CIVIL CODE OF THE RUSSIAN FEDERATION
Part Three

(with the Amendments and Additions of February 20, August 12, 1996, October 24, 1997, July 8, December 17, 1999, April 16, May 15, November 26, 2001, March 21, November 14, 26, 2002, January 10, March 26, November 11, December 23, 2003, June 29, July 29, December 2, 29, 30, 2004, March 21, May 9, July 2, 18, 21, 2005, January 3, 10, February 2, June 3, 30, July 27, November 3, December 4, 18, 30, 2006, January 26, February 5, April 20, June 26, July 19, 24, October 2, 25, November 4, 29, December 1, 6, 2007, April 24, 29, May 13, June 30, July 14, 22, 23, November 8, December 25, 30, 2008, February 9, April 9, June 29, July 17, December 27, 2009, February 21, 24, May 8, July 27, October 4, 2010, February 7, April 6, July 18, 19, October 19, November 21, 28, 30, December 6, 8, 2011, June 5, 14, October 2, December 3, 29, 30, 2012, February 11, May 7, June 28, July 2, 23, September 30, November 2, December 2, 21, 28, 2013, March 12, May 5, June 23, July 21, October 22, December 22, 29, 31, 2014, March 8, April 6, May 23, June 29, July 13, November 28, December 30, 2015, January 31, February 15, March 9, 30, May 23, July 3, December 28, 2016, February 7, March 28, July 1, 26, 29, November 14, December 5, 29, 2017, March 18, April 18, May 23, July 19, 29, August 3, December 27, 2018, July 18, 20, 26, December 16, 27, 2019, July 31, December 8, 22, 30, 2020, March 9, April 30, June 11, 28, July 1, December 6, 21, 2021, February 25, April 16, May 28, June 11, 28, July 14, October 7, December 5, 2022, January 27, February 28, April 3, 14, June 13, July 24, 2023, January 30, March 11, 2024)

Part Three

Adopted by the State Duma on November 1, 2001
Approved by the Federation Council on November 14, 2001

Section V. Law of Succession

Chapter 61. General Provisions Governing Succession

Article 1110. Succession

1. In the case of succession the deceased's estate (inheritance, assets of estate) shall pass to other persons by universal succession, i.e. in an unchanged, single form at the same time, except as otherwise required by the present Code.

2. Succession shall be governed by the present Code and other laws and, in the cases specified by law, by other legal acts.

Article 1111. Grounds for Succession

Succession shall be by a will, by an inheritance contract or by operation of law.

Succession by operation of law shall take place when and where it is not changed by a will and also in other cases established by the present Code.

Article 1112. Deceased's Estate

The deceased's estate shall incorporate the items and other property owned by the deceased as of the date of opening of the inheritance, including rights in rem and liabilities.

Rights and liabilities inseparable from the personality of the deceased, in particular the right to alimony, right to damages for harm inflicted on a citizen's life or health and also rights and liabilities prohibited for succession by the present Code or other laws shall not be included in the estate.

Personal incorporeal rights and other intangible wealth shall not be included in the estate.

Article 1113. The Opening of an Inheritance

An estate shall be opened on the death of a citizen. The **announcement** of a citizen's death by a court shall cause the same legal consequences as the death of a citizen.

Article 1114. The Time of Opening of an Inheritance

1. As the time of inheritance's opening shall be deemed the time of a citizen's death. In the case of announcement of a citizen's death the day when the decision of the court whereby the citizen is announced dead becomes final shall be deemed the date of opening of the inheritance and in cases when under **Item 3 of Article 45** of the present Code the day of death of the citizen is recognised as the date of the citizen's alleged death - the date and time of death cited in the decision of the court.

2. Citizens who die on the same day shall be deemed to have died at the same time for the purposes of hereditary succession, and shall not inherit from each other, if it is impossible to establish the time of death of each such citizen. In such cases the heirs of each of them shall be called upon to inherit.

Article 1115. The Place of Opening of an Inheritance

The deceased's last abode shall be deemed the place of opening of an inheritance (**Article 20**).

If the last abode of a deceased person who had property on the territory of the Russian Federation is not known or is located outside it, the place of opening the estate in the Russian Federation shall be deemed the place where the assets of such an estate are located. If such assets are located in different places, the place where the immovable property of the estate or the most valuable part of the immovable property is located shall be deemed the place of opening of the inheritance, or should there be no immovable property, the place where movable property or the most valuable part thereof is located.

Article 1116. Persons Who Can Be Called Upon to Inherit

1. Those left alive as of the time of opening of the inheritance and also persons conceived during the lifetime of the deceased and born after the opening of the inheritance can be called upon to inherit, and the hereditary fund instituted in execution of the last will of the testator expressed in the testament.

In the case of succession by will the legal entities specified in the will and existing as of the date of opening of the inheritance can also be called upon to inherit.

2. In the case of succession by will the Russian Federation, Russian regions, municipal entities, foreign states and international organisations can be called upon to inherit, and in the case of succession by operation of law, the Russian Federation, constituent entities of the Russian Federation, municipal entities in compliance with **Article 1151** of the present Code.

Article 1117. Unworthy Heirs

1. The following shall not be entitled to inherit either by operation of law or by will: citizens who by their deliberate illegal actions aimed against the deceased or any of the deceased's heirs or against the exercise of the deceased's last intentions expressed in a will assisted or tried to assist in their being called upon to inherit or other persons' being called upon to inherit or who tried to assist in increasing the share of the estate they or other persons are entitled to, if such circumstances have been proven in court. However, citizens to whom the deceased has bequeathed property after they lost their right to inherit shall be entitled to inherit this property.

Parents shall not be entitled to inherit from children in respect of whom the parents have been deprived of their parental rights **by a court**, provided these rights had not been restored as of the date of opening the inheritance.

2. At the application of a person concerned the court shall refuse entitlement to citizens who deliberately and persistently evaded performance of their duties of upkeep which the deceased vested in them by law.

3. According to the rules set out in **Chapter 60** of the present Code, a person not having a right of inheritance or deprived of a right of inheritance under the present article (unworthy heir) shall return all property received without grounds from the estate.

4. The regulations of the present article shall extend to heirs entitled to a compulsory share in the estate.

5. The regulations of the present article shall accordingly extend to a testamentary renunciation (**Article 1137**). If the subject matter of a testamentary renunciation was the performance of certain work for or the provision of a certain service to an unworthy beneficiary, the beneficiary shall reimburse the heir who has discharged the behest the value of the work or service performed for the unworthy beneficiary.

Chapter 62. Succession by Will

Article 1118. General Provisions

1. Property may be disposed of on death by means of executing a will or concluding an inheritance contract. The inheritance contract is subject to the rules of this Code concerning the will, except as otherwise ensues from the essence of the inheritance contract.

2. The will can be created by a citizen who had his full **dispositive capacity** as of the time when it was created.

3. The will shall be created in person. A will or an inheritance contract shall not be concluded through a representative.

