

Crime and punishment

Since Igor Artemiev took control, Russia's competition authority has transformed from a little-known government agency to an internationally recognised enforcer. **Rachel Bull** examines the journey so far and what lies ahead

In August, Russia's Federal Anti-monopoly Service (FAS) established a new division that would focus solely on cartel enforcement. The department is the first of its kind in Russia, and its formation is an indicator that the country's competition authority is finally getting tough.

"The decartelisation of the Russian economy is our main task," declares Igor Artemiev, head of the authority. With 11 dedicated staff, the anti-cartel department aims to bolster the number of cartel investigations brought by the FAS, increase efficiency, and strengthen collaboration with other Russian enforcement bodies. It will also help draft reforms to existing competition regulations to give the authority more power.

For years, the authority lacked the instruments required to effectively enforce the country's competition law. Now it has them. What's more, the "second antimonopoly package" of reforms to the competition regulations is currently under government review and, if approved, will give the authority powers to enforce even more aggressively.

Russian revolution

The authority has come a long way in a relatively short time. During the Communist years, the notion of competition in Russia simply didn't exist. After the regime fell in 1991, competition regulations were put in place, but lawyers say they were unsophisticated and lacked the necessary basis to properly tackle competition issues. Market redistribution was regulated by the state, not the antitrust authority, so for years competition remained an ancillary area of law. Both these factors meant that competition awareness among businesses in Russia was minimal, and many markets were dominated by monopolies or oligopolies.

Things began to change in 2004, when Artemiev was appointed head of the authority. In the two years that followed, he worked with the business community,

lawyers and academics to reform the country's competition laws, making them clearer, more advanced and more in line with international best practices. The most significant changes included the introduction of a fining regime based on annual turnover – previously the authority only had the power to impose a maximum fine of 500,000 roubles (£14,000) for anti-competitive behaviour – and a leniency programme. The reforms also lowered the thresholds for determining whether a company is a monopoly from a 65 per cent market share to 50 per cent, and clarified the use of per se rules in merger control.

Since the laws were adopted in 2006, the service has proved it isn't afraid to use its new powers. Indeed, the authority has made several precedent-setting decisions in recent months against state-owned monopolies – one of its enforcement priorities. "The peculiarity of our country is that the majority of competition law violations are committed by the state and local authorities," Artemiev explains.

In August, the authority fined coking-coal producer Mechel 790 million roubles – its highest fine to date – for abusing its dominant market position and ordered the company to cut its coal prices by 15 per cent. The following month, Russia's state-owned oil giant Rosneft was fined 229 million rubles for abusing its dominant position in the wholesale gasoline market.

Natural gas producer Gazprom, Russia's largest company, has also been a prime target. In September, the FAS found the company guilty of colluding with rival TNK-BP to fix the price of oil. It was also charged with abuse of dominance for denying rival Transnafta access to its gas transportation pipelines.

Artem Kulin, co-head of Yust's competition practice, says this particular case was significant because it prompted and influenced the recent proposed changes to the competition law. "This case confirms the duties of the dominant entity to provide

access to third parties to its infrastructure," he says.

Gazprom was also indicted in a price-fixing cartel with five other crude oil producers in 2007. And just last month the FAS threatened the companies with further legal action if they failed to voluntarily lower their prices in line with current market conditions.

Russian competition lawyers appear to support the authority's decisions. "The service has clearly been susceptible to pressure from the government in the past," says Igor Panshensky, a partner at DLA Piper in Moscow. "But the fact it can go after state-owned monopolies is a very positive sign."

Lawyers also say that the authority's decision making has become quicker and more efficient in recent months. "The authority is now asking the right questions and its investigations are becoming more substantive," says Torsten Syrbe, head of Clifford Chance's competition group in Moscow.

The FAS's progress is reflected in the most recent edition of GCR's "Rating Enforcement", where it received two and a half stars – one star rating higher than in the 2005 survey.

