

# Chambers

## GLOBAL PRACTICE GUIDE

---

Definitive global law guides offering  
comparative analysis from top ranked lawyers

# TMT

Russia: Trends & Developments  
Hogan Lovells (CIS)

[chambers.com](https://www.chambers.com)

# 2019



# Trends and Developments

*Contributed by Hogan Lovells (CIS)*

**Hogan Lovells** has a Moscow office which provides clients with full-service TMT-related legal advice across Russia and the Commonwealth of Independent States (CIS). The Moscow office was established in 1994 and has been helping clients to resolve the most complicated legal matters for the last 25 years. The team delivers a world-class level of service to clients by providing the highest-quality advice and support on transactional, regulatory, antitrust, commercial and IP issues, including those specific to the TMT sector, and includes litigators who are available to protect TMT clients'

interests. The TMT industry-led client focus is fundamental to its overall strategy and allows clients to benefit from its deep knowledge, market insights and top-quality professionals. The Moscow office's TMT clients include high-profile technology companies, the largest conglomerates of the international gaming industry, telecommunications network operators and service providers, film and TV studios, TV and radio broadcasters, social networks, online retailers and auctioneers, as well as financial institutions and government organisations.

## Authors



**Oxana Balayan** a managing partner of Hogan Lovells (CIS) is one of the most recognised and experienced transactional lawyers in Russia focusing on cross-border M&A and corporate work. Oxana's portfolio consists of transformative deals

across a variety of industries, but she is particularly known in the market for her TMT transactional work. She has a creative and thorough approach to problem-solving, with an excellent grasp of corporate, regulatory, compliance, governance and antitrust issues. Clients benefit from Oxana's strong international background, including her dual qualification in Russia and England and Wales, and her work in international offices, including in Germany. Oxana's consistently proven leadership and exceptional management skills are recognised by peers and clients. She is invited to participate in pitching for every significant TMT transaction or market entry and expansion by international media players.



**Natalia Gulyaeva** is the head of the intellectual property, media and technology practice at Hogan Lovells (CIS), and is a partner who is recognised as a leading Russian IP and TMT specialist. Natalia advises clients on all

aspects of contentious and non-contentious IP and TMT work, including strategic counselling, portfolio management and auditing, dispute resolution (arbitration and litigation), anti-piracy actions and transactional work. She is particularly well known for her work for high-tech, media and pharmaceutical companies. Natalia is admitted to represent clients before the Russian Patent Office, the Chamber for Patent and Trade Mark Disputes, the Russian IP court and other Russian courts. In addition to her qualification as a Russian lawyer, she is admitted as an

English solicitor. Natalia's special focus lies in the fields of data protection, privacy and cybersecurity. Her team is a lead counsel of respected international businesses in matters relating to data localisation, cross-border data transfers, cybercrime, internet traffic control and many others.



**Maria Kazakova** is a senior associate and a highly experienced M&A, joint venture and private equity attorney, with a focus on the TMT sector. She represents foreign private and state-owned TMT companies in major transactions in Russia and other

CIS countries, as well as major Russian TMT companies in their projects worldwide. Being a Russian-qualified and internationally trained attorney makes Maria exceptionally well positioned to work on cross-border transactions. She always takes a pragmatic approach to addressing clients' needs and understanding their concerns, taking into consideration all commercial, regulatory, compliance, antitrust, corporate governance and private international law issues. Maria has a distinguished track record and her experience includes a large number of high-profile transactions in the Russian TMT market, including the expansion of the world's leading TMT businesses into Russia.



**Roland Novozhilov** is an associate who has more than 12 years of experience, having taken part in major projects related to copyright and neighbouring rights, trade marks, know-how, media, information and internet technologies. He

has directly participated in the preparation and support of local and cross-border transactions relating to exclusive rights for various IP objects, in the development and

implementation of strategies for the protection and management of IP of companies and holdings, in M&A and joint venture transactions with a significant predominance of intangible assets, and in legal support of production, purchase and further distribution of rights for different types of media content in different environments (cinema, TV, sports events, e-books, internet video, etc). Roland has also worked as an internal legal adviser, the head of intellectual property department and the head of legal at well-known international and Russian companies, including The Walt Disney Company, NTV-Plus and Bookmate.

### **Mass Media and Online Cinemas Market Overview**

While both private and state-owned media and broadcasting companies operate in the Russian mass media market, the government-controlled companies certainly dominate it.