4. The will may be made by one citizen, and also by the citizens who are married to each other at the time when it is made (joint will of the spouses). The spouses who have made a joint will are subject to the rules of this Code concerning the testator.

In the joint will of the spouses they have the right at their mutual discretion to define the following consequences of the death of each of them, in particular that is simultaneous: to bequeath the common property of the spouses, and equally the property of each of them to any persons; to define in any manner the shares of heirs in the relevant estate; to define the property included in the estate of each of the spouses, unless the designation of the property included in the estate of each of the spouses infringes on the rights of third parties; to deprive of the inheritance one or several or all heirs by operation of law, without indicating reasons for such deprivation; to include in the joint will of the spouses other testamentary instructions which can be made according to this Code. The terms of the joint will of the spouses shall be effective in as much as it does not contravene the rules of this Code on the mandatory share in the inheritance (in particular on the mandatory share in the inheritance in respect of which the right has come into being after the joint will of the spouses was drawn up), and also on the ban on the inheritance by unworthy heirs (**Article 1117**).

The joint will of the spouses shall become invalid in the event of divorce or of the marriage being recognised as invalid both before and after the death of one of the spouses.

If the testamentary intent of one of the spouses in case when they make the joint will is deemed not to be compliant with the provisions of a law in the procedure envisaged by Paragraph 3 of Item 2 of **Article 1131** of this Code such will is subject to the application of the norms of this Code on voidable or null and void transactions depending on the grounds of the invalidity of the testamentary intent of one of the spouses.

At any time, in particular after the death of the other spouse, one of the spouses has the right to make a subsequent will, and also to cancel the joint will of the spouses.

If a notary certifies the subsequent will of one of the spouses, accepts a closed subsequent will of one of the spouses or certifies instructions of one of the spouses on cancellation of the joint will of the spouses while both spouses are alive, he/she shall send to the other spouse in the procedure envisaged by the legislation on the notarial profession and notarial activity a notice about the fact of making of such subsequent wills or about the cancellation of the joint will of the spouses.

5. A will is a one-party deal which creates rights and duties after the opening of the inheritance.

6. The rights and duties envisaged by the inheritance contract shall come into being after the opening of the inheritance, except for the duties which by operation of the inheritance contract may come into being before the opening of the inheritance, and are vested in the party to the agreement which may be called upon to inherit after the testator (**Article 1116**). The testator who has concluded an inheritance contract is subject to the rules of this Code concerning the maker of the will, except as otherwise ensues from the inheritance contract.

Article 1119. The Freedom of a Will

1. A testator has the right to bequest the property at his own discretion to any persons, to define in any way the shares of the heirs in the inheritance, to deprive several or all heirs at law of the inheritance, without explaining the reasons for such deprivation, and in the cases stipulated in the present Code to include other orders into the will. The testator has the right to cancel or to amend a compiled will in conformity with the rules of **Article 1130** of the present Code.

The freedom of a will shall be limited by the rules on compulsory share of estate (**Article 1149**).

2. The deceased shall not be obligated to inform anybody of the content, creation, alteration or revocation of a will.

Article 1120. The Right to Leave Any Property in a Will

The deceased shall be entitled to create a will containing dispositions relating to any property, including property that he/she might acquire in the future.

The deceased can dispose of his/her property or a portion thereof by means of one or several wills.

Article 1121. The Appointment of an Heir and an Alternate Heir in a Will

1. The deceased can create a will for the benefit of one or several persons (**Article 1116**) which are or are not his/her legal heirs.

2. In his/her will the deceased can indicate an alternate heir (can sub-appoint an heir) to provide for the case of the death of the heir appointed by him/her in the will or death of the legal heir prior to the opening of the inheritance or simultaneously with the deceased's death or after the opening of the inheritance but before acceptance of the inheritance or the heir's failure to accept the inheritance due to other reasons or refusal to accept it or lack of entitlement or the heir's being refused inheritance as an unworthy heir.

Article 1122. The Shares of Heirs in Property Left by a Will

1. The property left by will to two or several heirs without their shares in the estate being specified and without an indication as to who is to take the specific items or rights from the estate shall be deemed left by the will to the heirs in equal shares.

2. In a will an indication of a portion of an indivisible item (**Article 133**) intended for each of the heirs in kind shall not cause the invalidity of the will. Such item shall be deemed left by will in shares corresponding to the value of these portions. The procedure for the heirs to use this indivisible item shall be established in compliance with the portions of the item intended for them in the will.

In a certificate of the right of inheritance relating to an indivisible item left by will in shares in kind, the shares of the heirs and the procedure for use of such item, given the consent of the heirs, shall be specified in compliance with the present article. If a dispute between the heirs occurs, their shares and the procedure for use of the indivisible item shall be determined by a court.

Article 1123. The Secrecy of a Will

The notary, another person attesting the will, the translator, the executor of the will, witnesses, the spouse taking part in the making of the joint will of the spouses, the spouse who is present when the other spouse's will is being attested, a party to the inheritance contract, the notaries who have access to the information available in the unified information system for notaries, and the persons who process the data of the unified information system for notaries, persons who have the access to the information about the certification or revocation of a will sent by the consular departments of the diplomatic missions of the Russian Federation or consular offices of the Russian Federation through the federal executive body, which carries out functions involving the formulation and implementation of state policy and legal and regulatory framework in the sphere of international relations of the Russian Federation, to the Federal Notarial Chamber for entering such information into the register of notarial actions of the unified information system of the notaries, and also the citizen who signs the will or the inheritance contract in place of the maker of the will or the testator do not have the right to disclose - before the opening of the inheritance - the information concerning the contents of the will or of the inheritance contract before the

making, concluding, modifying or cancelling thereof. A person other than the executor of the will, the notary or another person who certifies the will does not have the right to disclose said information also after the opening of the inheritance, if the disclosure of said information is going to contravene **Article 152.2** of this Code.

If the secrecy of a will is violated, the testator shall be entitled to claim reimbursement for moral harm and also use other remedies to protect its civil rights as laid down in the present Code.

The presentation by a notary or by another person attesting to a will of data on the will's attestation or revocation, the presentation by a notary of information on the attestation of the inheritance contract, a notice of the testator's waiver of the inheritance contract for the notariate's comprehensive information system in the procedure established by the **Fundamentals of the Legislation** of the Russian Federation on the Notariate shall not be deemed a violation of the secrecy of the will, and also the sending of a notice about the fact of the making - after the joint will of the spouses - of a subsequent will of one of the spouses or cancellation by one of the spouses of the joint will of the spouses, or the sending to the parties to the inheritance contract of a copy of the notice of the testator's waiver of the inheritance contract.

The notary has the right to certify the will of each of the spouses in the presence of both of them.

Upon the death of one of the spouses who have drawn up the joint will the executor of the will and the notary have the right to disclose in connection with their executing their duties only the information relating to the consequences of the death of that spouse.

Article 1124. General Rules Concerning the Form of and Procedure for the Creation of a Will

1. A will shall be created in writing and attested by a notary. A will can be attested by other persons in the cases specified in **Item 7 of Article 1125**, **Article 1127** and **Item 2 of Article 1128** of the present Code.