The authority has also begun to develop a strong relationship with the International Competition Network. Russia hosted the sixth annual ICN conference last year, which was something of a defining moment in the agency's history, proving to its peers that it is dedicated to following international best practices and cooperating internationally with other enforcement jurisdictions. Artemiev says the authority "wouldn't have achieved such significant results were there no support from ICN" when amending the country's legislation.

State control

But questions remain over the level of independence the authority has from the Russian government.

GCR

GLOBAL COMPETITION REVIEW

The European Antitrust Review 2009

The 2009 edition of *The European Antitrust Review* introduces the reader to antitrust laws in Europe, first by offering an accessible guide to Europe-wide legislation, then by outlining the competition laws of the most important economies in Europe.

European competition issues affecting a number of specific industries are also examined in detail.



To order your copy please email subscriptions@globalcompetitionreview.com

The anti-cartel department was actually established following pressure from Russia's prime minister, Vladimir Putin, when he called for increased competition enforcement as an antidote to rising inflation in the country. But Artemiev assures that "combating cartels is a strategic priority of the authority", and says there is "no government pressure" to enforce selectively.

This summer, Putin held several meetings with Artemiev and made a series of speeches demanding more aggressive enforcement by the FAS.

Meanwhile, just weeks ago, President Dmitry Medvedev urged the country's government to use antitrust regulations as a means of tackling rising jet fuel prices. So what effect is this having on the competition authority?

Lawyers say that although the impulse to create the anti-cartel department initially came from Putin, the fact that the government is highlighting antitrust and putting a national focus on the FAS is fundamentally no bad thing. "I think it is good that the government is putting antitrust in the spotlight," says Alexander Viktorov, head of competition at Freshfields Bruckhaus Deringer in Moscow. "Putin is pushing the FAS in the right direction and also showing the country that it is serious about competition enforcement."

Vassily Rudomino, head of Alrud's competition team, agrees and says that Artemiev "receives a lot of support from Putin", who was Russia's president when Artemiev was appointed head of the authority. Viktorov suggests this could mean more money and resources will be made available for the authority.

Yevgeny Voevodin, head of competition at CMS Cameron McKenna LLP in Moscow, says it was the government that granted the authority more powers, so it is "understandable that it wants to see results".

The relationship between the government and the authority seems to be a reciprocal one. "We couldn't have worked so actively without understanding from the government of the importance of competition for effective development of the Russian economy," says Artemiev. But he stands firm that the FAS will only implement government requirements "as long as they do not contradict with my view on life and legality. If they do, I would be forced to leave," he says.

Mountains to climb

So the authority has made a strong start. But the creation of the anti-cartel department is just the beginning. There are still many obstacles facing the service as it strives

to improve its competition enforcement programme.

Lawyers say there are several provisions in the current law which, due to ambiguities, continue to hinder the authority's enforcement efforts.

For instance, Russia's leniency programme is described by competition lawyers as "very unclear" and even Artemiev admits that it is "ambiguous as to whether all the applicants to the authority get relief or just the first one."

Few proceedings
have been
brought under
the law, and
those that
have been
brought yielded
no criminal
convictions

Criminal sanctions is another area that requires development. Article 178 of the Criminal Code already allows the authority to bring criminal prosecution against cartel and abuse of dominance offenders, but practitioners say the law is almost impossible to apply because of the way it is worded. As a result, few proceedings have been brought under the law, and those that have been brought yielded no criminal convictions.

The authority also has no power to carry out dawn raids, and it appears unlikely it ever will.

"The authority does not have powers for operational search actions and does not strive for them – Russia does not need another force authority," affirms Artemiev. The service must cooperate with the Ministry of Internal Affairs if it wants to visit a company's premises. Lawyers hope the anti-cartel department will foster this cooperation to make the process more efficient.

More reforms are on the horizon. At the request of the Russian government, Artemiev has drafted further amendments to the competition laws that will sharpen

and expand existing provisions, and will introduce new legal instruments. Half of these reforms have already been pre-approved by the government.

