

**“Chapter 6.1.SELF-REGULATION IN THE AREAS OF ENGINEERING
SURVEY, ARCHITECTURAL AND CIVIL DESIGN,
CONSTRUCTION, REHABILITATION AND MAJOR REPAIRS FOR
CAPITAL CONSTRUCTION PROJECTS**

Article 55.1. Main Objectives and Scope of Self-Regulating Organizations’ Activities

1. Main objectives of Self-Regulating Organizations shall be:

1) To prevent damage to human life and health, damage to personal or corporate property, state or municipal property, damage to life and health of wild and plant life, damage to cultural heritage (historical or cultural monuments) of the Russian Federation peoples (hereinafter referred to as ‘damage’) due to defects in works that affect the capital construction project’s safety and are performed by the Self-Regulating Organization members;

2) To improve quality in engineering surveys, architectural and civil design, construction, rehabilitation, and major repairs for capital construction projects.

2. The scope of Self-Regulating Organizations’ activities shall include development and approval of documents, provided for under this Code Article 55.5, and control of compliance by the Self-Regulating Organization members with these documents’ requirements.

Article 55.2. Acquisition of the Self-Regulating Organization Status

1. Any Non-For-Profit Organization, established as a non-for-profit partnership, may acquire the Self-Regulating Organization status, provided that it is eligible under this Code Article 55.4 Parts 1 and 2.

2. To enter Non-For-Profit Organization data into the State Register of Self-Regulating Organizations, any such organization shall submit to the federal executive body, authorized to supervise Self-Regulating Organizations’ activities (hereinafter referred to as the ‘Supervisory Authority for Self-Regulating Organizations’), the documents provided for by Federal Law ‘On Self-Regulating Organizations’ Article 20 Part 8 Items 1 - 6, and other documents evidencing its eligibility as established in this Code Article 55.4 Parts 1 and 2. Self-Regulating Organization type shall be defined in the Non-For-Profit Organization’s charter in accordance with this Code Article 55.3.

Article 55.3. Self-Regulating Organization Types

Non-For-Profit Organizations may acquire the status of Self-Regulating Organizations of the following types:1) Self-Regulating Organizations based on membership of persons performing engineering surveys;2) Self-Regulating Organizations based on membership of persons performing preparation of design documentation;

3) Self-Regulating Organizations based on membership of persons performing construction work;

Article 55.4. Self-Regulating Organization Status Eligibility Requirements for Non-For-Profit Organizations

1. Any Non-For-Profit Organization shall be eligible to acquire the status of a Self-Regulating Organization based on membership of persons performing engineering surveys, or a Self-Regulating Organization based on membership of persons performing preparation of design documentation, provided that it meets the following criteria:

1) The number of the Non-For-Profit Organization individual entrepreneur and/or corporate members is at least fifty;

Article 1 Item 9 Paragraph 19 shall become effective from 1st January 2009 (Article 8 herein).

2) Availability of a compensation fund set up in the amount of at least five hundred thousand Russian Roubles per each Non-For-Profit Organization member, or, where such organization requires its members to have in place insurance arrangements to cover civil liabilities that might arise from damage due to defects in works, critical to capital construction project safety, the compensation fund shall be at least one hundred fifty thousand Russian Roubles per the Non-For-Profit Organization member;

3) Availability of the documents provided for under this Code Article 55.5 Part 1.

2. Any Non-For-Profit Organization shall have the right to acquire the status of a Self-Regulating Organization based on membership of persons performing construction works, provided that it meets the following criteria:

1) The number of the Non-For-Profit Organization individual entrepreneur and/or corporate members is at least one hundred;

Article 1 Item 9 Paragraph 23 shall become effective from 1st January 2009 (Article 8 herein).

2) Availability of a compensation fund set up in the amount of at least one million Russian Roubles per each Non-For-Profit Organization member, or, where such organization requires its members to have in place insurance arrangements to cover civil liabilities that might arise from damage due to defects in works, affecting capital construction project safety, the compensation fund shall be at least three hundred thousand Russian Roubles per the Non-For-Profit Organization member;

3) Availability of the documents provided for under this Code Article 55.5 Part 1.

3. Affiliates shall be counted as one person for the purposes of determining the number of Non-For-Profit Organization members.

4. Only individual entrepreneurs and corporate entities engaged in engineering surveys, preparation of design documentation and construction activities respectively shall be counted for determining the number of Non-For-Profit Organization members.

Article 55.5. Self-Regulating Organization Documents

1. Any Self-Regulating Organization shall develop and approve: 1) Requirements for the issue of competency certificates for the capital construction project safety critical works (hereinafter referred to as 'Competency Certificate'), - a document establishing conditions for the issue by the Self-Regulating Organization of Competency Certificates for the capital

construction project safety critical works;2) Self-Regulation Control Rules: a document establishing the rules for control of compliance by the Self-Regulating Organization members with requirements for the issue of Competency Certificates, Self-Regulating Organization Standards and Self-Regulation Rules;3) Document establishing a system of disciplinary measures against the Self-Regulating Organization members for failure to comply with the Competency Certificate issue requirements, Self-Regulation Control Rules, Technical Regulations, Self-Regulating Organization Standards and Self-Regulation Rules.

2. Any Self-Regulating Organization shall have the right to develop and approve:1) Self-Regulating Organization Standards: a document establishing, in accordance with the Russian Federation laws on technical regulation, rules for the capital construction project safety critical work performance, requirements to the results of such works, and to performance control systems for such works;2) Self-Regulation Rules: a document establishing requirements to the Self-Regulating Organization members' business activities, except for the requirements established by the Russian Federation laws on technical regulation.

3. Self-Regulating Organizations may not develop or approve any documents establishing mandatory requirements to the Self-Regulating Organization members or their activities, other than those specified in this Article Parts 1 and 2.

4. Self-Regulating Organization documents shall not:

1) Contradict requirements of the Russian Federation laws, including Technical Regulations;

2) Be in conflict with the objectives set forth in this Code Article 55.1 Part 1;

3) Establish privileges for individual entrepreneurs or corporate entities being founders of the organization;4) Give rise to prohibition, restriction or elimination of competition, including division of product markets on the basis of territorial principles, sales or purchase volumes, range of goods, or composition of vendors or purchasers (customers), or to obstruct access to product markets for business entities.

5. Requirements for the issue of Competency Certificates shall be established for each type or types of the capital construction project safety critical works, the issue of which is within the Self-Regulating Organization's scope in accordance with the Self-Regulating Organization General Meeting resolution.

6. Requirements for the issue of Competency Certificates shall contain:1) Qualification requirements to individual entrepreneurs, their employees and corporate entities' employees:

a) Possession of the required level of professional training in the relevant field;

b) Skill upgrading and professional re-training requirements;

c) Possession of a certain work experience;2) Required number of the individual entrepreneur or corporate entity's employees who meet the requirements under Item 1 herein.

7. Requirements for the issue of Competency Certificates may contain:

1) Requirement that an individual entrepreneur or corporate entity shall have facilities as necessary to perform the relevant work. Such requirement may not specify the type of right to use of such facilities by the person. 2) Requirement that the results of proficiency testing of the individual entrepreneur or corporate entity's employees, carried out in accordance with the procedure, established by the above requirements, shall be positive.

8. The minimum requirements for the issue of Competency Certificates for capital construction project safety critical works shall be as follows:1) Requirement that an individual entrepreneur or corporate entity shall have employees with tertiary or secondary professional education degrees in the relevant areas as necessary to perform the relevant capital construction project safety critical works. At least three employees shall have a tertiary professional education degree and at least five employees shall have a secondary professional education degree; the period of service in the relevant professional area shall be at least three years for employees with tertiary professional education degrees and five years for employees with secondary professional

education degrees;2) Requirement that an individual entrepreneur have a tertiary or secondary professional education degree in the relevant area, as necessary to perform the relevant capital construction project safety critical works that may be performed by the individual entrepreneur him/herself, and a period of service in his/her professional area of at least five years;3) Requirement that the employees, referred to under this Part Items 1 and 2, do training to upgrade their skills at least once every five years.

9. Minimum requirements to the issue of Competency Certificates for works, critical to the safety of highly dangerous, technically complicated or unique facilities as described under this Code Article 48.1, shall be established by the Russian Federation Government.

10. Self-Regulating Organizations may not establish any requirements to the issue of Competency Certificates for capital construction project safety critical works that are lower than the minimum requirements specified in this Article Part 8 or provided for in this Article Part 9.