Failure to observe the rules established by the present Code as concerning the written form and attestation of a will shall cause the invalidity of the will.

A will can be drawn up in simple written form only in exceptional cases as specified in **Article 1129** of the present Code.

It shall not be allowed to draw up a will with the use of electronic or other technical facilities (**Paragraph Two of Item 1 of Article 160** of this Code).

2. If under the rules of the present Code witnesses are in attendance when a will is drawn up, signed and attested or when a will is passed to a notary the following persons shall not be such witnesses and shall not sign the will on the testator's behalf:

a notary or other person who attests the will;

a person being a beneficiary of the will or a testamentary renunciation, the spouse, children and parents of the person;

citizens without full dispositive capacity;

illiterate persons;

citizens with physical disabilities that do not allow them to understand the essence of the event in full;

persons without a sufficient degree of command of the language in which the will is written, except for a **closed will**;

the spouse in the event of making of a joint will of the spouses;

the parties to the inheritance contract.

3. In events when under the rules of the present Code the attendance of witnesses is compulsory when a will is drawn up, signed and attested or when a will is passed to a notary, the absence of a witness when the said actions are being committed shall cause the invalidity of the will and the lack of the witness's compliance with the provisions of **Item 2** of the present article may be deemed grounds for the will's being recognised as void.

4. The will shall bear an indication of the place and date of its attestation, except for the case specified in **Article 1126** of the present Code.

5. As an integral part of the testament whose terms provide for the creation of a heritage fund shall be deemed the testator's decision on the establishment of the heritage fund, the fund's charter, as well as the terms of the fund's management. Such testament shall be drawn up in three copies, two of them to be

kept by the notary who has certified such testament. All the testament's copies are subject to certification by a notary.

In the procedure provided for by the **legislation** on the notariate and notarial activity the notary dealing with a probate case is bound to obtain after the testator's death an electronic image of the decision on establishing the heritage fund and an electronic image of the heritage fund's charter, as well as to request the notary keeping the testament's copies for a copy of the testament and on its receiving to transfer to the person exercising the functions of the sole executive body of the heritage fund a copy of the decision on establishment of the heritage fund, the heritage fund's charter and the terms of the heritage fund's management. On the basis of the beneficiary's application the notary is bound to transfer thereto a copy of the decision on the establishment of the heritage fund jointly with copies of the heritage fund's charter and the terms of the heritage fund's management.

Article 1125. A Will Attested by a Notary

1. A will attested by a notary shall be signed by the testator or written by a notary in the testator's words, and the joint will of the spouses shall be handed over to a notary by both spouses or written by a notary on their words in the presence of both spouses. Technical facilities can be used to write or record a will (computer, typewriter etc.).

2. A will written by a notary in a testator's words shall be read in full by the testator in the presence of the notary, and a joint will of the spouses written by one of the spouses shall be read by the other spouse in full before it is signed in the presence of the notary, before it is signed. If the testator cannot read the will by himself (herself) the notary shall read out the text for him/her, with a relevant annotation to this effect being entered into the will, including the reasons why the testator could not read the will by himself (herself).

3. The will shall be signed by the testator's own hand.

If a testator, due to physical disability, grave illness or illiteracy, cannot sign a will by his/her own hand the will can be signed on his/her behalf on his/her request by another citizen with a notary in attendance. The will shall include the reasons why the testator could not sign the will by himself (herself) and also the full name and residential address of the citizen who signed the will at the testator's request, in compliance with the citizen's personal identity document.

4. A witness can be in attendance when a will is drawn up and attested by a notary if the testator so wishes.

If a will is drawn up and attested with a witness in attendance it shall be signed by the witness and it shall bear an indication of the full name and residential address of the witness in compliance with the witness's personal identity document.

5. The notary shall warn the witness, each of the spouses in the event of attestation of the joint will of the spouses, the spouse who is present at the attestation of the other spouse's will, and also citizens who sign a will on the testator's behalf of the need for observing the will nondisclosure clause (**Article 1123**).

5.1. While attesting the joint will of the spouses the notary shall make a video record of the procedure of the making of the joint will of the spouses, unless the spouses have declared their objection thereto.

6. While attesting to a will the notary shall explain to the testator the content of **Article 1149** of the present Code and enter a relevant annotation.

7. Where under law the officials of local government bodies and consular officials have a right to accomplish notarial actions the will can be attested by a relevant official instead of a notary, in compliance with the rules of the present Code concerning the **form of a will**, the procedure for notarial attestation of a will and secrecy of a will.

Article 1126. Closed Wills

1. The testator shall be entitled to create a will without providing other persons, including a notary, with the chance of familiarising himself with the content thereof (a closed will).

2. A closed will shall be hand-written and signed by the testator. Failure to observe these rules shall cause the invalidity of the will.

3. A closed will shall be passed in a sealed envelope by the testator to a notary in the presence of

two witnesses who shall put their signatures on the envelope. The envelope signed by the witnesses shall be put into another envelope and sealed in the presence of the notary, who shall enter an **annotation** on the envelope with information on the testator from whom the notary has accepted the closed will, on the place and date of acceptance thereof, the full names and residential addresses of each of the witnesses in compliance with their personal identity documents.

When the notary accepts the envelope with the closed will from the testator, the notary shall explain to the testator the content of **Item 2** of the present article and **Article 1149** of the present Code and shall enter a relevant annotation on the second envelope and shall also issue a document to the testator to confirm the acceptance of the closed will.

4. Upon the presentation of a death certificate of a person who has created a closed will, a notary shall within 15 days after the presentation of the certificate open the envelope with the will in the presence of at least two witnesses and the persons concerned from among the legal heirs who expressed their desire to attend. After the opening of the envelope the text of the will contained therein shall be immediately read out by the notary, whereafter the notary shall draw up a protocol which acknowledges that the envelope with the will has been opened and that it contains the full text of the will and sign it together with the witnesses. The original will shall be kept in the custody of the notary. A copy of the protocol attested by a notary shall be issued to the heirs.

5. Joint wills of spouses, inheritance contracts, and also the wills containing a decision on instituting an inheritance foundation shall not be closed ones. Default on observance of that provision shall cause the invalidity of said wills and agreements.

Article 1127. Wills Qualifying as Wills Attested by a Notary

1. The following shall qualify as wills attested by a notary:

1) wills of citizens undergoing medical treatment in clinics, hospitals, other medical organisations under inpatient conditions or residing in residential agencies of social service attested by the chief physicians, deputy chief physicians in charge of medical work or physicians on duty at these clinics, hospitals and other medical organisations and also the chiefs of the hospitals, directors (their deputies) of such organisations of social service;

2) wills of citizens who stay aboard vessels during their navigation, if such vessels navigate under the State Flag of the Russian Federation, attested by the captains of these vessels;

3) will of citizens who are in prospecting, arctic, antarctic or other similar expeditions, attested by the chiefs of these expeditions, Russian antarctic stations or temporary field bases;

4) wills of citizens undergoing medical treatment in clinics, hospitals, other medical organisations under inpatient conditions or residing in residential agencies of social service attested by the chief physicians, deputy chief physicians in charge of medical work or physicians on duty at these clinics, hospitals and other medical organisations and also the chiefs of the hospitals, directors (their deputies) of such organisations of social service;

5) wills of citizens staying at penitentiary institutions, attested by the chiefs of the penitentiary institutions.