One of the most significant draft amendments includes the new administrative penalty against company executives, which gives the FAS power to exclude an individual from a company and subsequently ban them from working in another company in a similar position for between six months and three years if found guilty of anti-competitive behaviour. This amendment also applies to government officials. Another new provision allows the authority to fine state officials for antimonopoly offences committed by the state between 20,000 and 50,000 roubles.

The provisions on anti-competitive agreements have also been updated. In terms of fines, a lower limit has been set at 100,000 roubles and several new articles have been added to ensure the authority's powers are more far reaching than ever before.

Regarding the leniency programme, lawyers say the FAS is considering a non-statutory policy that will act as an internal guide for officials, in addition to basic provisions in the Code of Administrative Offences. Criminal sanctions are also being reviewed, although reforms are unlikely to receive approval until early next year.

In 1939, Winston Churchill famously described Russia as a "riddle wrapped in a mystery inside an enigma". It's fair to say that Russia's market economy is rather complex, but the recent and impending reforms to the country's competition laws should go some way towards making it more transparent, and less dominated by monopolies and oligopolies.

The authority is undoubtedly moving towards a more organised and aggressive enforcement system, which is good news for competition lawyers in Russia and for the economy. And lawyers agree that competition awareness has increased considerably, with both dominant and smaller companies paying more attention to competition regulations than ever before.

But the real journey has only just begun for the FAS. The Russian enforcement system is still in its infancy and competition has yet to properly embed in the country's business and legal cultures. The next few years will pose significant challenges, but lawyers hope that with the help of the anti-cartel department and enhanced enforcement powers, the FAS will become an authority to be reckoned with. ■

An interview with Igor Artemiev

Igor Artemiev, head of Russia's Federal Antimonopoly Service, speaks to **Rachel Bull** about the considerable progress made by the authority in recent years



What's your background?

In December 1999, I became a deputy of the State Duma, where I was vice chairman of the credit organisations and financial markets committee within the Russian democratic party Yabloko. In March 2004, by direction of the then Prime Minister Mikhail Fradkov, I was appointed head of Russia's Federal Antimonopoly Service. Since then, I have led the authority which, together with its antimonopoly policy, is responsible for ensuring compliance with advertising laws, public procurement laws and foreign investment in the strategic sectors of Russia's economy. I have never worked in the commercial sector, and in the context of my role at the competition authority, I see this as an advantage.

What do you find challenging about your role?

The authority's work does not win friends. The authority has the power to control anti-competitive actions not only of business, but also of the state and local authorities. This is why our activity often generates misunderstanding and sometimes resistance. The most challenging aspect of this is to both work effectively and maintain constructive relationships.

What are you most proud of at this point in your career?

Of my team. It's about people, not positions, opportunities or awards. The team that we

have now in the FAS is able to tackle major economic problems and we are moving forwards all the time. If, thanks to our work, inflation decreases because companies understand and observe competition regulations, we can be really proud.

A peculiarity of our country is that the majority of competition law violations are committed by the state and local authorities

What are the authority's current enforcement priorities? How do you establish your policy priorities?

Our enforcement priority is the fight against cartels. For a long time the authority

had limited instruments with which to fight cartels – there were no appropriate sanctions, no leniency programme and no ability to carry out searches. Now these problems are partially solved – a leniency programme has been introduced and we have the power to impose fines based on turnover. But we are also working with the Ministry of Internal Affairs to have the power to carry out dawn raids and to obtain direct evidence of collusion. The decartelisation of the Russian economy is our main task.

Russian competition policy and enforcement priorities are set by the economy itself, and we try to follow market trends as they arise.

Among industry sectors, our priorities always include mining, the country's natural monopolies (gas and railway industries, for example), fuel markets, natural resources, metals and machine building.

What's more, it is very important for us to maintain control over the activities of the state and local authorities. A peculiarity of our country is that the majority of competition law violations are committed by the state and local authorities.

How has the role of the FAS changed, following the implementation of the revised competition act in 2006?