11. Self-Regulating Organization Standards may not include references to any specific product or service trademarks, trade names (brands), patents, useful models, industrial prototypes, appellations of origin or manufacturer names, or specifications for any goods, manufacturers, information, works or services used, produced, performed or provided respectively by the Self-Regulating Organization members, and/or construction materials used by the Self-Regulating Organization members, if such requirements give rise to prohibition, restriction or elimination of competition.

12. Self-Regulation Rules may establish:1) Terms and conditions to be included into contracting agreements to ensure protection of customers under contracts for the capital construction project safety critical works;2) Requirements to contractors performing capital construction project safety critical works, concerning prevention and resolution of conflicts with customers under contracts for such works and end users of the results of such works;3) Requirements to the provision of insurance by Self-Regulating Organization members to cover civil liabilities that may arise in the event of damage due to defects in capital construction project safety critical works, and conditions of such insurance;

4) Requirements to the provision of insurance for other risks associated with construction and installation operations, and individual entrepreneur or corporate entity's employee accident and illness insurance, and conditions of such insurance;

5) Requirement to have conformance certificates for capital construction project safety critical works, and quality management system certificates for such works, issued to certify compliance with the relevant voluntary certification system;

6) Requirements to the contents of advertising materials, placed by contractors performing capital construction project safety critical works.

13. To be deemed to have been adopted by a Self-Regulating Organization, the documents, listed in this Article Parts 1 and 2, any amendments to such documents, or resolutions to declare them inoperative, shall require a vote of more than fifty percent of the total number of organization members, and shall become effective at least ten days after adoption.

14. Any documents, amendments to such documents and resolutions, adopted by the Self-Regulating Organization General Meeting or Permanent Collegial Body, shall be published at the Self-Regulating Organization's Internet site and issued to the Supervisory Body for Self-Regulating Organizations in the electronic and hardcopy forms within three days from adoption.

Article 55.6. Admission to Self-Regulating Organization Membership

1. Any corporate entity (including foreign corporate entities) or individual entrepreneur shall be eligible for admission to a Self-Regulating Organization membership, provided that such corporate entity or individual entrepreneur meets the relevant requirements to the issue of

Competency Certificates for a type or types of capital construction project safety critical works, the issue of which is included into the scope of the Self-Regulating Organization by the Self-Regulating Organization General Meeting.

2. Individual entrepreneurs or corporate entities shall submit the following documents to the Self-Regulating Organization to be admitted to such Self-Regulating Organization membership:

1) Application for Self-Regulating Organization Membership. The application shall detail the relevant type or types of capital construction project safety critical works for which the individual entrepreneur or corporate entity intends to obtain a Competency Certificate; 2) Copy of a document evidencing that the relevant entry on state registration of the individual entrepreneur or corporate entity has been made in the relevant State Register; copies of constitutive documents (for corporate entities), duly certified Russian translation of the corporate entity's documents of state registration in accordance with the laws of jurisdiction of its registration (for foreign corporate entities); 3) Documents demonstrating that the individual entrepreneur or corporate entity meets the requirements to the issue of Competency Certificates for the specific type or types of capital construction project safety critical work; 4) Copy of a Competency Certificate of the same type, issued by other Self-Regulating Organization for the relevant type or types of capital construction project safety critical works, if the individual entrepreneur or corporate entity is member of other Self-Regulating Organization of the same type.

3. No documents, other than those listed in this Article Part 2, may be requested from an individual entrepreneur or corporate entity for admission to a Self-Regulating Organization membership or issue of a Competency Certificate for a certain type or types of capital construction project safety critical works.

4. Self-Regulating Organization shall review the documents, listed in this Article Part 2, within thirty days from receipt thereof, and shall resolve either to admit the individual entrepreneur or corporate entity to the Self-Regulating Organization membership and issue the relevant Competency Certificate for the specific type or types of capital construction project safety critical works, or to refuse to admit him/her/it, specifying the reason to do so, and shall issue or deliver such resolution to the individual entrepreneur or corporate entity.

5. Reasons to refuse Self-Regulating Organization membership to an individual entrepreneur or corporate entity shall be as follows: 1) Incompliance by the individual entrepreneur or corporate entity with the requirements to the issue of Competency Certificates for a certain type or types of capital construction project safety critical works as detailed in the application provided for by this Article Part 2 Item 1;

2) Failure by the individual entrepreneur or corporate entity to submit any of the documents as provided for by this Article Part 2;

3) Availability of the same type of Competency Certificate, issued by other Self-Regulating Organization of the same type for a certain type or types of capital construction project safety critical works as detailed in the application provided for by this Article Part 2 Item 1;

6. Competency Certificate for the specific type or types of capital construction project safety critical works shall be issued to the person admitted to the Self-Regulating Organization membership within three business days from the relevant resolution, payment of the admission fee and contribution to the Self-Regulating Organization's compensation fund.

7. Any corporate entity or individual entrepreneur may be member of one or several Self-Regulating Organizations of any type as established by this Code Article 55.3, provided that it/he/she meets the requirements established by this Code Article 55.8 Part 2.

8. Self-Regulating Organizations' resolutions on the admission to or refusal of membership, and its failure (omission) to act as required by the admission to membership procedure, may be appealed against to a commercial arbitration court.

Article 55.7. Self-Regulating Membership Cessation

1. Membership in a Self-Regulating Organization may be terminated in the event of:1) Voluntary withdrawal by a Self-Regulating Organization member from membership of the Self-Regulating Organization;2) Expulsion from Self-Regulating Organization membership;3) Death of an individual entrepreneur member or liquidation of a corporate member of a Self-Regulating Organization.

2. Self-Regulating Organization shall make a resolution to expel an individual entrepreneur or corporate entity from its membership in the event of:1) Failure by the Self-Regulating Organization member to comply with Technical Regulations, resulting in damnification;

2) Repeated violation during a year or gross violation by the Self-Regulating Organization member of the Competency Certificate issue requirements, Technical Regulations, Self-Regulation Control Rules and/or Self-Regulation Rules;3) Repeated failure to pay or timely pay the membership fee during one year;4) Failure to make when due the required contribution to the Self-Regulating Organization's compensation fund;5) Non-possession by an individual entrepreneur or corporate entity of a Competency Certificate for any specific type of capital construction project safety critical work, except for the case described in this Code Article 55.8 Part 7.

3. Resolutions to expel individual entrepreneurs or corporate entities from membership shall be made by the Self-Regulating Organization General Meeting. In the event of non-possession by an individual entrepreneur or corporate entity of a Competency Certificate for any specific type of capital construction project safety critical work, except for the case described in this Code Article 55.8 Part 7, resolutions to expel individual entrepreneurs or corporate entities from membership may be made by the Self-Regulating Organization Permanent Collegial Management Body.

4. No admission fees or contributions to the Self-Regulating Organization's compensation fund shall be returned to a person who ceased to be the Self-Regulating Organization member.

5. Self-Regulating Organization's resolution to expel a member may be appealed against to a commercial arbitration court.

Article 55.8. Authorization to Perform Capital Construction Project Safety Critical Works

1. Any individual entrepreneur or corporate entity shall have the right to perform capital construction project safety critical works, provided such individual or entity has a Competency Certificate for such works, issued by a Self-Regulating Organization.

2. Any individual entrepreneur or corporate entity may have only one Competency Certificate for any particular type of capital construction project safety critical works, issued by only one Self-Regulating Organization.

3. Where an individual entrepreneur or corporate entity does not comply with at least one of the requirements established by the Self-Regulating Organization for the issue of Competency

Certificates for capital construction project safety critical works, such individual or corporate member of the Self-Regulating Organization may not perform such works.

4. The list of capital construction project safety critical works shall be established by the relevant federal executive authority. Such list shall detail the types of work that may be performed by an individual entrepreneur him/herself and works that require employment of workers by an individual entrepreneur. Particular features of construction, rehabilitation or capital repair works, performed by individuals for their own needs at private housing projects, intended to accommodate a maximum of two households, shall also be taken into account.

5. No Self-Regulating Organization may issue Competency Certificates for any types of capital construction project safety critical works, which issue is not included by the Self-Organization General Meeting into the Self-Regulating Organization scope of activities.

6. Self-Regulating Organizations shall issue Competency Certificates for any particular type or types of capital construction project safety critical works at the time of admitting an individual entrepreneur or corporate entity to the Self-Regulating Organization membership, provided that such individual entrepreneur or corporate entity meets the requirements for the issue of Competency Certificates for such works.

7. Where a Non-For-Profit Organization acquires the Self-Regulating Organization status, no individual entrepreneur or corporate entity, being member of such Non-For-Profit Organization at the time of such status acquisition, shall automatically obtain Competency Certificates for capital construction project safety critical works. The above persons shall obtain such Certificates within a month from acquisition by the Non-For-Profit Organization of the Self-Regulating Organization status in accordance with the procedure established by this Article for the introduction of amendments into Competency Certificates for capital construction project safety critical works.