2. A will qualifying as a will attested by a notary shall be signed by the testator in the presence of the person attesting to the will and of a witness, who shall also sign the will.

As far as other matters are concerned, such a will shall be subject to the rules of **Articles 1124** and **1125** of the present Code.

3. A will attested in compliance with the present article shall be forwarded, as soon as possible, by the person who has attested it to the place of abode of the testator via the territorial bodies of the federal body of executive power performing law-enforcement functions and the functions of control and supervision in the sphere of the notariat. If the person who has attested a will knows the place of abode of the testator the will shall be forwarded directly to a relevant notary.

4. If in any of the cases mentioned in **Item 1** of the present article a citizen who intends to create a will expresses his/her intention to invite a notary for this purpose and there is a reasonable possibility of satisfying such an intention, the persons who enjoy the right of attesting a will under the said item shall do their best to invite a notary to the testator.

5. A joint will of the spouses and an inheritance contract shall not be attested in the procedure

envisaged by this article.

Article 1128. The Testamentary Disposition of Funds in Banks

1. The right to funds paid by a citizen as a bank deposit or in any other bank account of the citizen may be left by will or in compliance with the procedure set out in **Articles 1124 - 1127** of the present Code or by means of creation of testamentary dispositions in writing in the branch of bank where the account is located. Such testamentary dispositions shall have the effect of a will attested by a notary in respect of the funds kept in the account.

2. Testamentary disposition of rights to funds in a bank shall be signed by the hand of the testator and include the date of creation and shall be attested by a bank official entitled to accept for execution the client's instructions concerning the funds in his/her account. The procedure for creation of testamentary dispositions in respect of funds in banks shall be set out by the Government of the Russian Federation.

3. Rights to funds in respect of which testamentary dispositions have been created in a bank shall be incorporated in the estate and be generally inherited in compliance with the rules of the present Code. These funds shall be handed out to heirs under a certificate of right to inheritance and in compliance therewith, except for the cases specified in **Item 3 of Article 1174** of the present Code.

4. Accordingly, the rules of the present article shall be applicable to other credit organisations entitled to attract citizens' funds in deposit or other accounts.

Article 1129. Wills under Extraordinary Circumstances

1. A citizen who is in a situation that obviously threatens his/her life and who, by the virtue of prevailing extraordinary circumstances, is deprived of an opportunity to create a will under the rules of **Articles 1124 - 1128** of the present Code may make his/her last wishes as to the disposition of his/her property in a simple written form.

A citizen's last wishes set out in simple written form shall be deemed his/her will, if the testator has written a document in his/her own hand in the presence of two witnesses the content whereof evidences that it is a will.

2. A will created under the circumstances specified in **Paragraph 1 of Item 1** of the present article shall no longer be valid if within one month after the termination of these circumstances the testator fails to create a will in any other form specified in Articles 1124 - 1128 of the present Code.

3. In accordance with the present article a will created under extraordinary circumstances shall be subject to execution only on the condition that a court acting on the request of the persons concerned confirms the fact that the will was created under extraordinary circumstances. The said claim shall be filed before the expiry of the term set for acceptance of the inheritance.

4. The joint wills of spouses, inheritance contracts, and also wills containing a decision on instituting an inheritance foundation shall not be made in emergency situations. Default on observing that provision shall cause the invalidity of said wills and agreements.

Article 1130. The Revocation and Alteration of a Will

1. The testator shall be entitled to revoke or alter a will he/she has created at any time after the creation thereof without an indication of the reason for the revocation or alteration.

No one's consent is required for revoking or altering a will, in particular, of persons appointed as heirs in the will that is being revoked or altered.

2. The testator is entitled, by means of a new will, to revoke a previous will as a whole or to amend it by means of revocation or alteration of specific testamentary dispositions contained therein.

A subsequent will not containing a direct indication concerning revocation of a previous will or specific testamentary dispositions contained therein shall revoke the previous will in full or in as much as it conflicts with the subsequent will.

A will fully or partially revoked by a subsequent will shall not be deemed restored if the subsequent will is revoked by the testator in full or in as much as the relevant portion is concerned.

3. In the case of invalidity of the subsequent will, succession shall take effect according to the previous will.

4. Also a will can be revoked by means of will revocation dispositions. The will revocation dispositions shall be created in the **form** established by the present Code for the creation of a will. The

will revocation instructions shall be subject to the rules of Item 3 of the present article.

5. A will created under extraordinary circumstances (**Article 1129**) can only revoke or alter the same kind of will.

6. Testamentary dispositions in a bank (**Article 1128**) can only revoke or alter testamentary dispositions concerning the disposition of funds in this bank.

Article 1131. Invalidity of a Will

1. In the event of violation of the provisions of the present Code causing the invalidity of a will, depending on the grounds for the invalidity, the will shall be deemed invalid by virtue of having been recognised as such by a court (a contentious will) or irrespective of such recognition (a will that is null and void).

2. A will can be recognised as void by a court at a complaint filed by a person whose rights or lawful interests are violated by the will.

A will shall not be subject to contention before the opening of the inheritance.

The joint will of the spouses may be contested on a claim of any of the spouses while they are alive. After the death of one of the spouses, and also after the death of the surviving spouse the joint will of the spouses may be contested on a claim of the person whose rights or lawful interests have been infringed upon by that will.

3. Slips of the pen and other insignificant breaches of the procedure for the creation, signing or attestation of a will shall not serve as grounds for the invalidity of a will if a court has established that they do not affect the construction of the testator's will.

4. Both a will and its specific testamentary dispositions can be void. The invalidity of specific dispositions contained in a will shall not be deemed to affect the rest of the will if one can suppose that it would have been included in the will even if the void dispositions were not there.

5. The invalidity of a will shall not deprive the persons specified therein as heirs or beneficiaries of the right to succession by operation of law or under another will that is valid.

Article 1132. Construction of Wills

While constructing a will a notary, executor or court shall take into account the literal meaning of the words and expressions contained therein.

If the literal meaning of a provision of a will is vague it shall be established by means of comparison with other provisions and the sense of the will as a whole. In such cases the fullest exercise of the testator's will shall be ensured.

Article 1133. Execution of Wills

Execution of a will shall be effected by heirs under the will, except for cases when its execution is fully or partially effected by the executor of the will (**Article 1134**).

Article 1134. Executor of Wills

1. The testator may order the execution of the will by an executor (the executor of the will) whom he has named in the will regardless of whether such person is or is not an heir. The executor of the will may be a citizen or a legal entity.