The competition authority's work has become more transparent because legislation has become more precise and concrete.

Thanks to this, businesses have a better understanding of our work.

The authority's regulatory role has increased considerably. Penalties for competition violations have increased significantly. This is why the authority's work is treated more seriously – every one of our decisions is examined and highly qualified lawyers are brought in to work on cases. It was only after the modernisation of Russia's competition law that the market for legal services in competition law actually began to form. There is now a high demand for such services.

How has competition awareness in Russia changed since then?

We worked on amendments to the competition law for more than two years, and this was done in close cooperation with the business community, academics and civil society institutions. The most significant achievement in this context was that society began to better understand how we work, what is required by competition law and what one should do to avoid violating it. We have also tried to inform consumers about how competition law protects their interests. I believe we have been successful so far, although there is still much to be done.

The authority's website is now one of the top-ten most visited websites in Russia, which shows the great public interest in our activities.

We have also established “expert councils” on various issues to ensure interaction and exchange between the representatives of the regulators and the business community.

Has the new antimonopoly legislation been drafted yet? What does it entail and how will the proposed new laws change criminal enforcement?

Yes, there have been certain amendments. Amendments to article 178 of the criminal code, together with some other draft laws, are a part of the “second competition set”.

These legislative initiatives are now being actively discussed both by the government and by the public. Among them is a new version of the federal law on natural monopolies and other proposals to enhance the legal basis for competition development.

How will the authority cope with combining its antitrust function with its recent appointment as the body responsible for filings under the new law on foreign investments?

When the government discussed the adoption of this law and the way it should be implemented, there was no doubt that the FAS should be the authoritative body in charge. It was a logical decision as we already have the relevant skills. Almost immediately after the law came into force, the relevant department for control over foreign investments began work. It considers submitted notifications and prepares draft decisions for a government commission, which takes the final decision. So far we have received more than 10 notifications.

Everything we do is aimed at the creation of transparent and open rules of the game

When will you adopt the government's ordinance on block exemptions regarding vertical agreements?

The resolution was discussed many times with Russian and European competition law experts, and is soon to be adopted – hopefully before the end of this year.

What prompted the authority to form the new cartel control department?

As I've already said, combating cartels is a strategic priority of the authority. The organisational structure of our central office is based mainly on the sector principle, ie, one department controls financial markets, another covers transport, a third covers fuel and energy, etc. Each department works on various activities, from sector enquiries to anti-competitive violations. We believe this system is effective, but we also need to work more actively on the fight against cartels.

How has the implementation of the leniency policy worked so far, and how do you see it progressing?

The leniency programme is currently set out in one paragraph of the code on administrative violations. It requires considerable definition. Currently, it is ambiguous whether all the applicants to the authority get relief or just the first one. This was actually left out by the legislator for the competition authority's consideration. In the 18 months since the programme began, we have uncovered more than 10 cartels, most of which were in the financial markets between banks and insurance companies – Reiffeisenbank, Rosbank, VTB and Avangard, for example.

We are planning to make the leniency programme clearer and more specific. We need to set forth procedures on submitting an application and providing relief from liability, so that all of the authority's decisions will be wholly objective.

What do you think would help you to improve competition enforcement in Russia?

There is one problem that seriously affects enforcement: the huge number of competition law violations in Russia that are committed by the state authorities. The state authorities often want to apply administrative methods of economic regulation, together with horizontal economic integration, and restoration of the Soviet-type monopolies, even though it will impede the economic development of the country. We are not against the creation of “national champions” but it must only be in those sectors where it is justified and necessary for enhancement of Russia's competitiveness in global markets – and they should still adhere to competition rules.

A number of steps to overcome this problem were undertaken recently, including the creation of a transparent and controlled system of public procurement. In many areas the administrative barriers are decreasing. Nevertheless, there is still much to be done. We think there is a need for creating a national competition development programme, where every federal or regional executive authority and every local government should set competition development as one of its targets. Provided this is implemented, I am sure the quality of our enforcement regime will improve.

