTION

We provided support to a client in a project aimed at providing patronage to a Russian museum. Our work included solving legal problems connected with the change of the partner providing patronage to the museum and creating the most efficient contractual models for how the patron and the museum can work together with a view to preserving and expanding the existing collection.

O3 ADVISED THE RUSSIAN ETHNOGRAPHIC MUSEUM ON DIFFERENT MATTERS

We provided comprehensive legal support to the Russian Ethnographic Museum. Particularly, we were involved in the creation of a Foundation which will help the museum to attract financing to develop its work.



KEY CONTACTS



SERGEY SPASENNOV

Senior Partner
Head of the St Petersburg Office

s.spasennov@pgplaw.ru

What he specialises in

Sergey has more than 25 years of experience of working in the sphere of law. He has provided legal support and has supervised key projects in the areas of mergers and acquisitions, restructuring and reorganising businesses, and transactions with land and real estate; he also has a strong track record in major industrial and infrastructure projects.

His main achievements

Sergey's professional portfolio includes providing support in more than 200 comprehensive projects representing major Russian and foreign companies, including

- provided legal support to a world leader in car manufacturing during the first and second stages of the construction of a car plant in St Petersburg, including providing support with obtaining the status of a strategic investor and entering into an investment contract with the city authorities, as well as handling all legal issues that the client encountered during the project;
- provided support to a renowned Scandinavian telecommunication company when it was entering the Russian market and provided subsequent legal support to the client's business;
- advised a global leader in container shipping under a project for the construction of a seaport in Kaliningrad Region;
- advised a Korean investor on the legal regulation of how a sea port should be constructed and how investments should be attracted for the construction of the sea port;
- structured and provided support for transactions to purchase real estate to develop a chain of hotels of a renowned European hotel developer in a number of Russian regions.

His major clients

Kappa Rus, Lenta, Baltika Breweries, Etalon Group, SNF Vostok and other companies.

What they say

"Sergey Spasennov is a well-known name in St Petersburg's legal market. He oversees the corporate team and leads on corporate structuring and M&A mandates" (Chambers Europe).



ELENA KRESTYANTSEVA

Head of Land Law, Real Estate and Construction Practice

e.krestyantseva@pgplaw.ru

What she specialises in

Elena has been specialising for over 15 years in real estate and construction, land and environmental law, as well as in matters connected with the protection of cultural heritage sites. She has vast experience in successfully defending clients in disputes concerning contractor agreements, general contractor agreements, leases, rights to real estate, the results being challenged of an assessment of the cadastral value, and other disputes.

Elena's team is also well known for its impressive experience of performing due diligence audits and providing support in transactions with commercial real estate.

Her main achievements

- Performed comprehensive due diligence of one of the most high-profile transactions on the retail market: the acquisition of Billa Russia hypermarkets by the Lenta chain for €225 million.
- Provided support to the Etalon construction group of companies when it acquired the well-known LDM complex in St Petersburg and the underlying land plot for RUB 4 billion.
- Successfully defended in the Russian Supreme Court the rights of a major manufacturer of personal hygiene products to a beneficial lease rate; the client received a refund of the lease payments made in excess in an amount exceeding RUB 67 million.
- Successfully defended a French architectural firm in a case to recover over EUR 700,000 from a contracting party which had not performed its obligations under an agreement to terminate a series of contracts to design 11 residential buildings in St Petersburg.

Her major clients

GK Blago, Etalon Group, Lenta, Kirishinefteorgsintez, Multon, Petrovsky Fort, Technonicol, Evocom and other companies.

What they say

"Elena Krestyantseva is a professional, high-calibre lawyer" (The Legal 500)



RUSTAM GALIYAHMETOV

Senior associate

r.galiyahmetov@pgplaw.ru

What he specialises in

Rustam has been providing legal support to clients in tax law, and in settling clients' disputes with tax authorities both in court as well as out of court, for more than 18 years.

