

## Section VI. International Private Law

### Chapter 66. General Provisions

#### **Article 1186.** Determining the Law Governing Civil Legal Relations Involving the Participation of Foreign Persons or Civil Legal Relations Complicated by Another Foreign Factor

1. The law applicable to civil legal relations involving the participation of foreign citizens or foreign legal entities or civil legal relations complicated by another foreign factor, in particular, in cases when an object of civil rights is located abroad shall be determined on the basis of international treaties of the Russian Federation, the present Code, other laws ([Item 2 of Article 3](#)) and usage recognised in the Russian Federation.

The peculiarities of determining the law subject to application by the international commercial arbitration tribunal shall be established by a [law](#) on the international commercial arbitration tribunal.

2. If under Item 1 of the present article it is impossible to determine the law subject to application the law of the country with which a civil legal relation complicated by a foreign factor is most closely related shall apply.

3. If an international treaty of the Russian Federation contains substantive law norms governing a relevant relation, a definition on the basis of law of conflict norms governing the matters fully regulated by such substantive law norms is prohibited.

#### **Article 1187.** Construction of Legal Terms in the Definition of Applicable Law

1. When applicable law is being defined legal terms shall be construed in compliance with the Russian law, except as otherwise required by law.

2. If, when applicable law is being defined, legal terms that require qualification are not known to Russian law or are known in another wording or with another content and if they cannot be defined by means of construction under Russian law a foreign law may be applied to the construction thereof.

#### **Article 1188.** The Application of the Law of a Country with Several Legal Systems

In cases when the law of a country where several systems of law are in effect the system of law defined in compliance with the law of that country shall apply. If under the law of that country it is impossible to define which of the systems of law is applicable the system of law to which the relation is the strongest shall apply.

#### **Article 1189.** Reciprocity

1. A foreign law shall be applicable in the Russian Federation, irrespective of the applicability of Russian law to relations of the kind in the relevant foreign state, except for cases when the application of a foreign law on reciprocal basis is required by law.

2. Where the application of a foreign law depends on reciprocity such a reciprocity shall be deemed to exist unless the contrary is proven.

#### **Article 1190.** Reverse Reference

1. Any reference to a foreign law in compliance with the rules of the present section shall be deemed a reference to substantive law rather than the law of conflict of the

relevant country, except for the cases specified in Item 2 of the present article.

2. A reverse reference of a foreign law may be accepted in the cases of reference to the Russian law defining the legal status of a natural person ([Articles 1195 - 1200](#)).

#### **Article 1191.** Establishing the Content of Foreign Law Norms

1. Where a foreign law is applied a court shall establish the content of its norms in compliance with the official construction, application practices and doctrine thereof in the relevant foreign state.

2. For the purpose of establishing the content of norms of a foreign law a court may apply in the established manner to the Ministry of Justice of the Russian Federation and other competent bodies or organisations in the Russian Federation and abroad for assistance and clarification or may use the services of experts.

Persons being party to a case may present documents confirming the content of foreign law norms to which they refer to substantiate their claims or objections and provide other assistance to a court in establishing the content of these norms.

As concerns claims relating to the pursuance of entrepreneurial activity by parties, the burden of proving the content of foreign law norms may be vested by a court in the parties.

3. If, despite measures taken in compliance with the present articles, the content of foreign law norms fails to be established within a reasonable term, the Russian law shall apply.

#### **Article 1192.** Application of Imperative Norms

1. The regulations of the present section shall not affect the applicability of the imperative norms of the legislation of the Russian Federation which, due to indication in the imperative norms themselves or due to their special significance, in particular, for safeguarding the rights and law-protected interests of participants in civil law relations, regulate relevant relations, irrespective of the law that is subject to application.

2. According to the rules of the present section, when the law of any country is applied a court may take into account imperative norms of another country closely related to the relationship if under the law of that country such norms are to govern relevant relations, irrespective of the law that is subject to application. In such cases the court shall take into account the purpose and nature of such norms and also the consequences of their application or non-application.