Do you think the authority could do anything to improve transparency?

Everything we do is aimed at the creation of transparent and open rules of the game. The

laws and procedures should be such that our citizens, media and businesses can see real benefits to the economy.

As for the transparency of the authority, we are presently implementing a number of ideas. We have recently adopted a new information policy in which all the decisions taken by the authority on cases, notifications, sanctions and judicial decisions on our cases should be published on our website. This strategy is working for 90 per cent of our decisions, but we are striving for 100 per cent. It will give everyone the opportunity to look through our documents, compare them and make conclusions about our work. No other state authority in Russia shows such levels of openness. Moreover, we think that regulation of all of our processes that are significant for businesses and the public is absolutely necessary. The way that notifications are considered, the way explanations of law enforcement are given – all of these should be determined by administrative regulations. We currently have 10 administrative regulations and we are planning to have more.

What are your views on the International Competition Network? Do you endeavour to follow recommended international best practices?

For the last few years, we have been very active in the ICN. As well as organising the sixth ICN annual conference in Moscow last year, we have devoted much effort to participating in the steering group and in various ICN working groups. We are currently co-chairs of the advocacy working group, and we also participate in the unilateral conduct working group and the competition policy implementation working group.

We wouldn't have achieved such significant results without the support of the ICN. The ICN's recommended practices have been very helpful in making amendments to our legislation.

Are you satisfied with the level of independence the authority has? Are there many political pressures from the government and, if so, what are they?

Without exception, the authority's work is based on federal laws and depends only on the provisions of these laws, which contains

the rules for actions and the procedures for taking decisions. I have two heads: the president and the prime minister. I will implement their requirements as long as they do not contradict with my view on life and law. If they do, I would be forced to leave. There is no government pressure to enforce selectively.

Which other competition agencies do you admire?

At 18 years old, our authority is rather young. Therefore we closely study our foreign counterparts, primarily in the US and EU member states. Their experience is very useful for us, and we have used much of it during the reformation of Russia's competition law.

There is a long history of harmonisation of approaches in enforcement and competition policy between authorities. But I should say that we wouldn't emulate thoughtlessly another jurisdiction's experience without first understanding it and seeing how it correlates with realities in Russia.

Thank you. ■

GETTING THE DEAL THROUGH



Merger Control 2009

Consulting editor: John Davies

Building on the success of the first 12 editions, the 2009 edition includes details of important legislative changes that have come into effect over the past year, covering 64 jurisdictions around the world.

**Order online at
www.gettingthedealthrough.com/bookstore**

www.gettingthedealthrough.com

Russia's Competition Bar

Russia's young competition practices are developing at an astonishing speed. **Rachel Bull** examines which firms could be the future stars of the bar

Just a few years ago, competition enforcement in Russia was a little-known concept for many in the country's business and legal communities. In 2006, Russia's Competition Act was overhauled to give the country's Federal Anti-monopoly Service (FAS) greater powers to enforce competition laws and fight cartels. What's more, the government is presently considering further reforms to the law, which, if approved, would strengthen the country's leniency programme and existing criminal sanctions.

Russia now has arguably one of the fastest-growing competition regimes in Europe, and law firms are having to respond rapidly to changes in the law to develop their competition groups in accordance with market demands.

That said, few of the firms mentioned below have developed stand-alone competition groups, and only one claims to have a team that is entirely dedicated to antitrust matters.

As such, this survey not only serves as a snapshot of the current state of the country's competition bar, it also looks at the practices that are likely to be key players on the Russian competition market over the coming years.

Elite

CMS Cameron McKenna is the only firm in Russia that has a team of lawyers solely focused on competition law. With three fully dedicated practitioners – one partner, one senior lawyer and one lawyer – the group covers merger clearances, antimonopoly proceedings and litigation. Practice head Yevgeny Voevodin says he expects to double the number of specialists within the next year. The imminent integration of three CMS firms in Russia – CMS Cameron McKenna, CMS Bureau Francis Lefebvre and CMS Hasche Sigle – to become a single firm, CMS Moscow, should help to achieve this goal.