He has extensive experience in advising clients on the calculation and payment of taxes and levies, tax benefits, the justification of expenses to be deducted when the profit tax base is determined, and the application of deductions and VAT refunds. In addition, he has vast experience in providing support to companies when they undergo tax audits.

His main achievements

- successfully defending a foreign tyre producer in a dispute with the tax authority regarding the accrual of interest on the amount of tax paid in excess (more than RUB 20 million). In addition, he managed to collect the full amount of court costs on legal representation from the tax authority on behalf of the client;
- defending an innovative industry company in a dispute with the tax authority that involved challenging refusals to refund VAT. The court obliged the tax inspectorate to pay interest because of the delay in the tax being refunded;
- providing support to a large car manufacturer during a field tax audit and challenged the results of the audit, in particular those concerning unjustified expenses from business trips of foreign employees sent to the company under secondment agreements;
- succeeding in challenging in court tax claims against a number of car dealers regarding the taxation of bonuses that dealers receive from car manufacturers. He proved in courts of 3 levels that the claims were unlawful;
- in cassation court, succeeding in recovering from the client's contractor overpaid VAT on the difference between prices, and having the decisions of the lower courts set aside.

His major clients

Gazprom Invest, GK Etalon, Ilim Group, Palfinger.

What they say

"The St. Petersburg branch of a strong domestic firm with a stellar reputation for tax disputes" (Chambers Europe).



KSENIA KULIKOVA

Senior Associate

k.kulikova@pgplaw.ru

What she specialises in

Ksenia has been specialising for over 20 years in resolving commercial disputes, including bankruptcy cases. She is also an expert in legal regulation in the sphere of culture and art.

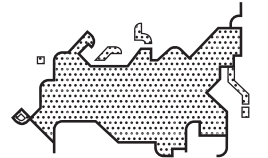
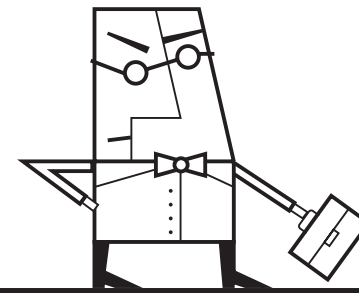
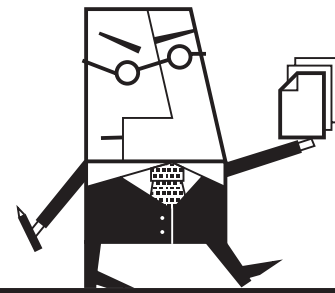
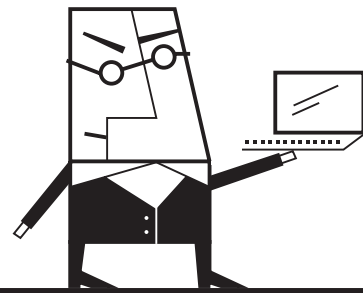
Her main achievements

- Successfully defended a client (one of Russia's largest oil refineries), which was a creditor in a complex bankruptcy case of a contracting party. This included her being involved in more than 40 litigations concerning, among other things, inclusion in the register, termination of a contractor agreement, and counterclaims of the debtor to recover from the creditor losses exceeding RUB 260 million. We successfully appealed against unlawful actions of the court-appointed administrator and decisions of the creditors' meetings. As a result, the conflict with the contracting party was successfully resolved and the debt to the client was settled;
- Successfully resolved a conflict with a contractor that had not properly performed a contract for the construction of waste disposal facilities. She managed to have the client's claims included in the register of creditors' claims, following which the client actually received the debt and the timeframe of the bankruptcy proceedings was significantly reduced.
- provided support in a transaction to acquire 150 modern art works from private collections in different countries across the world. Our work included drafting contracts for the sale and purchase of art works and the transfer of exclusive rights to them, advising on matters relating to expert examination and restoration, on the liability of the parties, and on tax aspects of the transaction, as well as the customs procedure for the art works to be imported into Russia.
- provided support in a transaction worth over EUR 10 million in which our client acquired a collection of contemporary art from abroad. The work of our team included preparing the sale and purchase of the collection and exclusive rights, as well as devising special guarantees and protective measures to mitigate the purchaser's civil law, tax and other risks in the current conditions.