#### **Article 1193.** Public Order Clause

A norm of a foreign law subject to application in keeping with the rules of the present section shall not be applicable in exceptional cases when the consequences of its application would have obviously been in conflict with the fundamentals of law and order (public order) of the Russian Federation. In such a case a relevant norm of Russian law shall be applied if necessary.

A refusal to apply a norm of a foreign law shall not be based exclusively on a difference of the legal, political or economic systems of a relevant foreign state from the legal, political or economic system of the Russian Federation.

#### **Article 1194.** Retortions

The Government of the Russian Federation may establish reciprocal limitations (retortions) on the proprietary and personal non-proprietary rights of citizens and legal entities of the states where special limitations exist on the proprietary and personal non-proprietary rights of Russian citizens and legal entities.

## Chapter 67. The Law Governing Determination of the Legal Status of Persons

### Article 1195. The Personal Law of Natural Persons

1. The personal law of a natural person shall be the law of the country of which the person is a citizen.
2. If, apart from being a Russian citizen, a person also has foreign citizenship, his/her personal law shall be deemed Russian law.
3. If a foreign citizen has place of residence in Russian Federation his/her personal law shall be deemed Russian law.
4. If a person has several foreign citizenships his/her personal law shall be deemed the law of the country in which the person has place of residence.
5. The personal law of a person without citizenship shall be deemed the law of the country where he/she has place of residence.
6. The personal law of a refugee shall be deemed the law of the country where he/she has been granted asylum.

### Article 1196. The Law Governing Determination of the Civil Legal Capacity of a Natural Person

The civil legal capacity of a natural person shall be determined by his/her personal law. In such a case foreign citizens and persons without citizenship shall possess civil legal capacity in the Russian Federation in equal measure with Russian citizens, except for the cases established by [law](#).

### Article 1197. The Law Governing Determination of the Civil Dispositive Capacity of a Natural Person

1. The civil dispositive capacity of a natural person shall be determined by his/her personal law.
2. A natural person who does not have civil dispositive capacity according to his/her personal law shall have no right to refer to his/her lacking dispositive capacity if he/she has dispositive capacity at the place where the deal was made, except for the cases in which the other party knew or was obviously supposed to know of the lack of dispositive capacity.
3. The recognition of a natural person in the Russian Federation as having no dispositive capacity or as having a limited dispositive capacity shall be governed by [Russian law](#).

### Article 1198. The Law Governing Determination of the Rights of a Natural Person to a Name

Natural person's rights to a name, the use and protection of a name shall be determined by his/her personal law, except as otherwise required by the present Code or other laws.

### Article 1199. The Law Governing Tutorship and Guardianship

1. Tutorship and guardianship over minors, adults having no dispositive capacity or having a limited dispositive capacity shall be appointed and terminated according to the personal law of the person over which it is appointed or terminated.
2. The tutor's (guardian's) duty to accept tutorship (guardianship) shall be determined according to the personal law of the person who is appointed a tutor (guardian).

**3.** Relations between a tutor (guardian) and a person under his/her tutorship (guardianship) shall be determined according to the law of the country whose institution has appointed the tutor (guardian). However, when a person under tutorship (guardianship) has place of residence in the Russian Federation, Russian law shall apply if it is more favourable for such a person.

**Article 1200.** The Law Governing Cases of a Natural Person's Being Declared Missing or Dead

The declaration in the Russian Federation of a natural person as missing or dead shall be governed by [Russian law](#).

**Article 1201.** The Law Governing Determination of the Possibility for a Natural Person to Pursue Entrepreneurial Activity

The natural person's right to pursue entrepreneurial activity as an individual entrepreneur, without the formation of a legal entity, shall be determined by the law of the country where the natural person is registered as an individual entrepreneur. If this rule cannot be applied due to lack of a compulsory registration the law of the country of the main place of business shall apply.