The sole Russian lawyer nominated in the 2008 edition of *The International Who's Who*

of Competition Lawyers, Voevodin joined the firm in 2005 after seven years with the now dissolved Coudert Brothers. He is described by his peers as “one of the leading experts in Russian antimonopoly law”. In just three years, he has built a competition practice that generates over 50 per cent of its work directly from the market, rather than from internal departments or recommendations from other firms. Voevodin says that unlike many Russian firms, “we do not rely on the support of other departments in our firm to create work”. The group has worked on numerous leniency applications, and Voevodin says representing clients accused of anti-competitive actions is a “significant development” for the practice.

The practice is representing a European insurance company regarding a fine imposed by the FAS for an alleged anti-competitive agreement. It is also advising foreign investors on Russian competition issues arising from one of the largest recent global oil and gas deals.

In May 2007, Voevodin helped to launch the Competition Support Association and remains chairman of its general counsel. It has 30 members and meets regularly to discuss complex competition law and policy issues in Russia.

Yust also has a top-ranking competition practice. Joint heads of competition, Arthur Rochlin and Artem Kukin consider competition a priority for the firm and say that the amount of work the team is taking on is increasing significantly. “We are receiving a lot more instructions than a few years ago,” says Kukin. “Our work has become more complex.” Within the team of six, all four associates concentrate solely on competition, while the two partners also focus on mergers and acquisitions, corporate issues and litigation.

Around 40 per cent of the team's competition work is merger notifications, another 40 per cent is focused on representing clients in antimonopoly proceedings, and the remaining 20 per cent is spent advising

on dominance issues. Yust's list of clients remains confidential, but lawyers there say they have acted for companies in the oil and gas, petrochemical, banks and insurance sectors.

Kukin says he expects the firm's competition practice to “double in size” over the next two years.

Alrud's competition group is led by *International Who's Who of M&A Lawyers* 2008 nominee and senior partner Vassily Rudomino. As a mergers and acquisitions specialist, Rudomino says his practice is largely focused on the competition aspects of national and international mergers. The seven-strong team, which also includes one associate, two senior lawyers and three lawyers, focuses on vertical agreements and abuse of dominance issues, and is currently working on three filings in relation to the new law on foreign investments. The competition team is working to move away from traditional M&A competition matters now that the demand for behavioural antitrust work is increasing.

The group recently represented Nibe Industries – a Swedish manufacturer of domestic heating products – in its merger with Russia's Evan, and health retailer Pharmacy Chain 36.6 in the sale of its medical services business for US\$100 million.

The firm also nurtures a network of international contacts and regularly works with Slaughter & May, Howrey LLP and Sweden's Delphi.

Highly recommended

Egorov Puginsky Afanasiev & Partners' competition team is the largest in our survey, with four partners and 25 associates. Spearheaded by partner Grigory Chernyshov, who is also head of the firm's litigation department, the group dedicates around a third of its work to competition matters.

The firm boasts an impressive roster of clients. In 2007, it acted for British packaging company Rexam in its bid to buy Russia's largest beverage can maker, Rostar,

and achieved clearance where a US firm had previously failed. It represented Russian cement producer Eurocement Group in an antitrust settlement with the FAS in 2006, and is currently acting for Russian investment group Basel in several acquisitions.

Chernyshov is a co-founder of the Competition Support Association and member of its general council. Within the association, the head of the firm's regulatory department, Anton Kostenko, coordinates a working group on competition development in the energy sector.

Pepeliaev Goltsblat & Partners' competition group is led by M&A and corporate partner Anton Sitnikov, and dispute resolution partner Maxim Kulkov. The firm has 15 lawyers who work on competition issues. Most spend around 40 per cent of their time on competition, and also focus on mergers and acquisitions, dispute resolution and corporate matters. Sitnikov is confident that a stand-alone competition practice will be created within the next few years.