What they say

All the lawyers are very competent and are able to explain complicated issues in simple terms for non-lawyers to understand (Chambers Europe)

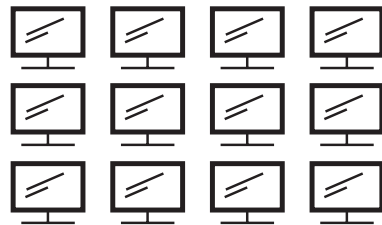
ABOUT THE FIRM



2025

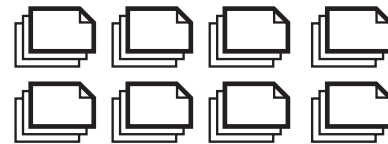
Employees

250



Lawyers

160



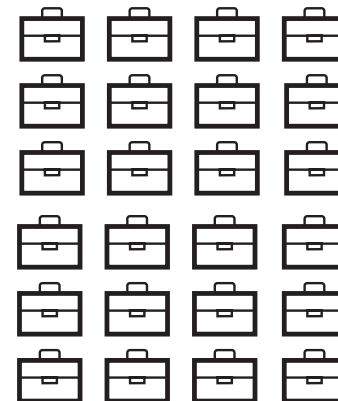
Our lawyers include 2 Doctors of Laws and 18 PhDs in Law.



Pepeliaev Group lawyers are constantly involved in drafting legislation and are called on to act as experts in state bodies, at the highest level. Thus they are involved in creating a favourable business environment in the country

Clients

2000



Practices

20 law practices

- Tax Law
- Currency Control
- Administrative Law
- Defence of Business
- Corporate Law / M&A
- Antimonopoly Regulation
- Commercial Law
- Banking and Finance Law
- Real Estate & Construction
- Dispute Resolution & Mediation
- International Litigation and Arbitration Practice
- Bankruptcy
- Intellectual Property
- Customs Law
- Employment and Migration Law
- Data Protection
- Legal GR and defence against illegal takeovers
- Family and Inheritance Law
- Criminal Law Defence of Business
- Services for Private Clients
- Translation and interpreting

10 branch of economy

- Life sciences
- Ecology
- Telecom, media and IT
- Digital Economy Legal Support Group
- Energy
- Oil and gas sector and mineral resource use
- Legal support of projects in the sphere of culture and art
- Maritime law
- Automotive industry and transportation
- Production and sale

Offices

6

Moscow
St Petersburg
Nizhnekamsk
Krasnoyarsk
Vladivostok
Dubai

Developing Eastwards

- Chinese Desk
- Korean Desk
- Middle East Desk

2002

The year we were founded

19



15



50



5

- Tax Law
- Customs Law
- Corporate Law
- Commercial Law
- Real Estate & Construction