The Russian government owns and controls the major Russian television channels. For example, government-owned VGTRK (All-Russia State Television and Radio Company), produces Russia-1 (Rossiya-1), Russia's most popular television channel in 2018. VGTRK also owns and produces several other national channels such as Russia-2 (Rossiya-2), Russia-24 (Rossiya-24) and Russia-Culture (Rossiya-Kultura). The Russian government also owns 51% of Channel One, Russia's second most popular channel.

Other big players in the Russian television industry are Gazprom-Media Holding which produces NTV, the third most popular channel, and National Media Group (NMG) which produces several popular television channels such as Channel Five (Pyatyi Kanal) and Ren TV. While privately owned, NMG is a media group having close governmental connections. At the end of 2018 NMG and VTB Bank, a government-controlled bank, acquired CTC Media, then the largest-by-audience privately owned broadcaster producing several mainstream television entertainment channels. NMG's and CTC Media's channels together constitute 24% of all Russian audiences. Recently, NMG has significantly expanded its reach over the mass media following the introduction of a 20% foreign ownership limitation for Russian media companies - thus, forcing foreign media companies to establish joint ventures with Russian players, including NMG, in order to maintain their presence in the Russian market (see section 2 below).

Privately owned National Satellite Company (Tricolor) is the largest digital television broadcasting operator. Other digital television operators include ER-Telecom, Orion Express and State-owned Rostelecom.

As with the Russian television industry, state-owned and private radio coexist in Russia. The major players are Gazprom-Media Radio (a subsidiary of Gazprom-Media Holding), European Media Group and VGTRK.

The Russian film and digital media market, in particular the online-cinema theatre market, is rapidly gaining a market share and is currently dominated by private companies. Ivi.ru, Megogo, Okko.tv and Tvigle.tv are active players providing OTT and SVOD services to Russian citizens.

### **Foreign Ownership Restrictions in Mass Media**

The Russian Mass Media Law is the main law regulating the Russian media industry. Adopted in 1991, it did not provide for any restrictions as to foreign ownership or control in Russian media business. However, during the last 18 years the Russian media legislation has been undergoing significant changes gradually limiting foreign ownership and control of the Russian media industry. Between 2001 and 2018, numerous laws increasing the regulation and control of the Russian media industry were adopted. The goal of Russian lawmakers has been to limit foreign influence over Russian media companies.

Initially, in 2001, the Russian Mass Media Law was amended to forbid foreign governments, international organisations, entities controlled by foreign governments or international organisations, foreign legal entities, foreign citizens, stateless persons, Russian citizens having dual (triple, etc) citizenship (each a 'foreign person') from owning 50% or more in the share capital of a founder of a television channel or a mass media and of a broadcasting company operating in more than half of the Russian territorial subdivisions or covering the territory where more than half of the country's population resides. The restriction did not apply to printed media or radio channels and radio programmes.

Then in 2008, the Russian Foreign Investment Law was amended to require prior approval by a special governmental commission for any transaction resulting in acquisition

(directly or indirectly) by a foreign government, by an international organisation (ie, public foreign investors) or by a legal entity under the control of a foreign government or an international organisation of more than 25% of share capital of any Russian legal entity or of negative control rights in respect of any Russian legal entity. This restriction applies across all industries, not just media.

Further, under the Russian Foreign Strategic Investment Law also adopted in 2008, any transaction resulting in 'control' over any Russian legal entity which is qualified to have strategic importance for national defence and security is subject to prior approval by a special governmental commission. The criteria for a company to qualify as having strategic importance for national defence and security (a so-called strategic entity) have changed over time. Today, among others, companies engaged in television or radio broadcasting over the territory where 50% or more of the population of any constituent entity of the Russian Federation resides, as well as in printed press publication with circulation exceeding certain thresholds set out by the law, are deemed to be strategic entities. Control is defined by the law and includes, inter alia, the ownership by a private foreign investor of more than 50% of voting shares in the share capital in a strategic entity, the right to appoint a CEO or more than 50% of board members of a strategic entity or the right (on the basis of an agreement or otherwise) to manage or otherwise determine decisions of a strategic entity.

In 2011, the Russian Mass Media Law was amended to apply the foreign ownership restrictions adopted in 2001 for television mass media to radio channels and radio programmes.

In 2014, the Russian Mass Media Law was amended (and became effective in 2016) to limit not only direct participation, but also any type of foreign ownership (whether direct or indirect) in Russian mass media and broadcasters to 20% and to prohibit any forms of foreign control over any Russian mass media and broadcasters. Although the new rules came into force in 2016, certain media owners were given a transition until 1 February 2017 to bring their holdings into compliance with the new requirements.