**Article 1202.** The Personal Law of a Legal Entity

**1.** The personal law of a legal entity shall be deemed the law of the country where the legal entity has been founded.

**2.** In particular the following shall be determined on the basis of the personal law of a legal entity:

- 1) an organisation's status as a legal entity;
- 2) the organisational legal form of a legal entity;
- 3) the standards governing the name of a legal entity;
- 4) issues concerning the formation, re-organisation and liquidation of a legal entity, in particular matters of succession;
- 5) the content of the legal capacity of a legal entity;
- 6) the procedure for acquisition of civil rights and assumption of civil duties by a legal entity;
- 7) in-house relations, in particular, relations between a legal entity and its founders;
- 8) a legal entity's capacity to be liable for its obligations.

**3.** A legal entity shall not refer to a limitation on the powers of its body or representative to enter into a deal which is not known in the law of the country where the body or the representative has entered into the deal, except for cases when it is proven that the other side in the deal knew or was obviously supposed to know of the said limitation.

**Article 1203.** The Personal Law of a Foreign Organisation Not Qualifying as a Legal Entity under Foreign Law

The personal law of a foreign organisation not qualifying as a legal entity under foreign law shall be deemed the law of the country where this organisation was founded.

If Russian law is applicable, the activity of such an organisation shall be accordingly subject to the rules of the present [Code](#) which govern the activities of legal entities, except as otherwise required by a law, other legal acts or the substance of the relation in question.

**Article 1204.** Participation of a State in Civil Legal Relations

### Complicated by a Foreign Factor

Civil legal relations complicated by a foreign factor as involving the participation of a state shall be subject to the rules of the present section on general terms, except as otherwise established by law.

## **Chapter 68. The Law Governing Proprietary and Personal Non-Proprietary Relations**

### **Article 1205.** General Provisions Concerning the Law Governing Rights in Rem

1. The content of a right of ownership and other rights in rem relating to immovable and movable property, the exercise and protection thereof shall be determined according to the law of the country where such property is located.
2. Property shall be classified as immovable or movable in compliance with the law of the country where such property is located.

### **Article 1206.** The Law Governing the Emergence and Termination of Rights in Rem

1. The emergence and termination of a right of ownership and other rights in rem relating to property shall be determined by the law of the country where such property was located as of the time when the action was committed or another circumstance occurred which served as a ground for the emergence or termination of the right of ownership or other rights in rem, except as otherwise required under law.
2. The emergence and termination of a right of ownership or other rights in rem relating to a deal concluded in respect of property en route shall be determined by the law of the country from which the property has been dispatched, except as otherwise required under law.
3. The emergence of a right of ownership or other rights in rem in respect of property by virtue of acquisitive prescription shall be determined by the law of the country where the property was located as of the time of expiry of the acquisitive prescription term.

### **Article 1207.** The Law Governing Rights in Rem Relating to Aircraft, Vessels and Spacecraft

An ownership right and other rights in rem in respect of aircraft, sea vessels, inland navigation vessels, space craft subject to state registration, the exercise and protection of such rights shall be subject to the law of the country where such aircraft, vessels and space craft are registered.

### **Article 1208.** The Law Governing Statute of Limitations

The statute of limitations shall be determined by the law of the country governing a relation in question.

### **Article 1209.** The Law Governing the Form of Transaction

1. The form of transaction shall be governed by the law of place of conclusion. However, a transaction concluded abroad cannot be declared null and void because of a failure to comply with the form, if the provisions of Russian law have been observed. The rules set out in Paragraph 1 of the present item shall be applicable, in particular, to the form of powers of attorney.
2. The form of a foreign trade transaction in which at least one party is a Russian legal

entity shall be governed by Russian law, irrespective of the place where the transaction was concluded. This rule shall be applicable, in particular, in cases when at least one of the parties to such a transaction is a natural person pursuing entrepreneurial activities whose personal law under [Article 1195](#) of the present Code is Russian law.