8. Authorization to perform capital construction project safety critical works shall be evidenced by a Competency Certificate for the particular type or types of capital construction project safety critical works, issued by a Self-Regulating Organization. The format of such Certificate shall be defined by the Supervisory Authority for Self-Regulating Organizations.

9. Self-Regulating Organizations shall issue Competency Certificates for the particular type or types of capital construction project safety critical works without limitations as to the time or territory of their validity. Self-Regulating Organizations shall issue Competency Certificates for capital construction project safety critical works on a no-charge basis.

10. Any Self-Regulating Organization member may apply to the Self-Regulating Organization to amend the Competency Certificate for the particular type or types of capital construction project safety critical works. Where the Self-Regulating Organization member intends to obtain a Competency Certificate for other type or types of capital construction project safety critical works, he/she/it shall submit documents demonstrating compliance with the requirements for the issue of Competency Certificates for such works together with the above application.

11. The reasons for refusal to amend a Competency Certificate for any particular type or types of capital construction project safety critical works shall be as follows:

1) Ineligibility of the individual entrepreneur or corporate entity under the requirements to the issue of Competency Certificates for such works;

2) Failure by the individual entrepreneur or corporate entity to submit any of the documents as provided for by this Article Part 10.

12. Refusals for any reasons, other than those specified in this Article Part 11, shall not be permitted.

13. Within thirty days from receipt of the documents, provided for in this Article Part 10, the Self-Regulating Organization shall review them and resolve either to amend the Competency Certificate for particular type or types of capital construction project safety critical works, or to

refuse to make such amendments specifying the reason to do so, and issue such decision to the person who submitted the above documents.

14. Within three business days from resolution to amend the Competency Certificate for the particular type or types of capital construction project safety critical works, the Self-Regulating Organization shall issue to the Self-Regulating Organization member a Competency Certificate for the particular type or types of capital construction project safety critical works in substitution of the previous Certificate, and shall enter the necessary data into the Register of Self-Regulating Organization Members as required by this Code Article 55.18, and submit such data to the Supervisory Authority for Self-Regulating Organizations.

15. Validity of Competency Certificates for capital construction project safety critical works shall terminate with reference to any particular type or types of work:

1) By resolution, made by the Self-Regulating Organization Permanent Collegial Management Body on the basis of an application from the Self-Regulating Organization member;

2) By resolution, made by the Self-Regulating Organization Permanent Collegial Management Body, if it is found out that an individual entrepreneur or corporate entity has a Competency Certificate for the same type of capital construction project safety critical works, issued by other Self-Regulating Organization;

3) By resolution, made by the Self-Regulating Organization Permanent Collegial Management Body, in the event of failure by an individual entrepreneur or corporate entity to remedy identified defects within the established time limits as required by this Code Article 55.15 Part 2 Item 3, if validity of the individual entrepreneur or corporate entity's Competency Certificate for the particular type or types of capital construction project safety critical works has been suspended;

4) By decision of a court;

5) In the event of cessation of membership in the Self-Regulating Organization;

6) By resolution of the Self-Regulating Organization General Meeting, where a disciplinary measure is applied under this Code Article 55.15.

16. Termination of a Competency Certificate for capital construction project safety critical works shall have the consequences described in this Code Article 55.7 Part 2 Item 5.

17. Self-Regulating Organization's resolutions to issue a Competency Certificate for capital construction project safety critical works, to refuse to issue such certificate, to refuse to amend a Competency Certificate for such works, to terminate validity of a Competency Certificate for such works, to suspend a Competency Certificate for such works, to refuse to renew a Competency Certificate for such works, or omissions by a Self-Regulating Organization in the process of dealing with the relevant issues, may be appealed against to an arbitration court.

18. Dates of effectiveness and expiry of a Competency Certificate for capital construction project safety critical works, issued to a Self-Regulating Organization member, shall be established respectively from the date of entry by the Self-Regulating Organization of data on the issue of the Competency Certificate for such works and data on termination of the Competency Certificate for such works into the Register of Self-Regulating Organization members.

Article 55.9. Disclosure by a Self-Regulating Organization of Information on Its and Its Member Activities

Self-Regulating Organizations shall, for the purposes of disclosure of information on their and their member activities, publish at their Internet sites the following information and

documents, together with other information as required by Federal Law ‘On Self-Regulating Organizations’:

- 1) Self-Regulating Organization name, address (location) and contact telephone numbers;
- 2) Name, address and contact telephone numbers of the Supervisory Authority for Self-Regulating Organizations;
- 3) Names, addresses (locations) and contact telephone numbers of Non-For-Profit Organizations, of which the Self-Regulating Organization is member;
- 4) List of capital construction projects safety critical works, for which the Self-Regulating Organization is authorized to issue Competence Certificates by resolution of the Self-Regulating Organization General Meeting;
- 5) Register of Self-Regulating Organization Members;
- 6) Self-Regulating Organization’s compensation fund amount and formation procedure, list of payments from the fund made to cover the Organization members' liabilities;
- 7) Admission and regular membership fee rates and payment procedure;
- 8) Documents adopted by the general meeting of the Self-Regulating Organization members or Permanent Collegial Management Body of the Self-Regulating Organization;
- 9) Self-Regulating Organization Permanent Collegial Management Body composition.

Article 55.10. Exclusive Jurisdiction of the Self-Regulating Organization General Meeting

The following issues shall be within the exclusive jurisdiction of the Self-Regulating Organization General Meeting:

- 1) Approval and amendment of the Self-Regulating Organization Charter;
- 2) Election of members to the Self-Regulating Organization Permanent Collegial Management Body by secret vote, early termination of authorities of this body or its individual members;
- 3) Election of the Head of Self-Regulating Organization Permanent Collegial Management Body by secret vote, early termination of his/her authorities;
- 4) Establishment of admission and regular membership fee rates and payment procedure;
- 5) Establishment of the amount of contributions to the Self-Regulating Organization's compensation fund and procedure of its formation; identification of potential methods for depositing the Self-Regulating Organization's compensation fund assets;
- 6) Approval of the documents provided for under this Code Article 55.5 Parts 1 and 2;
- 7) Resolutions to expel from the Self-Regulating Organization membership as provided for under this Code Article 55.7 Part 2;
- 8) Resolutions to terminate Competency Certificates for capital construction project safety critical works as provided for under this Code Article 55.8 Part 15 Item 6;
- 9) Resolutions on the acquisition and termination of the Self-Regulating Organization’s membership in Non-For-Profit Organizations, including membership in associations (unions) of Self-Regulating Organizations and Chambers of Commerce and Industry;
- 10) Establishment of the list of capital construction project safety critical works, for which the Self-Regulating Organization is authorized to issue Competence Certificates;
- 11) Establishment of the Self-Regulating Organization Executive Body’s terms of reference and procedure for the management of the Self-Regulating Organization’s day-to-day activities by such Body;
- 12) Other resolutions within the Self-Regulating Organization General Meeting’s exclusive jurisdiction in accordance with this Code, Federal Law ‘On Self-Regulating Organizations’, other federal laws and the Non-For-Profit Organization’s charter.

Article 55.11. Self-Regulating Organization Permanent Collegial Management Body;

1. Self-Regulating Organization Permanent Collegial Management Body shall be formed from among the Self-Regulating Organization individual members and representatives of its corporate members.

2. Self-Regulating Organization Permanent Collegial Management Body shall manage the Self-Regulating Organization's routine activities and shall report to the Self-Regulating Organization Supreme Management Body. Self-Regulating Organization Permanent Collegial Management Body's term of reference shall include all issues outside the terms of reference of the Self-Regulating Organization Supreme Management Body and Executive Body.

3. Self-Regulating Organization Permanent Collegial Management Body shall have the right to establish subordinate management bodies of the Self-Regulating Organization and delegate to them certain authorities, where establishment of such bodies is provided for by the Non-For-Profit Organization's charter or its Supreme Management Body's resolutions.

4. Term of office of the Head of Self-Regulating Organization Permanent Collegial Management Body shall not exceed two years. However, no person may hold office as Head of Self-Regulating Organization Permanent Collegial Management Body for two consecutive terms.

Article 55.12. Self-Regulating Organization Executive Body

Self-Regulating Organization Executive Body's terms of reference shall include management of the Self-Regulating Organization's routine activities in accordance with the procedure and to the extent established by the Self-Regulating Organization General Meeting.