The testator has the right to replace the executor of the will or to cancel the appointment of the executor of the will at any time (**Article 1130**).

A person's consent to be the executor of the will is expressed by his sign manual on the will itself and if a legal entity is appointed as the executor of the will - in the sign manual of the person who by force of the law has the right to act on behalf of such legal entity without a warrant or in an application enclosed with the will or in an application filed with the notary in the course of one month from the day of the opening of the inheritance.

The person's consent to be the executor of the will may be recalled at any moment before the opening of the inheritance by way of the executor of the will sending notification to the testator and to the notary who has certified the will and after the opening of the inheritance - by way of sending notification to the notary.

2. After the opening of an inheritance the court can relieve the executor of the will from his/her duties at the demand of the heirs including of the hereditary fund if there are circumstances testifying to an improper execution of his liabilities by the executor of the will or to the threat of a violation of the legally protected interests of the heirs as a result of the actions (the inaction) of the executor of the will.

Article 1135. The Powers of the Executor of the Will

1. The powers of the executor of a will shall be based on the will whereby he/she is appointed as executor and they shall be certified by a certificate issued by a notary.

2. Except as otherwise required by the will, the executor of the will shall take the measures required for executing the will, namely:

1) arrange for the passage of assets of estate to the heirs entitled thereto in compliance with the wishes of the testator expressed in the will and law;

2) to perform in the interest of the heirs on his own behalf all the necessary legal and other actions for the purposes of protecting the inheritance and its management or an absence of the possibility to perform such actions to apply to the notary for the protection of the inheritance.

3) receive the amounts of money owed to the testator and other assets for the purpose of passing them to the heirs, unless the assets are subject to transfer to other persons (**Item 1 Article 1183**);

4) perform testamentary dispositions or demand that heirs perform under testamentary renunciation provisions (**Article 1137**), under provisions whereby they are to execute a duty (**Article 1139**).

2.1. The testator may envisage in the will actions which the executor of the will is obliged to perform as well as actions from the performance of which he shall abstain; among other things he has the right to stipulate the liability of the executor of the will to vote in the higher bodies of the corporation in the way indicated in the will. In a will the terms of which envisage the creation of a hereditary fund the testator may also point out the powers of the executor of the will in the performance of the factual and legal actions connected with the creation of the hereditary fund.

3. The executor of a will shall be entitled to act in connection with the execution of the will in his own name, in particular, in court, other governmental bodies and institutions.

4. When he performs actions for the protection of the hereditary property and for the management thereof the executor of the will shall act in the capacity of a trustee manager (**Article 1173**). The executor of the will may pass the performance of the trustee management to a third party unless this is prohibited in the will.

Article 1136. Reimbursement of Expenses Relating to the Execution of a Will

The executor of a will shall be entitled to receive reimbursement from the estate for the necessary expenses incurred in connection with execution of the will and also remuneration at the expense of the estate if there is a provision to this effect in the will.

Article 1137. Testamentary Renunciation

1. The testator is entitled to vest in one or several heirs a duty by will or by operation of law the execution of a duty of a property nature for the benefit of one or several persons (beneficiaries) who acquire a right to claim execution of the duty (testamentary renunciation).

A testamentary renunciation shall be established in the will.

A will may contain a testamentary renunciation only.

2. The object of the testamentary renunciation can be transferred to a beneficiary into his/her ownership, possession by another right in rem or use of an item incorporated in the estate, transfer to a beneficiary of an item in action incorporated in the estate, acquisition for a beneficiary and transfer thereto of other property, performance of specific work for him/her or the provision thereto of a specific service or the making of periodical payments for his/her benefit etc.

In particular, an heir entitled to a residential house, an apartment or other housing accommodation may be vested by a testator with the duty to grant a right to use this facility or a part thereof to another person for the lifetime of such a person or for another term.

At a subsequent transfer of the title to assets of estate to another person the right of use of such

assets granted by a testamentary renunciation shall remain in effect.

3. Relationships between a beneficiary (creditor) and an heir vested with the duty of executing a testamentary renunciation (debtor) shall be subject to the provisions of the present Code concerning **liabilities**, except as otherwise required by the rules of the present section and the essence of the testamentary renunciation.

4. The right to receive a testamentary renunciation shall be in effect for a three-year term after the date of opening of an inheritance and shall be non-transferable to other persons. However, an alternate beneficiary may be appointed together with a beneficiary in cases when the beneficiary dies before the opening of the inheritance or simultaneously with the testator or refuses to accept the testamentary renunciation, did not exercise his/her right to receive the testamentary renunciation or is deprived of the right to receive the testamentary renunciation in compliance with the rules of **Item 5 Article 1117** of the present Code.

Article 1138. Execution of a Testamentary Renunciation

1. An heir vested with the duty to execute a testamentary renunciation shall execute it within the limits of the value of the portion of the estate he/she took less the testator's debts relating to the heir.

If an heir vested with the duty to execute a testamentary renunciation is entitled to a compulsory share of the estate, his duty to execute the testamentary renunciation shall be limited to the value of the portion of estate he/she took which exceeds the amount of his/her compulsory share.

2. If the duty to execute a testamentary renunciation is vested in several heirs, such a gift shall be an encumbrance on the right of each of them to the estate commensurately to their shares in the estate, except as otherwise required by the will.

3. If a beneficiary dies before the opening of the inheritance or simultaneously with the testator or refused to receive a testamentary renunciation (**Article 1160**), had not exercised his/her right to receive the testamentary renunciation within a three-year term after the opening of the inheritance or was deprived of the right to receive the testamentary renunciation in compliance with the rules of **Article 1117** of the present Code, the heir with the duty to execute the testamentary renunciation shall be relieved of the duty, except for cases when an alternate heir has been appointed for this heir.

Article 1139. Private Purpose Trust

1. In a will the testator may vest in one or several heirs a duty by will or by operation of law to commit an action of a property or non-property nature aimed at attaining a commonly beneficial aim or at the achievement of another goal not contradicting the law including an action for the testator's burial in accordance with his will (private purpose trust). Such a duty may also be vested in the executor of a will on the condition that the will allocates a portion of the assets of the estate for the purposes of execution of the private purpose trust.

The testator is also entitled to vest in one or several heirs the duty of upkeeping domestic animals belonging to the testator and also of exercising the necessary supervision and care in respect thereof.

2. A private purpose trust whose object is actions of a property nature shall be subject to the rules of **Article 1138** of the present Code.

3. Persons concerned, the executor of the will and any of the heirs are entitled to claim in court the enforcement of a private purpose trust, except as otherwise required by the will.

Article 1140. Transfer of the Duty to Execute a Testamentary Renunciation or Private Purpose Trust to Other Heirs

If, as the result of the circumstances specified in the present Code, the portion of the estate due to an heir vested with a duty to execute a **testamentary renunciation** or **private purpose trust** is transferred to other heirs the latter shall execute the testamentary renunciation or private purpose trust, except as otherwise required by the will or law.