The team works on cross-border merger transactions with international firms SJ Berwin LLP, Milbank Tweed Hadley McCloy LLP and Linklaters LLP, among others, and although the majority of the group's work focuses on merger control, it is starting to see more cartel work, abuse of market dominance and other competition law issues.

The firm's main competition clients include disposable goods companies, oil pipeline company Transneftproduct, car manufacturers and telecoms company VimpelCom.

Lawyers at rival firms say **Freshfields Bruckhaus Deringer** has a very visible Russian competition practice. The six-strong team is led by Jacky Baudon and Alexander Viktorov, who says the group has reached the "exact composition that meets the needs of the firm", and that it's unlikely to grow in the near future. Two associates and two paralegals focus solely on competition issues.

The group acts for clients on various antimonopoly issues, including analysis of pricing policies, mergers, administrative proceedings before the FAS, and antitrust compliance programmes.

The group's main competition clients include international companies such as Hewlett-Packard and Mars. Other clients include Russian paper and pulp company Ilim Group, and minerals and chemical company Eurochem.

Clifford Chance's Russian competition practice is one of the more international in

our survey. The team is comprised of one counsel, six associates and two paralegals, and includes lawyers from Russia, Germany and Brussels. German Torsten Syrbe heads the group and says the advantage of having a team which includes lawyers trained outside of Russia is that they have "extensive experience and knowledge" of competition law in general. As with the majority of practices surveyed, the bulk of the work is merger control related. The firm says it concentrates on "landmark transactions" in

Russia now has arguably one of the fastest-growing competition regimes in Europe

the country and advises Russian clients on EU competition aspects of deals. Around a third of the group's work is on behavioural cases, anti-competitive conduct and representing Russian and foreign clients before the FAS. Plans are afoot to create a fully dedicated competition practice within the next year, and Syrbe is currently recruiting an additional associate to meet client demand for competition litigation.

Noerr Stiefenhofer Lutz has made great strides in recent years. The competition team of two partners and seven associates is led by Ilja Ratschkov.

The group devotes the majority of its competition work to mergers, but Ratschkov says the amount of cartel and abuse of dominance cases are increasing rapidly.

Ratschkov says he has plans to expand "all aspects of the practice".

The group recently represented US-based Dynamic Materials Corporation and Austria's Flextronics in separate acquisitions of shares

in Russian companies. Other clients include car manufacturer Volkswagen, Japan's Daido Metal and Russian nuclear power plant equipment supplier Atomenergomash.

At the start of 2008, the practice began offering pro bono services to FAS officials, where lawyers communicate with staff on competition clauses in joint venture agreements. "Our system creates more confidence and understanding with authority officials and means we maintain a constant relationship with them," says Ratschkov.

Gide Loyrette Nouel says competition is one of the core practices of its Moscow office. And the competition department is burgeoning. Olga Botchkova, who has nine years of competition experience, recently became the head of the practice. A new associate also joined the team of eight lawyers.

The team spends 40 per cent of its time on competition work, and the rest on consumer and intellectual property matters.

A large part of the group's work focuses on merger notifications to the FAS. Botchkova says that 40 per cent of the firm's clients in Russia are non-French and include Denmark's Coloplast and Sweden's Dyno Nobel. Other clients are French companies Société Général, Gaz de France and Promod.

Recommended

With one partner and two associates, **DLA Piper** may have one of the smaller practices in our survey, but the team devotes around 65 per cent of its time to competition issues. Practice head Igor Panshensky says there are plans for the group to expand and make several new hires before the year is out. "The competition group has been developing organically for almost three years, and as competition law and policy continues to grow in Russia, so our practice will follow," he says. The group focuses on distribution and sales practices in disposable consumer goods companies, and represents clients in FAS investigations and proceedings. The practice has some well-known international clients, including Nestlé, Proctor & Gamble and Wrigley.

Baker & McKenzie is in the process of developing its competition practice in Moscow. Associate Nadia Goreslavskaya leads the team, which comprises one part-time partner and three associates. At present, the group dedicates 75 per cent of its time to antitrust work, and also focuses on corporate mergers and acquisitions and commercial law matters.