Article 55.13. Control by Self-Regulating Organizations of Their Members' Activities

1. Self-Regulating Organizations shall control compliance by their members of the requirements to the issue of Competency Certificates, Self-Regulating Organization's Standards and Self-Regulation Rules in accordance with the procedure established by the Self-Regulation Control Rules with due account of the requirements under this Article Part 2.

2. Self-Regulating Organizations shall control compliance by their members of the requirements to the issue of Competency Certificates at the time of admission to the Self-Regulating Organization membership and then at least once a year.

Article 55.14. Review by Self-Regulating Organizations of Complaints against Their Members' Actions and Applications

1. Any Self-Regulating Organization shall have the right to review complaints against its members' actions. Complaints against the Self-Regulating Organization members' actions and applications, submitted to the Self-Regulating Organization, shall be reviewed within one month from the date of receipt, unless a shorter period is established by the Russian Federation laws.

Resolutions, made on the basis of complaint or application review results, shall be issued to the person who lodged the complaint or made the application.

2. Where the review of a complaint against the Self-Regulating Organization member's actions reveals a breach by such member of Technical Regulations, requirements to the issue of Competency Certificates, Self-Regulation Control Rules, Self-Regulating Organization Standards, or Self-Regulation Rules, the Self-Regulating Organization shall apply disciplinary measures against such member in accordance with this Code Article 55.15.

3. Review procedure for complaints and applications, referred in this Article Part 1, shall be established by the Self-Regulating Organization's documents.

4. Review of a complaint against a Self-Regulating Organization member shall include invitation to the relevant Self-Regulating Organization body meeting of the person, who lodged the complaint, and the Self-Regulating Organization member, whose actions are complained against.

5. Where a Self-Regulating Organization finds out a breach by its member of Technical Regulations or design documentation requirements in construction, rehabilitation, or major repairs of a capital structure, the Self-Regulating Organization shall advise accordingly a federal executive body authorized to conduct state supervision of construction activities in the event of such breaches in construction, rehabilitation or major repairs of capital structures, specified in this Code Article 54 Part 3, or an executive authority of the Russian Federation constituent territory, authorized to conduct state supervision of construction activities, in the event of such breaches in construction, rehabilitation or major repairs of other capital structures.

Article 55.15. Procedure for the Application by Self-Regulating Organizations of Disciplinary Measures against Self-Regulating Organization Members

1. Disciplinary measures, established by a Self-Regulating Organization, shall be applied by the Self-Regulating Organization against its members for failure to comply with Technical Regulations, requirements to the issue of Competence Certificates, Self-Regulation Control Rules, Self-Regulating Organization Standards or Self-Regulation Rules.

2. The following disciplinary measures shall be applied:

1) Order binding the Self-Regulating Organization member to correct the identified breaches within the established time limits;

2) Warning to the Self-Regulating Organization member;

3) Suspension of Competency Certificates for the relevant type or types of capital construction project safety critical works;

4) Termination of Competency Certificates for the relevant type or types of capital construction project safety critical works;

5) Expulsion from Self-Regulating Organization membership.

3. In the event of failure by a Self-Regulating Organization member to comply with Technical Regulations, requirements to the issue of Competency Certificates or Self-Regulating Organization Standards, his/her/its Competency Certificate for capital construction project safety critical works may be suspended with reference to a certain type or types of work for the period until such breaches are corrected, but no exceeding sixty calendar days. During the above period, the Self-Regulating Organization member shall have the right to perform by itself only those works that are required to correct the identified breaches and, when the breaches have been corrected, shall notify the Self-Regulating Organization accordingly. The Self-Regulating Organization shall, within ten business days from such notification, check the results of correction and resolve either to renew the Competency Certificate for capital construction project

safety critical works with respect to the particular type or types of work, or to refuse such renewal specifying the reasons to do so.

4. Self-Regulating Organizations' resolutions to apply disciplinary measures may be appealed against to a commercial arbitration court by the persons against whom such resolutions are made.

Article 55.16. Self-Regulating Organization's Compensation Fund

1. Self-Regulating Organizations shall, within the limits of their compensation funds, be collaterally liable for their members' liabilities for damages as provided for by this Code Article 60.

2. No Self-Regulating Organization Member may be released from the obligation to contribute to the Self-Regulating Organization compensation fund, including set-off of such obligation against his/her/its claims to the Self-Regulating Organization.

3. No payments from the Self-Regulating Organization compensation fund shall be allowed other than to:

1) Refund wrongfully made payments;

2) Placement of the Self-Regulating Organization compensation fund assets to save and augment them;

3) Payments to cover collateral liabilities as provided for by this Article Part 1 (damage compensation payments and litigation expenses).

4. Money from the Self-Regulating Organization compensation fund may be placed in assets to save and augment them, except for depositing at the Self-Regulating Organization members' bank accounts or investing in their securities. Should any disbursement from the Self-Regulating Organization compensation fund be required, such disbursement shall be refunded within ten business days.

5. In the event of any disbursement from the Self-Regulating Organization compensation fund under this Code Article 60, the Self-Regulating Organization member or former member, through whose fault the damage was caused due to any defects in engineering survey, design documentation preparation, capital structure building, rehabilitation or major repair works, and other members of the Self-Regulating Organization shall make contributions to the Self-Regulating Organization compensation fund in accordance with the procedure and in the amount as established by the Self-Regulating Organization Charter, but not less than the minimum amount established by this Code for a compensation fund, within two months from the date of the above disbursement.

Article 55.17. Maintenance of Register of Self-Regulating Organization Members

1. Self-Regulating Organizations shall maintain registers of their members.

2. Registers of Self-Regulating Organization Members shall contain the following details:

1) Taxpayer's Identification Numbers, full names and addresses (locations) of corporate entities; full names, dates of birth and residential addresses of individual entrepreneurs;

2) List of capital construction project safety critical works, for which the Self-Regulating Organization member has a Competency Certificate;

3) Information on suspensions, renewals, refuses to renew or termination of the Self-Regulating Organization member's Competency Certificate for the particular type or types of capital construction project safety critical works.

3. Self-Regulating Organizations shall provide information on the issue of Competency Certificates for a particular type or types of capital construction project safety critical works, amendments of such Certificates, suspensions, renewals, refuses to renew or termination of such certificates, at its Internet site, enter such information into the Register of Self-Regulating Organization members and notify the Supervisory Authority for Self-Regulating Organizations accordingly on the day of the relevant resolution.

4. Any Self-Regulating Organization shall, upon request from an interested person, issue an extract from the Register of Self-Regulating Organization Members within three business days from receipt of such request.

5. Format of extract from the Register of Self-Regulating Organization Members shall be established by the Supervisory Authority for Self-Regulating Organizations.

Article 55.18. Maintenance of the State Register of Self-Regulating Organizations

1. State Register of Self-Regulating Organizations shall be maintained by the Supervisory Authority for Self-Regulating Organizations.

2. The following information on each Self-Regulating Organization shall be entered into the State Register of Self-Regulating Organizations:

- 1) Self-Regulating Organization name, address (location) and contact telephone number;
- 2) Self-Regulating Organization type;
- 3) List of capital construction projects safety critical works, for which the Self-Regulating Organization is authorized to issue Competence Certificates by resolution of the Self-Regulating Organization General Meeting;
- 4) Self-Regulating Organization members' details: Taxpayer's Identification Numbers, full names and addresses (locations) of corporate entities; full names, dates of birth and residential addresses of individual entrepreneurs;
- 5) List of capital construction project safety critical works, for which the Self-Regulating Organization member has a Competency Certificate (for each Self-Regulating Organization member);
- 6) Information on suspensions, renewals, refuses to renew or termination of the Self-Regulating Organization member's Competency Certificate for capital construction project safety critical works (for each member).

3. Information, contained in the State Register of Self-Regulating Organizations, shall be provided at the official Internet site of the Supervisory Authority for Self-Regulating Organizations and made available on a no-fee basis.

4. Entry of information on Self-Regulating Organizations and their members as provided for by this Article Part 2, in the State Register of Self-Regulating Organizations and removal of such information from the Register shall be made by the Supervisory Authority for Self-Regulating Organizations within seven business days from the date of submission by a Non-For-Profit Organization of the documents, required to acquire the Self-Regulating Organization status, and within three business days from the date of receipt by the above Authority of a notification about resolutions, made by the Self-Regulating Organization, to issue to the Self-Regulating Organization member a Competency Certificate for particular types of capital construction project safety critical works, to amend a Competency Certificate for such works, to suspend, renew, refuse to renew or to terminate the Self-Regulating Organization Member's Competency Certificate for such works, or about resolutions made by the Self-Regulating Organization General Meeting or Permanent Collegial Management Body.