Article 1140.1. The Inheritance contract

1. The testator has the right to conclude an agreement with any of the persons who can be called upon to inherit (**Article 1116**) with the terms defining the group of heirs and a procedure for transfer of the rights to the testator's property after his/her death to the surviving parties to the agreement or to the

surviving third parties who can be called upon to inherit (inheritance contract). The inheritance contract may also contain a clause on the executor and vest in the persons who are party to the inheritance contract and can be called upon to inherit the duty to commit actions of property or non-property nature which do not contravene a law, in particular to make a testamentary trust or private purpose trust.

The consequences envisaged by the inheritance contract may be made to be dependent on the circumstances whose onset has preceded the date of opening of the inheritance about which it was not known at the conclusion of the inheritance contract if they were to occur or not, in particular on the circumstances fully dependent on the will of one of the parties (**Article 327.1**).

2. After the testator's death the following may demand execution of the duties established by the inheritance contract: the heirs, executor the parties to the inheritance contract which have survived the testator or surviving third parties, and also the notary who handles the inheritance case while he/she is executing his/her duties to preserve the inheritable property and to manage such property until the issuance of a certificate of the right of inheritance.

3. If a party to the inheritance contract has disclaimed inheritance the agreement shall keep effective in respect of the rights and duties of other parties thereto, if it can be supposed that it would have been concluded even without the inclusion in it of the rights and duties of the party that has disclaimed inheritance.

4. The rights and duties of a party to an inheritance contract arising from the inheritance contract are unalienable and non-transferable in another manner.

5. The inheritance contract to which spouses are party, and also the persons who may be called upon to inherit from each of the spouses (**Article 1116**) may define a procedure for transfer of rights to the common property of the spouses or the property of each of them in the event of the death of each of them, in particular the one that is simultaneous, to the surviving spouse or to other persons; to designate the property included in the estate of each of the spouses, unless it infringes on the rights of third parties, and also may contain other instructions of the spouses, in particular a clause on appointment of an executor or executors who act in the event of the death of each of the spouses. If such inheritance contract is concluded the spouses are subject to the rules about the testator.

The inheritance contract mentioned in **Paragraph 1** of this item shall become invalid in connection with the divorce before the death of one of the spouses, and also in connection with the marriage's being recognised as invalid.

The inheritance contract mentioned in **Paragraph 1** of this item shall supersede the inheritance contract or the joint will of the spouses made before that.

6. The terms of the inheritance contract shall be effective in as much as it does not contravene the rules of this Code concerning the mandatory share in the inheritance (in particular concerning the mandatory share in the inheritance in respect of which the right has come into being after the conclusion of the inheritance contract), and also on the ban on inheritance by unworthy heirs (**Article 1117**). In the case envisaged by **Paragraph 1 of Item 5** of this article the terms of the inheritance contract shall be effective in as much as it does not contravene the rules of this Code concerning the mandatory share in the inheritance when a heir having the right to a mandatory heir's share of at least one of the spouses exists, and also the rules concerning a ban on inheritance by unworthy heirs, if an unworthy heir of at least one of the spouses exists.

If the right to a mandatory share in the inheritance has come into being after the conclusion of the inheritance contract envisaged then the duties of a heir under the inheritance contract envisaged by the inheritance contract shall be reduced pro rata to the reduction of the part of the inheritance he/she is entitled to after the right to a mandatory share in the inheritance gets realised.

7. The inheritance contract shall be signed by each of the parties to the inheritance contract, and be notarised. If one of the parties evades the notarisation of the inheritance contract the provisions of Article 165 of this Code shall not be applied.

While attesting the inheritance contract the notary shall do the video recording of the procedure of conclusion of the inheritance contract, unless the parties to the inheritance contract have declared their objections to it.

8. The testator has the right to conclude one or several inheritance contracts with one or several persons who can be called upon to inherit.

If one piece of the testator's property has been the subject matter of several inheritance contracts concluded with different persons then in cases when the inheritance is accepted by them the inheritance contract concluded earlier shall be applicable.

9. The modification or rescission of the inheritance contract is admissible only while the parties to that agreement are alive by agreement of the parties thereto or under a court's decision in connection with a substantial change in circumstances, in particular in connection with the possibility of calling upon the persons having the right to a mandatory share in the inheritance that has come into being.

10. The testator has the right to unilaterally waiver at any time the inheritance contract by means of notifying all the parties to the inheritance contract about such waiver. The notice of waiver by the testator of the inheritance contract is subject to notarisation. The notary that has attested a notice of waiver by the testator of the inheritance contract shall send a copy of that notice within three working days to other parties to the inheritance contract in the procedure envisaged by the legislation on the notarial profession and notarial activity.

The testator that has waived the inheritance contract shall compensate other parties to the inheritance contract for the losses they have incurred in connection with the execution of the inheritance contract by the time of receipt of a copy of the notice of waiver by the testator of the inheritance contract.

Other parties to the inheritance contract have the right to unilaterally waive the inheritance contract in the procedure envisaged by a law or the inheritance contract.

11. The inheritance contract may be contested while the testator is alive on a claim of a party to the inheritance contract, and after the opening of the inheritance on a claim of a person whose rights or lawful interests have been infringed upon by that inheritance contract.

12. After the conclusion of the inheritance contract the testator has the right to conclude any transactions in respect of the property belonging thereto or otherwise dispose of the property that belongs thereto by his/her own will and in his/her own interest, even if such disposal is going to deprive a person who can be called upon to inherit of the rights to the testator's property. An agreement to the effect of otherwise is null and void.

Chapter 63. Succession by Operation of Law

Article 1141. General Provisions

1. Legal heirs shall be called upon to inherit in compliance with the priority ranking set out in **Articles 1142 - 1145** and **1148** of the present Code.

The heirs of each next category shall inherit if there are no heirs of the preceding categories, i.e. if there are no heirs of the preceding categories or if neither of them are entitled to inherit or if all of them have been barred from inheritance (**Article 1117**), or deprived of inheritance (**Item 1 Article 1119**), if neither of them have accepted inheritance or if all of them have disclaimed inheritance.

2. Heirs of one category shall inherit in equal shares, except for the heirs who inherit by right of representation (**Article 1146**).

Article 1142. First Category Heirs

1. Legal heirs of the first category are the children, spouse and parents of the testator.

2. The testator's grandchildren and their issue shall inherit by right of representation.

Article 1143. Second Category Heirs

1. If there are no heirs of the first category the legal heirs of the second category shall be the full and half brothers and sisters of the testator, his grandfather and grandmother both on the side of the father and on the side of the mother.

2. The children of full and half brothers and sisters of the testator (nephews, nieces of the testator) shall inherit by right of representation.

Article 1144. Third Category Heirs

1. If there are no heirs of the first and second categories the legal heirs of the third category shall

be the full and half brothers and sisters of the parents of the testator (uncles and aunts of the testator).