1



Moscow



Rankings



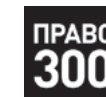
CHAMBERS EUROPE

CHAMBERS GLOBAL

IFLR1000

World Trademark Review

INTERNATIONAL TAX REVIEW

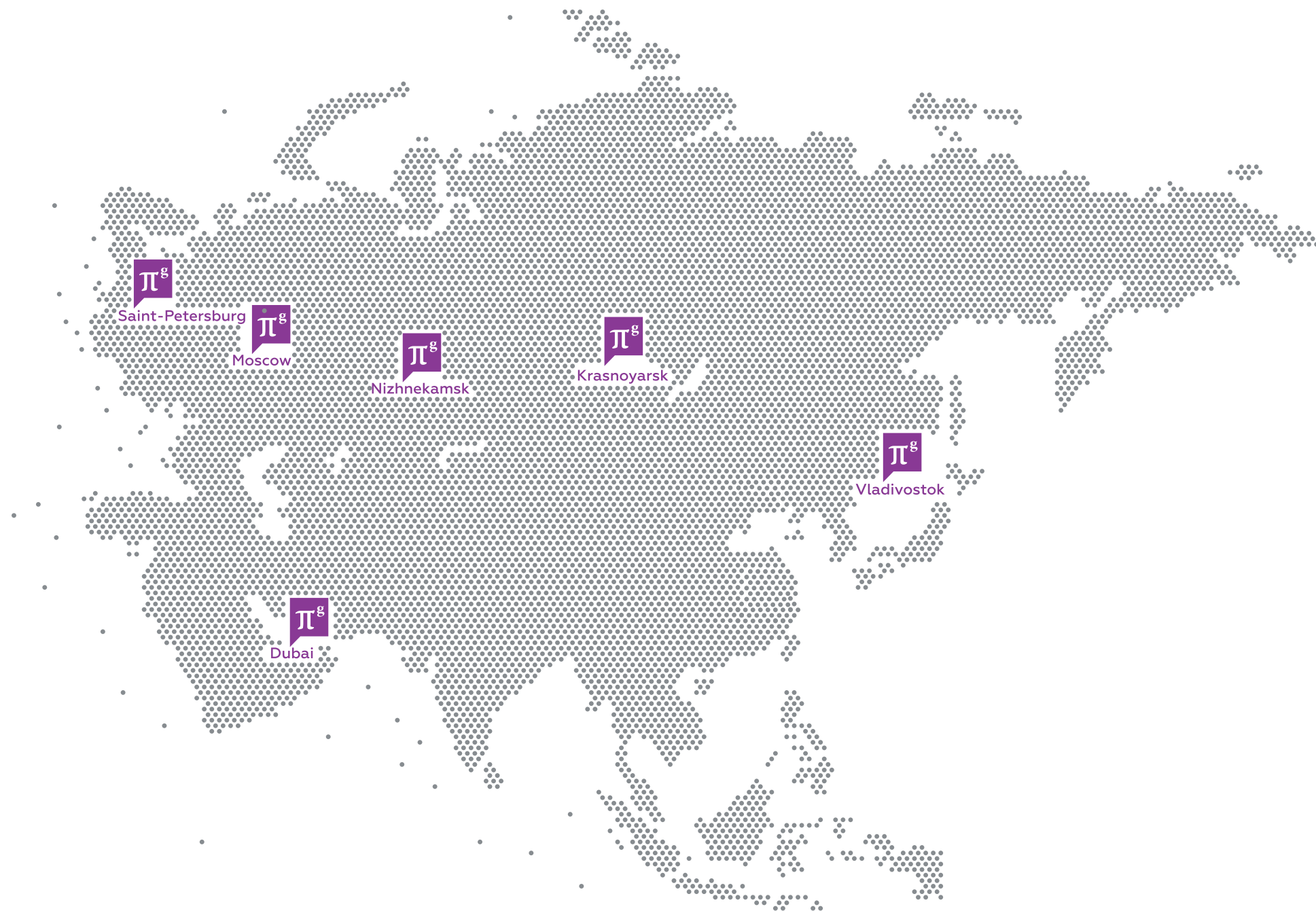


Best Lawyers

Expert

PRO банкротство

GEOGRAPHICAL SCOPE OF OUR SERVICES



REGIONAL OFFICES

Pepeliaev Group has offices in Russia located in Moscow, St Petersburg, Nizhnekamsk, Krasnoyarsk and Vladivostok.

What do our local offices offer to our clients?

- Local knowledge
- Time-efficient communication
- Favourable pricing

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

Providing services that involve tax structuring and tax advice in the UAE and in Persian Gulf countries.

- Tax structuring in the GCC states.
- Tax support.
- Tax consultancy in the UAE.
- Private Wealth Tax Services in UAE.
- Tax Compliance.
- Legal project management.

INTERNATIONAL PROJECTS

- Pepeliaev Group is a member of the TerraLex international association of law firms.
- Pepeliaev Group is also a part of Taxand, which is a well-known tax advisory group.
- Efficient liaison with partners which are leaders in their respective jurisdictions.
- Comprehensive project management and a single manager to address all project-related issues.