5. Where a breach by a Self-Regulating Organization of this Code requirements concerning the procedure for making resolutions, listed in this Article Part 4 and notified to the

Supervisory Authority for Self-Regulating Organization, is revealed, the Supervisory Authority shall suspend the entry of the relevant information in the State Register of Self-Regulating Organizations and issue to the Self-Regulating Organization an order to correct the identified breach. Within ten days from receipt of such order from the Supervisory Authority for Self-Regulating Organizations, the Self-Regulating Organization shall either correct the breach and notify the Supervisory Authority for Self-Regulating Organization accordingly, or appeal against such order to a commercial arbitration court.

6. Self-Regulating Organization members and/or Self-Regulating Organizations shall notify the Supervisory Authority for Self-Regulating Organizations in writing about any changes in data, specified in this Article Part 2 Items 1, 2 and 4, such notification to be accompanied by the relevant documents.

7. Entry of information into the State Register of Self-Regulating Organizations and amendment of such information shall be done on a no-fee basis.

8. Procedure for maintaining the State Register of Self-Regulating Organizations and the rate of fee for provision of extracts from the Register shall be established by the relevant federal executive authority.

Article 55.19. Governmental Control (Supervision) over Self-Regulating Organizations' Activities

1. Governmental control (supervision) over Self-Regulating Organizations' activities shall be performed through scheduled and extraordinary inspections.

2. Scheduled inspection of a Self-Regulating Organization's activities shall be performed once every two years in accordance with a plan, approved by the Supervisory Authority for Self-Regulating Organizations.

3. Extraordinary inspection of a Self-Regulating Organization's activities shall be performed to check fulfilment of orders to rectify breaches, identified by scheduled inspections of its activities. Resolution to conduct an extraordinary inspection shall also be made by the Supervisory Authority for Self-Regulating Organizations on the basis of applications from corporate entities, individuals, governmental authorities of the Russian Federation and its constituent territories, local self-government agencies and/or law-enforcement authorities against breaches by the Self-Regulating Organization or its members of requirements to Self-Regulating Organizations and their activities as established by this Code and other federal laws.

4. The subject of governmental control (supervision) over the Self-Regulating Organizations' activities shall be compliance by such organizations with the requirements to Self-Regulating Organizations and their activities as established by this Code and other federal laws.

5. Where a breach by a Self-Regulating Organization of this Code or other federal laws is revealed, the Supervisory Authority for Self-Regulating Organizations shall issue to the Self-Regulating Organization a statement of identified breaches together with an order to rectify them within a reasonable period of time. The Self-Regulating Organization may appeal against such order to a commercial arbitration court.

6. Self-Regulating Organizations shall provide to the Supervisory Authority for Self-Regulating Organizations upon its request any information as required for the Authority to perform its functions.

7. In the event of failure by a Self-Regulating Organization to fulfil the requirements under this Code Article 55.4 and in other cases, provided for by federal laws, the Supervisory Authority for Self-Regulating Organizations shall have the right to seek an arbitral award to

exclude information on such Non-For-Profit Organization from the State Register of Self-Regulating Organizations.

Article 55.20. National Associations of Self-Regulating Organizations

1. National associations of Self-Regulating Organizations are All-Russia non-governmental Non-For-Profit Organizations embodying Self-Regulating Organizations on a mandatory membership basis.

2. The following types of National Associations of Self-Regulating Organizations shall be established:

1) National Association of Self-Regulating Organizations based on membership of persons performing engineering surveys;

2) National Association of Self-Regulating Organizations based on membership of persons performing preparation of design documentation;

3) National Association of Self-Regulating Organizations based on membership of persons performing construction work;

3. National Associations of Self-Regulating Organizations shall be created to serve the public interests of the respective types of Self-Regulating Organizations, to provide representation and protect the respective Self-Regulating Organizations' interests before governmental authorities and local self-government authorities, to provide liaison between Self-Regulating Organizations and such authorities and consumers of capital construction project safety critical works performed.

4. National Associations of Self-Regulating Organizations shall be established as corporate entities, shall have budgets, settlement and other bank accounts as required by the Russian Federation laws, seals, stamps and letterheads.

5. National Associations of Self-Regulating Organizations shall be established by the All-Russia Congress of Self-Regulating Organizations of the respective type.

6. Charters of National Associations of Self-Regulating Organizations shall be adopted by the All-Russia Congress of Self-Regulating Organizations of the respective type.

7. National Associations of Self-Regulating Organizations shall be subject to state registration in accordance with the procedure established by Federal Law dd. August 8th, 2001, No.129-FZ 'On State Registration of Corporate Entities and Individual Entrepreneurs'.

8. The main functions of National Associations of Self-Regulating Organizations shall be:

1) To discuss governmental policies in the areas of engineering surveys, architectural and civil design, construction, rehabilitation and capital repairs of capital construction projects;

2) To represent Self-Regulating Organizations' interests before federal governmental authorities, governmental authorities of the Russian Federation constituent territories and local self-government agencies;

3) To prepare suggestions for the development of governmental policies in the areas of engineering surveys, architectural and civil design, construction, rehabilitation and capital repairs of capital construction projects;

4) To protect interests of Self-Regulating Organizations of the respective types;

5) To deal with applications, petitions and complaints from Self-Regulating Organizations of the respective types.

9. National Associations of Self-Regulating Organizations may not intervene in or restrict Self-Regulating Organizations' activities.

Article 55.21. All-Russia Congress of Self-Regulating Organizations

1. All-Russia Congress of Self-Regulating Organizations shall be the supreme body of the National Association of Self-Regulating Organizations of the respective type. The Congress shall be convened at least once each two years. A Congress shall be deemed quorate, if at least two thirds of the Self-Regulating Organizations, registered in the Russian Federation, are in attendance.

2. Self-Regulating Organizations shall have equal rights and equal representation at a Congress. Each Self-Regulating Organization shall have one vote to vote a resolution, irrespective of the number of its representatives.

3. All-Russia Congress of Self-Regulating Organizations shall:

1) Adopt the National Association of Self-Regulating Organizations' Charter and approve amendments to such Charter;

2) Establish the composition of the Council of National Association of Self-Regulating Organizations, including election of new members and termination of authorities of the Council Members who are to be replaced in accordance with the Council rotation procedure, and resolutions for early termination of the Council members' authorities;

3) Establish the rate of contributions from Self-Regulating Organizations to cover the needs of the National Association of Self-Regulating Organizations, based on the number of members and type of a Self-Regulating Organization;

4) Approve the budget to cover the National Association of Self-Regulating Organizations maintenance expenses;

5) Approve the National Association of Self-Regulating Organizations Council Reports, including National Association of Self-Regulating Organizations budget expenditure reports;

6) Elect members to the National Association of Self-Regulating Organizations Audit Committee for a term of two years, and approve the Audit Committee report on financial and operating activities of the National Association of Self-Regulating Organizations;

7) Approve the Congress Rules of Procedure;

8) Define the National Association of Self-Regulating Organizations Council location;

9) Other functions as provided for by the National Association of Self-Regulating Organizations Charter.

Article 55.22. National Associations of Self-Regulating Organizations Council

1. National Association of Self-Regulating Organizations Council shall be the collegial management body of the National Association of Self-Regulating Organizations.

2. National Association of Self-Regulating Organizations Council shall be elected in the number of not more than thirty persons by secret vote of the All-Russia Congress of Self-Regulating Organizations and shall be subject to rotation by one third once each two years in accordance with the procedure established by the National Association of Self-Regulating Organizations Charter.

3. National Associations of Self-Regulating Organizations Council shall:

1) Elect the President of National Association of Self-Regulating Organizations from among the Council members for a term of four years, and one or more vice-presidents from among those proposed by the President for a term of two years, and define authorities of the President and vice-presidents. No person may hold office of the National Association of Self-Regulating Organizations President for two consecutive terms.

- 2) Represent the National Association of Self-Regulating Organizations before the governmental authorities, local self-government agencies, public associations and other Russian organizations, and outside the Russian Federation;
- 3) Arrange information support for Self-Regulating Organizations;
- 4) Perform methodological activities;
- 5) Convene the All-Russia Congress of Self-Regulating Organizations at least once every two years and develop its agenda;
- 6) Manage the National Association of Self-Regulating Organizations' property in accordance with the budget and purpose of such property;
- 7) Establish quotas for the number of Self-Regulating Organizations' representatives at the Congress;
- 8) Approve the National Association of Self-Regulating Organizations Council Rules of Procedure and staffing schedule for the National Association of Self-Regulating Organizations;
- 9) Establish the rate of remuneration to the President and vice-presidents, other members of the National Association of Self-Regulating Organizations Council and Audit Committee within the budget to cover the National Association of Self-Regulating Organizations maintenance expenses, approved by the Congress;
- 10) Other functions as provided for by the National Association of Self-Regulating Organizations Charter.