2. Cousins of the testator shall inherit by right of representation.

Article 1145. Next Category Heirs

1. If there are no heirs of the first, second and third categories (**Articles 1142 - 1144**), the right to inherit by law shall be acquired by the testator's relatives of the third, fourth and fifth degree of kinship who do not qualify as heirs of the preceding categories.

The degree of kinship shall be determined by the number of births that separate relatives from each other. The birth of the testator in this case does not count.

2. Under Item 1 of the present article the following shall be called upon to inherit:

as heirs of the fourth category: relatives of the third degree of kinship - great grandfathers and great grandmothers of the testator;

as heirs of the fifth category: relatives of the fourth degree of kinship - children of full nephews and nieces of the testator (grandsons and granddaughters once removed) and brothers and full sisters of their grandfathers and grandmothers (grandsons and granddaughters once removed) and full brothers and sisters of their grandfathers and grandmothers once removed);

as the heirs of the sixth category: relatives of the fifth degree of kinship - children of grandsons and granddaughters of the testator once removed (grand grandsons and grand granddaughters once removed), children of his cousins (nephews and nieces once removed) and children of his grandfathers and grandmothers once removed (uncles and aunts once removed).

3. If there are no heirs of the preceding categories the following shall be called upon to inherit as heirs of the seventh category by law: stepsons, stepdaughters, the stepfather and the stepmother of the testator.

Article 1146. Succession by Right of Representation

1. The share of a legal heir who has died before the opening of the inheritance or simultaneously with the testator (**Item 2 of Article 1114**) shall be passed by right of representation to his relevant issue in the cases specified in **Item 2 of Article 1142**, **Item 2 of Article 1143** and **Item 2 of Article 1144** of the present Code and it shall be divided between them in equal shares.

2. The issue of a legal heir who has been deprived of inheritance by the testator (**Item 1 of Article 1119**) shall not inherit by right of representation.

3. The issue of an heir who has died before the opening of the inheritance or simultaneously with the testator (**Item 2 of Article 1114**) and who would not have had a right of inheritance under **Item 1 of Article 1117** of the present Code shall not inherit by the right of representation.

Article 1147. Succession by Adopted Children and Adopters

1. In the case of succession by operation of law an adopted child and his/her issue on one side and the adopter and his/her relatives on the other side shall qualify as relatives by origin (blood relatives).

2. The adopted child and his/her issue shall not inherit by operation of law after the death of the parents of the adopted child and other blood relatives thereof and the parents of the adopted child and other blood relatives thereof shall not inherit by operation of law after the death of the adopted child and his/her issue, except for the cases specified in Item 3 of the present article.

3. In cases when under the **Family Code** of the Russian Federation an adopted child retains relations with one of his/her parents or other blood relatives under a court decision the adopted child and his/her issue shall inherit by operation of law after the death of these relatives and the latter shall inherit by operation of law after the death of the adopted child and his/her posterity.

Inheritance under the present item shall not exclude inheritance under **Item 1** of the present article.

Article 1148. Succession by Disabled Dependants of the Testator

1. Citizens qualifying as the legal heirs specified in **Articles 1143 - 1145** of the present Code who are disabled as of the date of opening of the inheritance but not included in the category of heirs who are called upon to inherit shall inherit by operation of law together and in equal shares with the heirs of that category if they had been dependants of the testator for at least a one-year term preceding the death of the

testator, regardless of whether they resided together with the testator or not.

2. Legal heirs shall be deemed citizens not included in the circle of heirs specified in **Articles 1142 - 1145** of the Code but who were disabled when the inheritance was opened who had been dependants of the testator at least for the one-year term preceding the death of the testator and resided together with him/her. If other legal heirs exist they shall inherit together pari passu with the heirs of at category called upon to inherit.

3. If there are no other legal heirs the disabled dependants of the testator shall inherit by themselves as eighth category heirs.

Article 1149. The Right to a Compulsory Share of Estate

1. The minor or disabled children of the testator, his disabled spouse and parents and also the disabled dependants of the testator who are subject to be called upon to inherit under **Items 1** and **2** of Article 1148 of the present Code shall inherit irrespective of the content of the will at least half of the share each of them is entitled to in the case of succession by operation of law (compulsory share), unless otherwise stipulated in this Article.

2. The right to a compulsory share in an estate shall be satisfied out of the residual part of the estate even if it is going to diminish the rights of other legal heirs to that portion of estate and if the nonbequeathed part of assets is insufficient to satisfy the right to compulsory share, out of the portion of assets that has been bequeathed.

3. Everything that an heir entitled to a compulsory share takes out of the estate on any grounds shall count as part of the compulsory share, including the value of a testamentary renunciation established for the benefit of such an heir.

4. If the exercise of a right to a compulsory share of an estate is going to cause the impossibility of passing property to an heir which was not used during the testator's lifetime by an heir entitled to a compulsory share and which had been used by an heir by will as his residential facility (a residential house, apartment, other living quarters, dacha etc.) or used as the main source of means of subsistence (means of labour, a creative studio etc.) the court may cut the size of the compulsory share or refuse to award such a share with due regard to the property status of the heirs entitled to a compulsory share.

5. The heir who has the right to an obligatory share and who is a beneficiary of the hereditary fund loses the right to an obligatory share. If such heir declares to the notary maintaining the hereditary case his waiven of all the rights of the beneficiary of the hereditary fund in the course of the time term laid down for the acceptance of the inheritance, he has the right to an obligatory share in conformity with this Article.

If the heir waives the rights of a beneficiary of the hereditary fund, the court may reduce the size of the obligatory share of this heir if the cost of the property due to him as a result of the inheritance significantly differs from the size of the means necessary for the citizen's maintenance while taking into account his reasonable needs and the liabilities he has to third parties as on the date of the opening of the inheritance as well as from an average amount of his expenditures and his life style before the testator's death.

Article 1150. The Rights of a Spouse to Inheritance

The right of inheritance that the surviving spouse of the testator has by will or by operation of law shall not diminish the spouse's right to the portion of property gained during the period of marriage with the testator and deemed their common property. The share of the deceased spouse in this property determined in compliance with **Article 256** of the present Code shall be deemed a part of the estate and it shall pass to the heirs in compliance with the rules established by the present Code.

It may be envisaged otherwise by a joint will of the spouses or an inheritance contract.

Article 1151. Escheat

1. If there are no legal heirs and heirs by will or if none of the heirs has a right to inherit or all heirs have been deprived of their right of inheritance (**Article 1117**) or none of the heirs have accepted the inheritance or all the heirs refused their inheritance and none of them has indicated that the inheritance is waived for the benefit of another heir (**Article 1158**) the decedent's estate shall be deemed escheat.

2. The following escheat property located in an appropriate territory shall pass by way of legal succession into the ownership of an urban or rural inhabited locality, municipal district (as regards inter-settlement areas) or municipal, urban district:

living premises;

land plot, as well as the buildings, structures and other immovable property items located on it;

share in common share ownership of the immovable property units cited in Paragraphs Two and Three of this item.