Pursuant to the current Russian Mass Media Law, a foreign person or a Russian legal entity with foreign participation cannot be a founder of or an editor of mass media or a broadcasting company. Further, a foreign person or a Russian legal entity with foreign participation exceeding 20%, is prohibited to own, manage or control (whether directly or indirectly, through any persons under control or by means of holding in aggregate more than 20% of shares in any person) more than 20% of shares in the share capital of a shareholder of a founder or of an editor of any mass media or of any broadcasting company.

Moreover, currently the Russian Mass Media Law prohibits any other form of control by a foreign person, or by a Russian legal entity with any foreign participation, over a founder of or editor of mass media, broadcasting company or their respective shareholders, if such control results in acquiring the opportunity to directly or indirectly own or manage the respective mass media or a broadcasting company, control them or de facto determine the decisions they take.

Any transaction violating the above foreign control restrictions is deemed to be null and void and the foreign person violating these restrictions is deprived of its voting and other rights as a shareholder of the relevant entity.

On 17 January 2019 the Constitutional Court of the Russian Federation ruled that the 20% foreign ownership restriction threshold established by the Russian Mass Media Law is legal and "is designed to prevent the strategic influence and control over the media." At the same time, the Constitutional Court ordered the Russian Parliament to adopt amendments to the Russian Mass Media Law clarifying a number of matters that contradict the Russian Constitution, including the use of the terms 'a founder of mass media' and 'a participant of a founder of a mass media' and the vague rules concerning a foreign person's right to exercise its corporate rights in respect of 20% shares in a mass media. The new amendments to the Russian Mass Media Law ordered by the Constitutional Court have not yet been adopted.

### ***Industry impact***

Needless to say, the amendment to the Russian Mass Media Law that became effective in 2016 affected a wide variety of mass media in Russia, including the country's leading business daily newspaper, Vedomosti (the Russian versions of glossy magazines such as Vogue, Elle, Tatler, Glamour, Esquire, GQ and Cosmopolitan), and television channels such as Disney, Discovery Channel, Animal Planet and Eurosport. The new restriction resulted in massive restructuring of TV broadcasting and mass media businesses in the Russian market, with some international media companies withdrawing from Russia in early 2016. For example, the new law led to the sale of a number of foreign-owned media outlets that were established in the 1990s and 2000s, including by Germany's Axel Springer and Finland's Sanoma media groups. The law has also limited the remaining foreign-owned media from influencing content because of their minority stakes.

Finally, according to the 2015 amendment to the Russian Mass Media Law, if the editor of mass media, a broadcasting company or a publisher receives any monetary funds from a foreign person or from a Russian legal entity with foreign participation, the editor of the mass media, broadcasting entity or publisher must report the receipt of such monetary funds to the Russian TMT regulator (Roskomnadzor). Further, in 2017-18 the Russian lawmakers adopted new rules

affecting foreign agent mass media (ie, foreign media that receives funding from foreign persons or Russian legal entities which receive funding from foreign persons). The new rules require them, inter alia, to include a disclaimer in every publication or post identifying their status as foreign agent mass media. The rules also require such mass media to audit their accounts, submit quarterly reports on funding received and publish an activity report twice a year.

### **Foreign Ownership Restriction in the Online Cinema Industry**

The Russian Law on Information, Information Technologies and Protection of Information adopted in 2006 (the 'Russian Information Law') is the main law that regulates the Russian online cinema industry. Until 2017, ownership of the companies providing OTT and SVOD services in Russia, including online cinemas, remained unregulated.

Under Russian law, an online cinema may be deemed to be a so-called audio-video service (an "AVS"). Under the Russian Information Law, an AVS is a website, web page, information system and/or software that is used to make and/or distribute audio-video content that is:

- accessed in exchange for payment or through watching ads targeted at consumers in Russia; and
- accessed daily by more than 100,000 users in Russia.

If all these criteria are met, an online cinema is deemed to be an AVS and will be subject to certain foreign ownership restrictions.

Websites registered as mass media (eg, the popular channel Rain), web search engines (eg, Google Search) and information resources where the audio-video content is mainly posted by the users (eg, YouTube) are specifically excluded from application of the legal rules relating to AVS.

In accordance with the recent changes of 2017 to the Russian Information Law, only Russian legal entities and Russian citizens not having any other citizenship may be owners of an AVS. It is widely believed that these restrictions are possibly aimed at preventing world giants such as Netflix and Amazon from entering the Russian online cinema market.

