

## THE RUSSIAN FEDERATION

The legislation adopted in Russia does not regulate disclosure in any detail, but proposes instead to regulate certain aspects of the relationship between the parties. The provisions are contained in Chapter 54 of the new Russian Civil Code (Part 2, Articles 1027 - 1040) which entered into force on 1 March 1996. Chapter 54 does not actually refer to franchising in the text, but only to “Commercial Concessions”.<sup>1</sup> The descriptions of the aspects of the relationship that the provisions aim to regulate are however clearly referred to franchising and indeed the commentaries published refer explicitly to franchising.

Article 1027 provides a definition of the commercial concession (Article 1027(1)), of the terms that the contract should provide (Article 1027(2)) and of the parties to a commercial concession contract (Article 1027(3)). Article 1028 deals with the form and registration of the contract, and Article 1029 with sub-concessions. The forms of remuneration that are admitted are also dealt with (Article 1030). The obligations of the parties are described in Articles 1031 and 1032 and the limitation of their rights in Article 1033. Article 1034 considers vicarious liability. The renewal of the contract, its amendment and termination are dealt with in Articles 1035, 1036 and 1037 respectively. The effects of a transfer of the rights granted in a contract of commercial concession are considered in Article 1038, and the consequences of a change in the name or trademark of the “rightholder” (i.e., in the case of franchising, the franchisor) in Article 1039. Article 1040, finally, considers the consequences of the termination of the exclusive rights that are granted in the contract.

It may be observed that although the Chapter does not deal with disclosure in any detailed manner, Article 1031 does provide that the right-holder has the obligation to transfer technical and commercial documentation to the user, and provide other information necessary for the user to exercise the rights granted to him under the agreement.

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For an English translation of the Civil Code, see *The Civil Code of the Russian Federation*, issued by the Private Law Research Centre attached to the Office of the President of the Russian Federation, and published by the International Centre for Financial and Economic development, Moscow, 1997. See also CCH, *Business Franchise Guide*, ¶ 7235 for another English version of the provisions relating to Franchising.