**3.** The form of a transaction relating to immovable property shall be governed by the law of the country where the property is located and in respect of an immovable property recorded in a state register of the Russian Federation, by Russian law.

#### **Article 1210.** Selection of Law by the Parties to a Contract

**1.** When they enter into a contract or later on the parties thereto may select by agreement between them select the law that will govern their rights and duties under the contract. The law so selected by the parties shall govern the emergence and termination of a right of ownership and other rights in rem relating to movable property with no prejudice for the rights of third persons.

**2.** An agreement of parties as to the selection of law to be applicable shall be expressly stated or shall clearly ensue from the terms and conditions of the contract or the complex of circumstances of the case.

**3.** Selection of applicable law made by parties after the conclusion of a contract shall have retroactive effect and it shall be deemed valid, without prejudice for the rights of third persons, beginning from the time when the contract was concluded.

**4.** The parties to a contract may select applicable law both for the contract as a whole and for specific parts thereof.

**5.** If it ensues from the group of circumstances of a case that were in existence as of the time of selection of applicable law that the contract is actually connected with only one country the parties' selection of the law of another country shall not affect the imperative norms of the country with which the contract is actually connected.

#### **Article 1211.** The Law Governing a Contract in the Case of Lack of Parties' Agreement on Applicable Law

**1.** Where there is no agreement of parties on applicable law, the contract shall be subject to the law of the country with which the contract has the closest relation.

**2.** The law of the country with which a contract has the closest relation shall be deemed the law of the country where the party responsible for the performance under the contract of crucial significance for the content of the contract has its place of residence or main place of business, except as otherwise ensuing from the law, the terms or substance of the contract or the group of circumstances of the case in question.

**3.** A party responsible for the performance under a contract of crucial significance for the content of the contract shall be a party which, in particular, is the following, except as otherwise ensuing from law, the terms or substance of the contract or the group of circumstances of the case in question:

- 1) a seller - in a sales contract;
- 2) a donor - in a donation contract;
- 3) a lessor/landlord - in a lease;
- 4) a lender - in a contract of gratuitous use;
- 5) a contractor - in a contract;
- 6) a carrier - in a carriage contract;
- 7) a forwarding agent - in a forwarding contract;
- 8) a lender (a creditor) - in a loan (credit) contract;
- 9) a financial agent - in a case in action assignment financing contract;



- 10) a bank - in a bank deposit contract and bank account contract;
- 11) a custodian - in a custody contract;
- 12) an insurer - in an insurance policy;
- 13) an agent - in a contract of agency;
- 14) a commission agent - in a contract of commission agency;
- 15) an agent - in a contract of agency service;
- 16) a franchisor - in a contract of franchise;
- 17) a mortgagor - in a mortgage contract;
- 18) a surety - in a suretyship contract;
- 19) a licensor - in a licence contract.

**4.** The law of the country with which the contract has the closest relation shall be as follows, except as otherwise ensuing from law, the terms or substance of the contract or the complex of circumstances of the case:

1) for a contract of independent building contractor work and a contract of independent design and prospecting contractor work - the law of the country where on the whole the results stipulated by the contract are created;

2) for a contract of general partnership - the law of the country where on the whole the activity of the partnership is pursued;

3) for a contract concluded by auction, tender or commodity market - the law of the country where the auction, tender is held or the commodity market is situated.

**5.** A contract that has features of various types of contract shall be subject to the law of the country with which this contract as a whole has the closest relation, except as otherwise ensuing from law, the terms or substance of the contract or the group of circumstances of the case in question.

**6.** If internationally accepted trading terms are used in a contract it shall be deemed, unless there are directions to the contrary in the contract, that the parties have agreed on their application to their relations of business transaction usage designated by relevant trading terms.