A foreign person and a Russian legal entity with foreign participation exceeding 20% may own, exercise management or control (directly or indirectly) in respect of up to 20% of shares in the share capital of the AVS owner without any restrictions. However, an acquisition by such foreign person or entity holding more than 20% of shares in the share capital of an AVS owner is subject to a preliminary approval by a special governmental commission. The commission will grant such approval only if the foreign participation contributes to development of the AVS market in Russia. However, the commission has not yet been established and

at this point there is no information as to when this will be happen. Due to this uncertainty, foreign audio-video content providers have no clarity as to how to operate in the Russian AVS market if they want to acquire more than 20% of AVS owner shares. Additionally, the Russian regulatory body is to maintain an AVS register containing information about the owners but such register has not been yet established either.

The foregoing foreign ownership control restrictions of AVS apply to foreign persons and Russian legal entities with foreign participation exceeding 20% that own an information resource distributing audio-video content if less than 50% of its users are located in Russia. If more than 50% of the users are located in Russia, the regulations are not clear. According to unofficial comments from the Russian regulator, such persons and entities cannot own shares in an AVS owner or exercise management or control (directly or indirectly) over any shares in an AVS owner at all.

Unlike the similar restrictions applicable to the Russian media sector, the Russian Information Law does not prohibit other forms of control (eg, programming, editorial control, economic control, etc) by a foreign person over an AVS.

Failure to comply with the foreign control restrictions may result in an AVS being blocked in Russia and/or in an administrative fine or administrative suspension of the Russian business operations.

### **Technology and Telecom Market Overview**

The IT and telecom sectors are publicly recognised among the main priorities of Russia's integration into the digital economy. Accordingly, the Scientific and Technology Development Strategy of Russia until 2035 highlights the following prioritised directions of the Russian State scientific and technological development:

- transfer to new digital and information technologies;
- big data collection and processing systems;
- machine learning, artificial intelligence and robotised systems.

While the above concept is ambitious, we have to accept that the vast worldwide growth of technologies and their simultaneous functional depreciation rarely go hand in hand with the appropriate legal framework. As an example, many new technologies either remain under-regulated or come under certain, sometimes extensive, legislative restrictions, such as social networking, instant messaging, personal data etc. Some of these technologies, such as telemedicine services, have been regulated only recently, and the relevant law de facto imposes more restrictions than clarifications. Certain other areas, like big data, are suffering in the absence of comprehensive regulation and have to develop within the framework of ad hoc court and administrative decisions.



Additionally, some legislative initiatives aimed at expansion of governmental control over the media and Internet have resulted in certain restrictions on technology and telecom sectors in recent years, such as requirements on Internet user traffic storage and personal data localisation. The main legislative acts regulating Russian technology, telecom and privacy spheres, which have undergone significant amendments over the last decade, are the Russian Communication Law adopted in 2003, the Russian Information Law adopted in 2006 and the Russian Personal Data Law adopted in 2006.

However, despite various restrictions implied by the amendments to these laws, together with the respective regulations adopted by the Russian authorities, both foreign and local companies are widely operating in the Russian technology and telecom markets, such as international giants like Alphabet (Google), Alibaba, Apple, Facebook (including Instagram and WhatsApp), IBM, Microsoft, SAP, Samsung, Twitter, among others, as well as Russia-originated conglomerates like Mail.ru Group (including its social networks VKontakte and Odnoklassniki), MegaFon, MTS, Rambler, Rostelecom (together with its co-owned operator Tele2 Russia), VimpelCom (d.b.a. Beeline), and, of course, Yandex. Certain other players like LinkedIn social network and Telegram messenger have eventually been blocked by Roskomnadzor in 2016 and 2018, respectively, due to non-compliance with the newly adopted rules, yet they still remain rather popular.

### **IT Resources Blocking; Data Localisation and Storage Requirements**

Under Russian law, distribution of certain types of content via the Internet, including, for example, extremist material, calls for riots, calls for suicide, illegal information on gambling, certain types of adult content, illegally distributed intellectual property etc, as well as violation of information security and privacy protection requirements may, inter alia, lead to temporary or even permanent blocking of the respective website. Russian authorities tend to consider blocking as an instrument of pressure on law-breakers and a measure to eliminate unlawful information distribution, so blocking alone does not replace civil, administrative or criminal liability for the violation of laws which would lead to such measures.