Sixty per cent of the team's work is focused on mergers, while the remainder is dedicated to abuse of dominance and other anti-competitive issues. Goreslavskaya says this is a dramatic increase compared to three years ago.

The practice will work in conjunction with the firm's European network of antitrust practices to help it grow in the future.

Clients include the Korea Electric Power Corporation and SABMiller, as well as businesses in the pharmaceutical and electronic equipment sectors.

White & Case's competition team is led by partner Igor Ostapets. Although only three practitioners are considered antitrust specialists, associate Anna Maximenko says that most of the firm's corporate lawyers also deal regularly with competition matters. At present, the group spends 40 per cent of its time on competition work, and Maximenko says as the FAS becomes more active, so the competition practice will grow.

"We will monitor how the market develops and may hire at junior level to increase capacity in the near future," she says.

Since the enactment of the new strategic foreign investments law in April, the group has seen the bulk of competition work coming from the firm's clients in strategic sectors such as energy, power, metals and mining.

The next few years will be about growth and development of Russia's competition regime, and its private practices. Indeed, it's likely the next time GCR surveys the Russian competition bar, more of these firms will have stand-alone antitrust practices with fully dedicated teams. ■

FIRM	HEAD OF COMPETITION	SIZE OF COMPETITION PRACTICE	CLIENTS
Elite			
CMS Cameron Mckenna LLP	Yevgeny Voevodin	1p, 1sl, 1l	Sintez Group, InterRAO UES
Yust	Arthur Rochlin and Artem Kukin	2p, 3a, 1ja	Confidential information
Alrud	Vassily Rudomino	1sp, 1a, 2sl, 3l	Gedeon Richter, G4S plc, National Oilwell Varco, Grant Prideco, Carlsberg, W&W Services, Nibe Industries, Pharmacy Chain 36,6
Highly Recommended			
Egorov Puginsky Afanasiev & Partners	Grigory Chernyshov	4p, 25a	Eurocement Group, Rusal, Basel, Rexam
Pepeliaev Goltsblat & Partners	Anton Sitnikov and Maxim Kulkov	3p, 5sa, 1c, 6a	Transnefteproduct, VimpelCom
Freshfields Bruckhaus Deringer	Jacky Baudon and Alexander Viktorov	1p, 2sa, 1a, 2pl	Eurochem, Itella, Ilim Pulp, Inchcape, Japan Tobacco, Hewlett-Packard, Mars, Severstal, Zurich Financial Services
Clifford Chance LLP	Torsten Syrbe	1c, 6a, 2pl	Sibur, Interros, ESN group, Renaissance Capital, Macquarie, Bayer, Kraft Foods, L'Oreal, Campina
Noerr Stiefenhofer Lutz	Ilija Ratschkov	2p, 7a	Volkswagen, Ritter Sport, Atomenergomash, TTM, Daido Metal, Dynamic Materials Corporation, Elster Group, Dyckerhoff, FS Fehrer Automotive, Flextronics
Gide Loyrette Nouel	Olga Botchkova	1p, 1sl, 6l	Société Générale, Legrand, Levi Strauss, Gaz de France, Promod, EBRD, Coloplast, Dyno Nobel
Recommended			
DLA Piper	Igor Panshensky	1p, 2a	Nestlé, P&G, Wrigley, Efes Breweries, Rusbrand, Unilever
Baker & McKenzie	Nadia Goreslavskaya	1p, 3a	SABMiller, Korea Electric Power Corporation, Rohm and Haas, Magna Metalforming
White & Case LLP	Igor Ostapets	1p, 2a	Google, BASF, City Developments Limited, Heinz, Linde, Nestlé, TeliaSonera, Wintershall, Bank of Cyprus, Nordea Bank, Raven, Aurora Russia

sp = senior partner p = partner sa = senior associate a = associate ja = junior associate sl = senior lawyer l = lawyer pl = paralegal