#### **Article 1212.** The Law Governing a Contract with Participation of a Consumer

**1.** Selection of the law governing a contract whereto a party is a natural person using, acquiring or ordering or intending to use, acquire or order movable things (works, services) for personal, family, household or other purposes and not connected with the pursuance of entrepreneurial activity shall not cause deprivation of the natural person (consumer) of remedies relating to his/her rights which are provided by imperative norms of the law of the country where the consumer has place of residence if any of the below circumstances have occurred:

1) in that country the conclusion of the contract had been preceded by an offer addressed to the consumer or an advertisement and the consumer has committed in the same country actions required for the purpose of entering into the contract;

2) a contract partner of the consumer or a representative of such a partner has received an order from the consumer in that country;

3) an order for acquisition of movable things, performance of works or provision of services has been made by the consumer in another country visited on the initiative of a contract partner of the consumer, if such an initiative was aimed at encouraging the consumer to enter into the contract.

**2.** If there is no agreement of the parties as to applicable law and if there are the circumstances specified in [Item 1](#) of the present article the law of the country where the

consumer has place of residence shall govern the contract with the participation of a consumer.

**3.** The rules established by Items 1 and 2 of the present article shall not be applicable to:

- 1) a carriage contract;
- 2) a work performance contract or a service provision contract if the work is to be performed or the service to be provided exclusively in a country other than the country where the consumer has place of residence.

The exemptions specified in the present item shall not extend to contracts for the provision of the services of carriage and accommodation for a single price (irrespective of the inclusion of other services in the single price), in particular, tourist service contracts.

#### **Article 1213.** The Law Governing Contracts Relating to Immovable Property

**1.** Where there is no agreement of parties on applicable law in respect of immovable property, the law of the country with which the contract has the closest relation shall apply. The right of the country with which the contract has the closest relation shall be deemed the law of the country where the immovable property is located, except as otherwise ensuing from law, the terms or substance of the contract or the set of circumstances of the case in question.

*Federal Law No. 73-FZ of June 3, 2006 amended Item 2 of Article 1213 of this Code*  
See the previous wording of the Item

**2.** Contracts relating to plots of land, tracts of sub-soil and other immovable property located on the territory of the Russian Federation shall be subject to Russian law.

#### **Article 1214.** The Law Governing Contracts for the Formation of a Legal Entity with Foreign Interest

A contract for the formation of a legal entity with foreign interest shall be subject to the law of the country in which the legal entity is to be founded.

#### **Article 1215.** The Applicability of Law Governing a Contract

The following shall be in particular determined by the law governing a contract in keeping with the rules of Articles 1210 - 1214, 1216 of the present Code:

- 1) the construction of the contract;
- 2) the rights and duties of the parties to the contract;
- 3) performance under the contract;
- 4) the consequences of a default on performance or improper performance under the contract;
- 5) the termination of the contract;
- 6) the consequences of invalidity of the contract.

#### **Articled 1216.** The Law Governing Assignment of a Claim

**1.** The law governing a claim assignment agreement between the initial and new creditors shall be determined in compliance with Items 1 and 2 of Article 1211 of the present Code.

**2.** The admissibility of a claim assignment, relations between the new creditor and the debtor, the conditions for the claim to be presented to the debtor by the new creditor and



also the issue of the debtor's appropriate performance under his obligation shall be determined by the law applicable to the claim being the subject matter of the assignment.

**Article 1217.** The Law Governing Obligations Emerging from Unilateral Transactions

Except as otherwise required by law, the terms or substance of the transaction or the set of circumstances of the case in question, obligations emerging from unilateral transactions shall be governed by the law of the country where the party assuming obligations under a unilateral transaction has place of residence or main place of business.

The effective term of powers of attorney and the grounds for declaring it null and void shall be determined by the law of the country where the powers of attorney were issued.