4. In the event of breach of this Code requirements by the National Association of Self-Regulating Organizations Council, the All-Russia Congress of Self-Regulating Organizations may early terminate the Council's authorities. An Extraordinary Congress of the Self-Regulating Organizations shall be convened by the National Association of Self-Regulating Organizations Council at the request of least one third of the Self-Regulating Organizations registered in the Russian Federation.

5. A meeting shall be deemed quorate, if at least two thirds of the National Association of Self-Regulating Organizations Council members are in attendance.

6. National Association of Self-Regulating Organizations Council resolutions shall be passed by a simple majority of vote of the National Association of Self-Regulating Organizations Council members, present at a meeting.

10) Article 60 shall be amended to read as follows:

“Article 60. Compensation of Damage Due to Defects in Engineering Survey, Preparation of Design Documentation, Construction, Rehabilitation or Major Repair Works for Capital Construction Projects

1. Damage due to defects in engineering survey work shall be compensated by the person who performed the work. The following shall jointly and severally bear collateral liability for the above damage:

- 1) Russian Federation, constituent territory of the Russian Federation or the agency that performed non-governmental expert review of the design documents: if the damage was caused due to non-conformance of the engineering survey results with Technical Regulations, but conclusions of the governmental expert review of the engineering survey results or non-governmental expert review of design documentation were favourable;

- 2) Self-Regulating Organization within its compensation fund: to cover liabilities of the person, who at the time of performing the work had a Competency Certificate for such works, issued by the Self-Regulating Organization.

2. Damage due to defects in preparation of design documentation shall be compensated by the person who performed the work. The following shall jointly and severally bear collateral liability for the above damage:

1) Russian Federation, constituent territory of the Russian Federation or the agency that performed non-governmental expert review of the design documents: if the damage was caused due to non-conformance of design documentation with Technical Regulations and/or engineering survey results, but conclusions of the governmental expert review of the design documentation or non-governmental expert review of the design documentation were favourable;

2) Self-Regulating Organization within its compensation fund: to cover liabilities of the person, who at the time of performing the work had a Competency Certificate for such works, issued by the Self-Regulating Organization.

3. Damage due to defects in construction, rehabilitation or major repair works for a capital construction project shall be compensated by the person who performed the work. The following shall jointly and severally bear collateral liability for the above damage:

1) Russian Federation, constituent territory of the Russian Federation: where the damage was due to non-conformance of the as-built, rehabilitated or repaired capital structure and/or works, performed in the process of construction, rehabilitation or major repair of a capital structure with Technical Regulations and/or design documentation, but opinion (conclusion) of the relevant state supervisory authority for construction was favourable;

2) Self-Regulating Organization within its compensation fund: to cover liabilities of the person, who at the time of performing the work had a Competency Certificate for such works, issued by the Self-Regulating Organization.

4. Where the damage was due to any defects in capital construction project safety critical works, and the person who performed such works has in place a civil liability insurance contract to cover liabilities for damages due to defects in such works, the above damage shall be compensated from the money received under such insurance contract and at the expense of the person who performed the works. In this case, provisions of this Article Parts 1 to 3, establishing that the Russian Federation, constituent territory of the Russian Federation, the agency that performed non-governmental expert review and the Self-Regulating Organization that issued the Competency Certificate for such works shall jointly and severally bear collateral liability, shall apply, if:

1) Funds, received under a liability insurance contract, are not sufficient to cover the liability for damage;

2) The person, who performed the capital construction project safety critical works, refused to satisfy the claim for compensation of damage, or the customer or a third party has not received any answer to the claim for compensation of damage from such person during a reasonable period of time.”

Article 2

Federal Law dd. January 12th, 1996, No.7-FZ ‘On Non-For-Profit Organizations’ (Collected Legislation of the Russian Federation, 1996, No. 3, Article 145; 1998, No.48, Article 5849; 2002, No.52, Article 5141; 2006, No.3, Article 282; No.45, Article 4627; 2007, No.1, Article 39) shall be amended as follows:

1) Article 8:

a) The following wording shall be added to the second paragraph of Item 1: ‘unless otherwise provided for by federal law’;

b) The following wording shall be added to Item 2: ‘unless the non-for-profit partnership acquires the Self-Regulating Organization status’;

c) Item 4:

The following wording shall be added to the first paragraph: ‘unless the non-for-profit partnership acquires the Self-Regulating Organization status’;

The following wording shall be added to the second paragraph: ‘unless the non-for-profit partnership acquires the Self-Regulating Organization status’;

2) Article 17 Item 4: the wording ‘or partnership’ shall be replaced by ‘partnership or non-for-profit partnership’;

3) The following wording shall be added to Article 28 Item 2: ‘and other delineation of jurisdiction between the Non-For-Profit Organization management bodies’.

Article 3

Federal Law dd. August 8th, 2001, No.128-FZ ‘On the Licensing of Certain Activities’ (Collected Legislation of the Russian Federation, 2001, No. 33, Article 3430; 2002, No.11, Article 1020; No.50, Article 4925; 2003, No.2, Article 169; No.11, Article 956; No.13, Article 1178; 2005, No.13, Article 1078; No.27, Article 2719; 2006, No.1, Article 11; No.31, Article 3455; No.50, Article 5279; 2007, No.1, Article 7, 15; No.30, Article 3748, 3749, 3750; No.45, Article 5427; No.46, Article 5554; No.50, Article 6247; 2008, No.18, Article 1944) shall be amended as follows:

Article 3 Item 3 shall become effective from 1st January 2010 (Article 8 herein).

1) Article 17 Item 1 Sub-items 101.1 to 101.3 shall be considered void;

2) Article 18 Item 6.1:

a) The wording ‘July 1, 2008’ in the first paragraph shall be replaced with ‘January 1, 2010’;

b) The following paragraph shall be added:

‘Issue of licenses for such types of activity shall be terminated from January 1, 2009.’.

Article 4

Code of Administrative Offences of the Russian Federation (Collected Legislation of the Russian Federation, 2002, No.1, Article 1; No.18, Article 1721; No.30, Article 3029; No.44, Article 4295; 2003, No.27, Article 2700, 2708, 2717; No.46, Article 4434, 4440; No.50, Article 4847, 4855; 2004, No.30, Article 3095; No.31, Article 3229; No.34, Article 3529, 3533; 2005, No.1, Article 9, 13, 40, 45; No.10, Article 763; No.13, Article 1075, 1077; No.19, Article 1752; No.27, Article 2719, 2721; No.30, Article 3104, 3131; No.50, Article 5247; No.52, Article 5596; 2006, No.1, Article 10; No.2, Article 172; No.6, Article 636; No.10, Article 1067; No.12, Article 1234; No.17, Article 1776; No.18, Article 1907; No.19, Article 2066; No.23, Article 2380; No.28, Article 2975; No.30, Article 3287; No.31, Article 3420, 3432, 3438, 3452; No.45, Article 4641; No.50, Article 5279; No.52, Article 5498; 2007, No.1, Article 21, 29; No.16, Article 1825; No.26, Article 3089; No.30, Article 3755; No.31, Article 4007, 4008, 4015; No.41, Article 4845; No.43, Article 5084; No.46, Article 5553; No.50, Article 6246; 2008, No.18, Article 1941; No.20, Article 2251) shall be amended as follows:

1) The following Article 9.5.1 shall be added:

‘Article 9.5.1. Performance of engineering surveys, preparation of design documentation, construction, rehabilitation and capital repairs of capital structures without a Competency Certificate for the particular types of work or not in compliance with the minimum requirements to the issue of Competency Certificates for the relevant types of work

1. Performance of engineering survey, preparation of design documentation, construction, rehabilitation or capital repair works which are critical to the construction project safety (hereinafter in this article referred to as 'capital construction project safety critical works') without a Competency Certificate for such works, where availability of such Certificate is mandatory, -

shall invoke an administrative fine in the amount of forty to fifty Russian Roubles.

2. Failure by a corporate entity or individual entrepreneur to comply with the minimum requirements to the issue of Competency Certificates for capital construction project safety critical works in performance of such works, -

shall invoke an administrative fine in the amount of thirty to forty Russian Roubles.

