

Russia Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Russia's national cooperative legal framework, based on the work of the national legal expert.

There is no general law for all types of cooperatives in Russian legislation. In the Civil Code of the Russian Federation, cooperatives are classified as legal entities and are subdivided into commercial (production cooperatives) and non-commercial (consumer cooperatives) organisations. The Constitution of the Russian Federation enshrines general principles of economic activity, as well as freedom to choose a profession, and forms of ownership. In the Russian Federation, there are also special laws governing the activities of certain types of cooperatives.

The ICA principles are not directly enshrined in Russian cooperative legislation. However, the principles are indirectly reflected in some of the special laws, namely in the Law on Consumer Cooperation, the Law on Credit Cooperation, and the Law on Agricultural Cooperation.

Cooperative Friendliness: The primary problem concerning the legal regulation of cooperatives in Russia is the lack of a general framework law on cooperatives. Such a law would enshrine the general legal framework for cooperatives, their legal status, and the procedure for their creation, reorganisation, and dissolution, among other elements. At present, special laws on cooperatives often duplicate provisions on the structure of governing bodies, the procedure for depositing and returning shares, cooperative payments, the procedure for forming cooperative associations, and other provisions.

Key recommendations for improvement: For the development of cooperatives in Russia, the national expert considers it necessary at the legislative level to eliminate the fragmentation in the regulation of the activities of different cooperative types, by developing and adopting a general law on Cooperatives. In this law, it would be necessary to consolidate the general principles and rules for cooperative activities; list the types of cooperatives and their features; and establish uniform terms that should be used consistently within the cooperative legislation. The national expert also supports organising cooperative legislation and developing a Cooperative Code of the Russian Federation on the basis of the existing regulatory legal acts.

Conclusions: Overall, the national expert notes that improvement of cooperative regulation is a laborious and lengthy process. Changes in the legal framework of cooperatives should therefore arise because of joint actions of all the subjects of public relations and the democratic participation of cooperatives in legislative activity.