#### ***The 'Personal Data Localisation Law'***

In 2014, the Russian Parliament adopted the so-called 'Personal Data Localisation Law' amending the Russian Information Law, the Russian Personal Data Law and some other legal acts, and requiring that, starting from 1 September 2015, personal data operators, while collecting personal data of Russian citizens, must ensure recordal, systematisation, accumulation, storage, clarification and retrieval of such data in the databases located in Russia prior to transferring the data elsewhere abroad, with certain limited exceptions.

The Personal Data Localisation Law did not specify directly whether it should apply to foreign persons. The Russian Federal Ministry of Digital Development, Communications, and Mass Media then published non-binding recommendations clarifying that, because of the Internet's cross-border nature, certain Internet activity may be considered as conducted in Russia, and, therefore, is subject to the personal data localisation requirements. For example, a website may be deemed subject to the localisation requirements if it includes a Russian language option or uses a Russian top-level domain name like.ru, and there is additional evidence confirming that the website targets Russia (eg, advertisement aimed at Russian consumers).

#### ***Industry impact***

Failure to comply with the personal data localisation requirements may lead to various negative consequences, from administrative liability to permanent blocking of the website. This is what happened to LinkedIn, which was found violating the Russian Personal Data Law requirements under the federal court's decision and the access to the social network was officially restricted in November 2016 by Roskomnadzor.

Some IT giants like Microsoft, Samsung and many others took a safe approach and complied with the requirements of the Personal Data Localisation Law. With respect to other major players, Roskomnadzor has announced inspections to be conducted in 2019, so we should witness further law enforcement actions in this sector shortly.

#### ***The 'Yarovaya Package'***

In 2016, another restrictive set of laws, the so-called 'Yarovaya Package', passed. Two federal laws of this package amended the pre-existing counter-terrorist legislation, criminal material and procedural codes, as well as the Russian Communication Law and the Russian Information Law and certain other laws. The package was named after one of its authors, Mrs Irina Yarovaya, a member of the Russian Parliament, who was joined by several other members to develop and introduce the bills into the Russian Parliament.

#### ***Industry impact***

The most controversial part of the Yarovaya Package is the requirement that telecom and Internet service providers must store in Russia all content of voice calls, data, images and text messages for up to six months, and the metadata on them, such as time, location, senders and recipients of messages information, for one year. Further, online services such as messaging services, e-mail and social networks that use encrypted data are required to allow the Federal Security Service (FSS) to access and read their encrypted communications, and Internet and telecom companies are required to disclose these communications and metadata, as well as "all other information necessary," to the FSS upon request and without a court order.

The Yarovaya Package received significant criticism from telecom operators, Internet companies, non-governmental organisations and ordinary users. However, despite various estimates of monetary burden of compliance (more than USD70 billion), the laws eventually became effective 1 July 2018.

Telegram messenger, co-founded by Russia-born Pavel Durov (the previous owner of the Russian largest social network VKontakte), was among the first of those who refused to co-operate with the FSS back in 2017 to grant access to the users' communications. This led to a series of legal actions and, as a result, in April 2018 Telegram was officially blocked in Russia. However, due to the specific technologies used by the messenger, it is still available in Russia, though with certain interruptions.

Other Internet companies and messengers, such as WhatsApp, WeChat and Viber, continue to operate in Russia without restrictions.

### **Big Data Collection and Use**

Big data still lacks clear legal definition but the worldwide big data market is already expected to surpass USD200 billion in 2020. Although search engines and social networks initially based their services on big data collection and analysis, more traditional businesses have recently turned to this effective instrument. Thus, in Russia, the major big data users tend to be large financial institutions such as telecom operators, major retail market players as well as certain public authorities.

Although big data is among the prioritised technologies mentioned in the Digital Economy Programme adopted by the Russian federal government in 2017, collection and use of big data, unsurprisingly, raises certain legal and ethical issues associated with individual privacy and personal data protection. Big data about individuals represents significant commercial value for businesses helping to predict consumers' behaviour, personalise and offer the consumers the most suitable goods and services. Consequently, big data algorithms are always at risk of becoming manipulative (and even discriminative) tools affecting fundamental human rights to personal privacy and freedom from discrimination.

These big data risks emerge at every stage of big data collection, systematisation, transfer, analysis and further application. For instance, data may leak when control over its use has been lost and data may be disclosed to unintended recipients, which may lead to fraudulent actions against the data subject. Further, personalisation based on big data may potentially lead to discrimination of certain types of consumers; for example, resulting in offering different conditions to different groups of consumers for similar goods and services, based on the consumers' nationality, gender, age, political or religious views, etc.