3. Repeated failure by a corporate entity or individual entrepreneur to comply with the minimum requirements to the issue of Competency Certificates for capital construction project safety critical works in performance of such works during a year, -

shall invoke an administrative fine in the amount of forty to fifty Russian Roubles or suspension of the activities in accordance with administrative laws for a maximum of ninety days.';

Article 23.1:

a) Part 2: the following wording shall be added after '9.5.': 'Article 9.5.1 Part 3, Articles';

b) Part 3, the third paragraph: '9.5.1,' shall be added after '9.5.';

3) The following Article 23.69 shall be added to Chapter 23:

'Article 23.69. Federal Executive Body Authorized to Carry Out Governmental Control (Supervision) of Self-Regulating Organizations' Activities in the Areas of Engineering Survey, Architectural and Civil Design, Construction, Rehabilitation and Major Repairs of Capital Structures

1. Federal Executive Body authorized to carry out governmental control (supervision) of Self-Regulating Organizations' activities in the areas of engineering survey, architectural and civil design, construction, rehabilitation and major repairs of capital structures shall review administrative offence cases as established by this Code Article 9.5.1.

2. The following officials may review administrative offence cases on behalf of the Body, referred to in this Article Part 1:

1) Head of the Federal Executive Body Authorized to Carry out Governmental Control (Supervision) of Self-Regulating Organizations' Activities in the Areas of Engineering Survey, Architectural and Civil Design, Construction, Rehabilitation and Major Repairs of Capital Structures, and his/her deputies;

2) Heads of the above Federal Executive Body's subdivisions;

3) Heads of the above Federal Executive Body's territorial offices and their deputies.';

4) Article 28.3 Part 2: Item 89 shall be added to read as follows:

'89) officials of the executive bodies authorized to carry out governmental supervision of construction activities, - about administrative offences as provided for by this Code Article 9.5.1.'.

Article 5

Federal Law dd. December 29, 2004, No. 191-FZ 'On the Enactment of the Russian Federation Urban Development Code' (Collected Legislation of the Russian Federation, 2005, No.1, Article 17; No.30, Article 3122; 2006, No.1, Article 17; No.27, Article 2881; No.52,

Article 5498; 2007, No.21, Article2455; No.49, Article 6071; No.50, Article 6237; 2008, No.20, Article 2251) The following Article 3.2 shall be added:

‘Article 3.2.

1. Before January 1, 2010, any contractor shall be permitted to perform business activities in the areas of engineering survey, architectural and civil design, construction, rehabilitation and/or major repairs of capital structures on the basis of the following at its own discretion:

1) License issued under Federal Law dd. August 8, 2001, ‘On the Licensing of Certain Activities’ (hereinafter referred to as ‘Federal Law on Licensing of Certain Activities’);

2) Competency Certificate for a particular type or types of engineering survey, preparation of design documentation, construction, rehabilitation or capital repair works, which are critical to capital construction project safety, issued by a Self-Regulating Organization in the area of engineering survey, architectural and civil design, construction, rehabilitation or major repairs of capital structures in accordance with the procedure established by the Russian Federation Urban Development Code.

2. Before January 1, 2010, after a list of engineering survey, preparation of design documentation, construction, rehabilitation and major repair works, which are critical to capital construction project safety, has been established by the relevant federal executive body, the requirement to have a license, issued under Federal Law On Licensing of Certain Activities, shall not apply to other works in the areas of engineering survey for construction of buildings and structures, designing of buildings and structures, and/or construction of buildings and structures.’.

Article 6

Federal Law dd. January 12th, 2007, No.7-FZ ‘On Self-Regulating Organizations’ (Collected Legislation of the Russian Federation, 2007, No. 49, Article 6076) shall be amended as follows:

1) Article 1 Part 2: the wording 'Particular issues associated with the acquisition/cessation of the Self-Regulating Organization status, Self-Regulating Organizations’ activities and' shall be reworded as follows: ‘Particular issues associated with the acquisition/cessation of the Self-Regulating Organization status, legal status of Self-Regulating Organizations, Self-Regulating Organizations’ activities, procedure for the admission to and cessation of membership in a Self-Regulating Organization, procedure for the exercise of control by Self-Regulating Organizations over their members’ activities and imposition by Self-Regulating Organizations of disciplinary measures on their members, as well as’;

2) Article 2 Part 3: the wording ‘in the Russian Federation’ shall be deleted;

3) Article 3:

a) Part 1: the word ‘self-regulation’ shall be substituted by the wording ‘as provided for by this Federal Law and other federal laws’;

b) Part 3:

The first paragraph: the word ‘only’ shall be deleted;

Item 3: the wording ‘by establishing the requirement to the Self-Regulating Organization members to provide insurance as described in this Federal Law Article 13 Part 1 Item 1, or by setting up of the Self-Regulating Organization’s compensation fund" shall be substituted with the wording ‘in accordance with this Federal Law Article 13’;

c) Part 4: the wording ‘To perform activities’ shall be substituted with the wording ‘Unless otherwise provided for by federal law, to perform activities’;

d) The following wording shall be added to the first sentence of Part 5: ‘unless otherwise provided for by federal law’;

e) The following wording shall be added to Part 6: ‘and shall lose the Self-Regulating Organization status from the date of removal of information on the Non-For-Profit Organization from the Register’;

4) Article 4:

a) Part 2: the words ‘particular features’ shall be substituted with ‘requirements, standards and rules, as well as specific requirements to the contents’; the words for particular types of business or professional activity’ shall be deleted;

b) Part 5: the wording ‘Self-Regulating Organization standards and rules shall provide for’ shall be substituted with ‘Self-Regulating Organizations shall establish’; the word ‘ensure’ shall be added after the word ‘and’;

5) Article 5 Part 2: the wording ‘to perform a particular type of business or professional activity’ shall be deleted;

6) Article 6:

a) Part 1:

Item 1: the wording ‘membership requirements’ shall be substituted with ‘terms and conditions of business entity or individual membership’; the wording ‘including the Self-Regulating Organization membership admission requirements’ shall be deleted;

Item 4: the wording ‘Self-Regulating Organization charter’ shall be substituted by ‘Non-For-Profit Organization's charter’.

Item 8 shall be added as follows:

‘8) verify compliance of its members’ business or professional activities with the Self-Regulating Organization’s standards and rules, and the Self-Regulating Organization membership terms and conditions;

Item 9 shall be added as follows:

‘9) Administer complaints against actions of the Self-Regulating Organization members and review cases of breach by the Self-Regulating Organization members of its standards and rules or membership terms and conditions.’;

b) Part 2 shall be amended to read as follows:

“2. Along with the main functions as set out in Part 1 of this Article, any Self-Regulating Organization shall have the right to perform other functions provided for by federal laws and its charter.”;

c) Part 3:

The first paragraph: the wording ‘In accordance with its main functions, as established by this Article, Self-Regulating Organization shall perform its activities’ shall be substituted with ‘Self-Regulating’;

Item 1 shall be declared void;

d) Part 4: the wording ‘provided for by this Federal Law and other federal laws, taking into account the specific requirements established for a particular type of business or professional activities’ shall be substituted with the wording ‘unless their rights are restricted by federal laws and/or the organization’s constitutive instruments’;

e) Part 5 shall be amended to read as follows:

‘5. Any Self-Regulating Organization shall perform the Self-Regulating Organization’s functions as provided for by Paragraphs 1, 2, 4, 7 - 9 of Part 1 of this Article.’;

7) Article 7:

a) Part 1:

Item 2: the wording ‘and other persons’ shall be added;

Item 7 shall be amended to read as follows:

‘7) Resolutions passed by the general meeting of the Self-Regulating Organization members and permanent collegial management body of the Self-Regulating Organization;’;

Item 8: the wording ‘(if such information is available)’ shall be added;

Item 11: the wording ‘where such Self-Regulating Organization carries out certification of its members’ employees’;

Item 13: the wording ‘by the Self-Regulating Organization’ shall be added after the word ‘inspections’;

Item 15: the wording ‘by Self-Regulating Organization charter’ shall be substituted by ‘by Self-Regulating Organization’;

b) Part 4: the wording ‘Self-Regulating Organization’ shall be substituted with the wording ‘Unless otherwise provided for by federal law, Self-Regulating Organization’;

c) Part 5: the wording ‘By the Self-Regulating Organization Charter or requirements, specifically established and binding for all Self-Regulating Organization employees’ shall be substituted with the wording ‘by the Self-Regulating Organization’;

8) Article 8:

a) Part 4: the wording ‘Self-Regulating Organization’s constitutive instruments’ shall be substituted with the wording ‘Non-For-Profit Organization’s constitutive instruments’;

b) Part 5: the wording ‘Non-For-Profit Organization’ shall be added before the word ‘Charter’;

9) Article 9:

a) Part 1: the wording ‘Employees of the relevant Self-Regulating Organizations subdivisions’ shall be substituted by the words ‘Self-Regulating Organizations’;

b) The wording ‘membership terms and conditions’ shall be added to the first sentence of Part 2;

c) Part 8: the wording ‘or membership terms and conditions’ shall be added after the words ‘Self-Regulating Organization’s standards, rules’;

d) Part 10: the wording ‘Self-Regulating Organization charter’ shall be substituted by ‘Non-For-Profit Organization’s charter’.