**Article 1218.** The Law Governing the Relations of Payment of Interest

The grounds for collecting, the calculation procedure and the rate of interest on pecuniary obligations shall be governed by the law of the country governing a given obligation.

**Article 1219.** The Law Governing Obligations Emerging as a Result of Infliction of Harm

1. Obligations emerging as a result of infliction of harm shall be governed by the law of the country where the action or other circumstance that has served as ground for damages claim occurred. In cases when the action or other circumstances caused harm in another country, the law of that country may be applied if the person causing the harm foresaw or should have foreseen the onset of the harm in that country.

2. Obligations emerging as a result of infliction of harm abroad, if the parties are citizens or legal entities of one and the same country, shall be governed by the law of that country. If the parties to such an obligation are not citizens of one and the same country but have place of residence in one and the same country the law of that country shall apply.

3. After the committing of an action or onset of another circumstance that entailed infliction of harm the parties may come to an agreement that the obligation that has emerged as a result of infliction of the harm is to be governed by the law of the country of the court.

**Article 1220.** Applicability of the Law Governing Obligations Emerging as a Result of Infliction of Harm

The following, in particular, shall be determined on the basis of the law governing obligations emerging as a result of infliction of harm: 1) a person's capacity to be liable for harm inflicted;

- 2) the vesting of liability for harm in a person who is not the cause of harm;
- 3) grounds for liability;
- 4) grounds for limitation of liability and relief from liability;
- 5) the methods of compensation for harm;
- 6) the scope and amount of compensation for harm.

**Article 1221.** The Law Governing Liability for Harm Inflicted as a Result of Defects of Goods, Works or Services

1. At the discretion of the victim, the following shall be chosen to govern a claim for compensation of harm inflicted as a result of defects of goods, works or services:

- 1) the law of the country where the seller or manufacturer of the goods or other causer of harm has place of residence or main place of business;
- 2) the law of the country where the victim has place of residence or main place of business;
- 3) the law of the country where the works or services have been completed or the law of the country where the goods were acquired.

The selection of the law at the discretion of the victim from the options set out in Sub-items 2 or 3 of the present item may be recognised only in cases when the causer of harm fails to prove that the goods were brought into the given country without his consent.

**2.** If the victim did not exercise his right to choose applicable law as specified in the present article the applicable law shall be determined in compliance with [Article 1219](#) of the present Code.

**3.** Accordingly, the rules of the present code shall be applicable to claims for compensation of harm inflicted as a result of unreliable or insufficient information on goods, works or services.

#### **Article 1222.** The Law Governing Obligations Emerging as a Result of Unfair Competition

Obligations emerging as a result of unfair competition shall be governed by the law of the country whose market has been affected by the competition, except as otherwise required by law or the substance of the obligation.

#### **Article 1223.** The Law Governing Obligations Emerging as a Result of Unjust Gains

**1.** Obligations emerging as a result of unjust gains shall be governed by the law of the country where the enrichment has taken place.

The parties may come to an agreement that the law of the court is to govern such obligations.

**2.** If an unjust gain occurs in connection with a legal relation that exists or is assumed to exist due to which property was acquired, the obligations emerging as a result of the unjust enrichment shall be governed by the national law that governed or could have governed this legal relation.

#### **Article 1224.** The Law Governing Succession Relations

**1.** Succession relations shall be determined by the law of the country where a testator had his last place of residence, except as otherwise required by the present article.

Immovable property succession shall be governed by the law of the country where property is located and succession of immovable property recorded in a state register of the Russian Federation shall be governed by Russian law.

**2.** The capacity of a person to create a will or revoke it, in particular, in relation to immovable property and also the form of such a will or will revocation act shall be governed by the law of the country where the testator had place of residence as of the time of creation of such a will or act. However, a will or revocation of a will shall not be declared void because the form has failed to be observed if the form meets the requirements of the law of the place of creation of the will or will revocation act or the provisions of [Russian law](#).