### **Industry impact**

Usually big data comes from Internet services (such as search engines, social networks, forums, blogs, mass media, entertainment and other websites), various professional data providers, and operators of various counter and sensor readings. While there are major players that offer complex big data analytics services, database management systems, respective infrastructure, hardware, software and other big data-related solutions in Russia, there are also certain Russia-based start-ups providing niche big data instruments. One of them is Double Data service that offers big data solutions for financial institutions. By way of collecting and analysing big data about individuals from open Internet sources like social networks and other websites, Double Data offers to assist banks with attracting new clients, verifying identity of potential borrowers, estimating their credit quality and to liaise with unscrupulous debtors.

Double Data's methods of collecting open user data from their profiles published on VKontakte social network has led to one the most remarkable cases on big data use in Russia. In 2017, VKontakte sued Double Data seeking to ban it from extracting and using publicly available user data from the social network, which data the users themselves had made open to the entire Internet by selecting the appropriate profile settings. According to VKontakte's position, Double Data's activities violated VKontakte's exclusive neighbouring rights to their user database.

Double Data argued that the software it developed operated on the principles of universal search engines (such as Google, Yandex, etc), with the only difference that it searched for information limited to people and did it with greater accuracy. Further, Double Data claimed it did not create any of its own databases based on VKontakte's data, but rather installed its own software to its customers, with which software the customers could themselves search for open data on the Internet.

The court of first instance dismissed the claim of VKontakte, the court of appeal allowed the lawsuit to proceed, and in 2018 the case was considered by the Russian Intellectual Property Court and sent for a new trial to the court of first instance. Thus, the matter remains undecided.

Despite the civil law nature of the above court case (potential violation of intellectual property rights to a database), the practice of collecting personal data from open sources with its further transfer without the personal data subjects' express written consent has, as a separate matter, been considered by Roskomnadzor and the courts of all instances (including the Russian Supreme Court) as violating the Russian Personal Data Law.

### **Telemedicine: New Legislation, New Issues**

The World Health Organisation (WHO) defines telemedicine or health telematics as a composite term for health-related activities, services and systems carried out over a distance by means of information and communications technologies for the purposes of global health promotion, disease control and health care, as well as education, management and research for health. Such a concept would be particularly important for Russia given the country's extensive territory, uneven population distribution and a shortage of medical professionals and institutions.

On 1 January 2018, the amendments to the Russian Law on Fundamentals of Citizens' Health Protection were enacted to legalise the use of telemedicine technologies (the 'Russian Telemedicine Law'). However, instead of providing a clear definition of telemedicine or health telematics, the new law only defines telemedicine technologies as information technologies that provide for remote interaction of medical professionals among themselves, with patients and/or their legal representatives, identification and authentication of these persons, documentation of their actions during consultations, consultations and remote medical monitoring of the patient's health.

This concept establishes only two spheres of telemedicine application: remote interaction of medical professionals between themselves, and professionals with patients and/or their legal representatives. However, unlike the WHO definition, it does not provide for the use of such technologies for continuing education of medical professionals (eg, in the form of lectures, seminars, etc), which significantly limits the use of these technologies.

### **Industry impact**

The procedure for providing medical care using telemedicine technologies is established under regulations, the implementation of which raises a number of practical issues. For example, the literal interpretation of the Russian Telemedicine Law and the respective regulations suggests that a medical consultation via telemedicine technologies does not cover examination and diagnosis. Further, the law does not provide for carrying out a distant medical consultation by a medical professional located outside a medical institution, which, given the level of technical progress, may also significantly limit the practical use of telemedicine technologies.

Finally, some experts note that excessive regulation and increased requirements for the following actions may increase the costs in the field of telemedicine, which, in turn, would increase the final cost of telemedicine services for consumers; identification, authentication, certification, connecting certain information systems to the unified State information system in the health sector and the unified system of identification and authentication of the public services portal of Russia, and the use of enhanced qualified electronic signatures.

#### **Hogan Lovells (CIS)**

Summit Business Centre  
22 Tverskaya Street, 9th Floor  
Moscow 125009  
Russia

The logo for Hogan Lovells, consisting of the words "Hogan" and "Lovells" stacked vertically in a serif font, enclosed in a grey square.

Tel: +7 495 933 3000  
Fax: +7 495 933 3001  
Email: [natalia.goldberg@hoganlovells.com](mailto:natalia.goldberg@hoganlovells.com)  
Web: [www.hoganlovells.com](http://www.hoganlovells.com)