10) Article 10 Part 1: the wording ‘must review’ shall be substituted by ‘shall review’; the wording ‘, and Self-Regulating Organization membership terms and conditions’ shall be added;

11) Article 12:

a) Part 1:

Item 3: the word ‘revenues’ shall be substituted by ‘receipts’; Item 4: the word ‘revenues’ shall be substituted by ‘receipts’; Item 5: the word ‘revenues’ shall be substituted by ‘receipts’;

b) Part 3: the wording ‘, approved by the Self-Regulating Organization general meeting, unless otherwise provided for by federal laws or the Non-For-Profit Organization’s charter’;

12) Article 13:

a) Part 4 shall be amended to read as follows:

‘4. Federal Laws may establish other requirements to the Self-Regulating Organization compensation fund set up procedure, minimum amount, use of such fund assets, or the Self-Regulating Organization member liability insurance, than those established by this Federal Law.’;

b) The following wording shall be added to Part 5: ‘unless otherwise provided for by federal law’;

c) Part 12 shall be amended to read as follows:

‘12. Self-Regulating Organizations shall, to the extent provided for by federal laws and within the amount of compensation fund assets, be responsible for liabilities incurred by their members due to damages caused by defects in the Self-Regulating Organization members’ products (works, services).’;

13) Article 14 Part 6: the wording ‘Self-Regulating Organization charter’ shall be substituted by ‘Non-For-Profit Organization's charter’.

14) Article 16:

a) Part 1: the wording ‘, other federal laws and Non-For-Profit Organization’s charter’ shall be added after the word ‘Law’;

b) Part 2: the wording ‘but shall be at least once a year’ shall be added;

c) Part 3:

The first paragraph: the word ‘exclusive’ shall be deleted;

Item 4: the wording ‘, and membership terms and conditions’ shall be added;

Item 11 shall be added as follows:

‘11) Other resolutions as provided for by federal laws and the Non-For-Profit Organization charter.’;

d) The following Article 3.1 shall be added:

‘3.1. Issues referred to under this Article Part 3 Items 1, 2, 4 - -10 may not be included by the Non-For-Profit Organization charter into the terms of reference of other management bodies of the Self-Regulating Organization.’;

Article 17:

a) Part 6 shall be amended to read as follows:

‘6. Quantitative composition of the Self-Regulating Organization Permanent Collegial Management Body, as well as the procedure and conditions for its formation, activities and resolution making, shall be defined by the Non-For-Profit Organization charter.’;

b) Part 7:

The first paragraph: the words ‘terms of reference’ shall be substituted by ‘Unless otherwise provided for by federal laws, terms of reference’;

Item 7 shall be added as follows:

‘7) other issues provided for by the Non-For-Profit Organization charter.’;

c) The following Part 8 shall be added:

‘8. Issues under this Article Part 7 Items 1 and 2 may be included by the Non-For-Profit Organization’s charter to the terms of reference of Self-Regulating Organization General Meeting.’;

16) Article 20:

a) Part 1: the wording ‘Self-Regulating Organization state registration’ shall be substituted by ‘Non-For-Profit Organization state registration.’;

b) Part 2: the wording ‘or regulation of the relevant type of activity’ shall be deleted;

c) Part 8 Item 5: the word ‘(types)’ shall be added after the word ‘type’;

d) Part 10: the word ‘Reason’ shall be substituted by the word ‘Reasons’; the word ‘shall include’ shall be substituted by the wording ‘shall include: non-conformance by the Non-For-Profit Organization to the requirements, established by this Federal Law Article 3 Part 3 and other federal laws to the number of the Self-Regulating Organization members and/or amount of the Self-Regulating Organization's compensation fund.’; the wording ‘cases described in this Federal Law Article 22 Part 6’ shall be added after the word ‘and’;

e) Part 13: the wording ‘its constitutive and other documents’ shall be substituted by the wording ‘its name’;

17) Article 21 Part 4: the word ‘may’ shall be substituted by the wording ‘or other federal laws to the number of the Self-Regulating Organization members or amount of its compensation fund, shall’;

18) Article 22:

a) Part 3 Item 1: the wording ‘and membership terms and conditions’ shall be added after the word ‘rules’;

b) Part 5: the wording 'or its activities with this Federal Law or other federal laws' shall be substituted with the wording 'requirements, established by this Federal Law Article 3 Part 3, or in the event of two or more breaches of other requirements, established for Self-Regulating Organizations by this Federal Law or other federal laws during a year, if such breaches have not been remedied or are irremediable';

19) Article 24:

a) Part 4 shall be amended to read as follows:

'4. Members of any association (union) of Self-Regulating Organizations may delegate to the association (union) their rights to develop Self-Regulating Organizations' unified standards and rules, terms and conditions of membership of business entities and professionals in the Self-Regulating Organizations – members of the association (union), to resolve disputes by arbitration, to conduct training and certification of the Self-Regulating Organization members, to carry out certification of their products (works, services), to disclose information, and other Self-Regulating Organizations' rights.';

b) Part 7: the wording 'and other Non-For-Profit Organizations' shall be added.

Article 7 shall become effective from January 1, 2010, (Article 8 herein).

Article 7

Item 1 of Article 1 of Federal Law 'On Introducing Amendments Concerning Construction Licensing into Articles 17 and 18 of Federal Law On Licensing of Certain Activities' dd. July 19, 2007, No.136-FZ (Collected Legislation of the Russian Federation, 2007, No.30, Article 3750) shall be repealed.

Article 8

1. This Federal Law shall become effective from the date of official publication, except for the nineteenth and twenty third paragraphs of Article 1 Item 9, Article 3 Item 1 and Article 7 of this Federal Law.

2. Nineteenth and twenty third paragraphs of this Federal Law Article 1 Item 9 shall become effective from January 1, 2009.

3. Article 3 Item 1 and Article 7 of this Federal Law shall become effective from January 1, 2010.

4. Before January 1, 2009, the Self-Regulating Organization Compensation Fund shall be at least one hundred fifty thousand Russian Roubles per each member for Non-For-Profit Organizations to acquire the status of a Self-Regulating Organization, based on membership of persons performing engineering surveys or preparation of design documentation, and at least three hundred thousand Russian Roubles per each member for Non-For-Profit Organizations to acquire the status of a Self-Regulating Organization, based on membership of persons performing construction.

5. The relevant federal executive authority shall establish the list of engineering survey, design documentation preparation, construction, rehabilitation and major repair works which are critical to the capital construction project safety (hereinafter referred to as 'capital construction project safety critical works') within three months from this Federal Law effectiveness date.

6. The relevant federal executive authority shall establish the procedure for maintaining the State Register of Self-Regulating Organizations within three months from this Federal Law effectiveness date.

7. The Russian Federation Government shall:

1) Establish the relevant federal executive body, authorized to establish the list of capital construction project safety critical works, and the federal executive body, authorized to establish the procedure for maintaining the State Register of Self-Regulating Organizations, within one month from this Federal Law effectiveness date;

2) Establish the minimum requirements to the issue of Competency Certificates for works, which are critical to safety of highly hazardous, technically complicated and unique projects as defined by the Russian Federation Urban Development Code Article 48.1, within three months from this Federal Law effectiveness date.

8. Until the Supervisory Authority for Self-Regulating Organizations establishes the format for Competency Certificates for capital construction project safety critical works and the format of extract from the Register of Self-Regulating Organizations, Self-Regulating Organizations shall establish such formats at their own discretion. No substitution of the documents issued by Self-Regulating Organizations before the establishment of the above formats shall be required after their establishment by the Supervisory Authority for Self-Regulating Organizations.

9. No Non-For-Profit Organization may acquire the Self-Regulating Organization Status before January 1, 2009, unless its members have appropriate licenses to conduct engineering surveys for the construction of buildings and structures, design of buildings and structures, or construction of buildings and structures, except for seasonal or auxiliary facilities.

10. National Association of Self-Regulating Organizations in the area of engineering surveys, architectural and civil design, construction, rehabilitation and major repairs of capital structures shall be established not later than July 1, 2010.

President of the
Russian Federation
D. MEDVEDEV

Moscow, Kremlin
July 22, 2008
No.148-FZ