If the cited items are located in the constituent entity of the Russian Federation - the city of federal importance Moscow, St. Petersburg or Sevastopol, they shall pass into the ownership of such constituent entity of the Russian Federation.

The living premises cited in **Paragraph Two** of this item shall be included in the appropriate housing stock for social use.

Other escheat property shall pass by way of legal succession into the ownership of the Russian Federation.

3. The procedure for succession and recording of escheat property passing by succession by operation of law into the ownership of the Russian Federation and also the procedure for transferring such property into the ownership of Russian regions or municipal entities shall be set out by a law.

Chapter 64. Acquisition of Inheritance

Article 1152. Acceptance of Inheritance

1. To acquire an inheritance an heir shall accept it.

No acceptance is required for the acquisition of escheat property (**Article 1151**).

2. The acceptance of a portion of an inheritance by an heir means acceptance of the whole inheritance due to him/her, whatever the nature and the whereabouts thereof.

When an heir is called upon to inherit simultaneously on several grounds (by will and by operation of law or by hereditary transition and as the result of opening an inheritance etc.) the heir may accept an inheritance he is entitled to on one of these grounds, on several of them or on all of them.

No acceptance of inheritance shall be stipulated by conditions or special clauses.

3. The acceptance of an inheritance by one or several heirs shall not mean an acceptance of the inheritance by other heirs.

4. An accepted inheritance shall be recognised as owned by the heir from the date of opening of the inheritance, irrespective of the time of the actual acceptance and also irrespective of the time of state registration of the heir's rights to assets of an estate where such a right is subject to state registration.

Article 1153. The Methods of Accepting an Inheritance

1. An inheritance is accepted by means of the heir's filing an inheritance acceptance application or an application for a certificate of the right to the inheritance with a notary or personal representative under law at the place of opening of the inheritance.

The signature of the heir on the application must be witnessed by a notary, an official authorised to perform notarial acts (**Item 7 of Article 1125**), or a person authorised to certify wills in accordance with **Item 1 of Article 1127** of this Code, if the application of the heir is transferred to the notary by another person or forwarded by post.

An inheritance can be accepted through a representative if the power of accepting an inheritance is specifically established in powers of attorney. No powers of attorney are required for a personal representative to accept an estate.

2. Until and unless the contrary is proven, an heir shall be deemed to have accepted an inheritance if he has committed actions evidencing an actual acceptance of the inheritance, in particular, if the heir:

has commenced possession or administration of assets of the estate;

has taken measures for preserving assets of the estate, protecting it against third parties' encroachments or claims;

has incurred expenses towards maintenance of assets of the estate;

has paid the testator's debts or received from third parties amounts of money payable to the testator.

3. The acceptance of the inheritance by the hereditary fund is effected in the procedure stipulated in the **Item 2 of Article 123.20-8** of this Code.

Article 1154. The Term for Acceptance of an Inheritance

1. An inheritance can be accepted within six months after the date of opening of the inheritance.

If the inheritance is opened on the date of the alleged death of a citizen (**Item 1 of Article 1114**) the inheritance can be accepted within six months after the date when the court decision whereby the citizen is announced dead becomes final.

2. If a right of inheritance emerges for other persons as the result of an heir's disclaiming of an inheritance or an heir's disqualification on the grounds established by **Article 1117** of the present Code such person can accept the inheritance within six months after the date of occurrence of their right of inheritance.

3. Persons whose right of inheritance occurs only due to an heir's non-acceptance of an inheritance can take the inheritance within three months after the expiry of the term specified in **Item 1** of the present article.

Article 1155. Acceptance of an Inheritance upon the Expiry of the Established Term

1. At an application filed late by an heir concerning the term set for acceptance of an inheritance (**Article 1154**) the court may reinstate the term and recognise the heir as having accepted the inheritance if the heir did not know and could not have known of the opening of the inheritance or if the heir has missed the term due to other legitimate reasons and on the condition that the heir who missed the term set for acceptance of the inheritance has filed his/her application with the court within six months after the time when the causes/reasons for the lateness ceased to exist.

Having recognised an heir as having accepted an inheritance, the court shall determine the shares of all the heirs in the estate and if necessary shall designate measures for safeguarding the rights of the new heir to his/her entitlement (**Item 3** of the present Article). The certificates of a right of inheritance issued earlier shall be recognised by the court as void.

2. An heir can accept an inheritance after the expiry of the term set for the acceptance thereof without resorting to the court if all other heirs who have accepted the inheritance grant their consent thereto in writing. If such a written consent is granted by heirs in the absence of a notary, their signatures on the documents whereby the consent is granted shall be attested in the manner specified in **Paragraph 2 of Item 1 of Article 1153** of the present Code. The heirs' consent shall be deemed grounds for a notary to annul the certificate of right of inheritance issued earlier and to issue a new certificate.

If, under a certificate issued earlier, state registration has been accomplished in respect of a right to immovable property, the notary's decision to annul the certificate issued earlier and the new certificate shall be deemed grounds for amending the state registration records correspondingly.

3. An heir who accepts an inheritance after the expiry of the established term in keeping with the rules set out in the present article shall be entitled to take his/her entitlement in compliance with the rules of **Articles 1104**, **1105**, **1107** and **1108** of the present Code which, in the case specified in **Item 2** of the present Article, shall be applicable except as otherwise required by a written agreement concluded by the heirs.

Article 1156. The Transfer of a Right to Accept an Inheritance (Hereditary Transition)

1. If an heir called upon to inherit by will or by operation of law dies after the opening of the inheritance without having accepted it within the established term, the right of accepting his/her entitlement shall pass to his/her legal heirs, or if all assets of the estate have been left by will, to his/her heirs by will (hereditary transition). The right of accepting an inheritance by way of hereditary transition is not incorporated into the estate left after the death of such an heir.

2. The right of accepting an inheritance that belonged to a deceased heir may be exercised by his/her heirs on general terms.

If the portion of the term set for the purposes of inheritance acceptance that remains after the death of an heir is less than three months, the term shall be extended to three months.

Upon the expiry of the term set for inheritance acceptance purposes the heirs of a deceased heir

may be recognised by the court as having accepted the inheritance under **Article 1155** of the present Code if the court is of the opinion that the reasons for the lateness are legitimate.

3. The right of an heir to accept a portion of inheritance as a compulsory share (**Article 1149**) shall not be transferable to his/her heirs.

Article 1157. The Right to Disclaim

1. The heir is entitled to disclaim the inheritance he is entitled to for the benefit of other persons (**Article 1158**) or without an indication of a person for whose benefit he rejects the inherited property.

No disclaimer shall be possible in the case of **escheat.**

2. The heir is entitled to disclaim the inheritance he is entitled to within the term set for acceptance of inheritance (**Article 1154**), including in cases when he has already accepted the inheritance.

If the heir has committed actions evidencing the actual acceptance of an inheritance (**Item 2 of Article 1153**) a court may recognise him/her as having disclaimed the inheritance at the application of such heir, including after the expiry of the set term if the court finds that the reasons for the lateness are legitimate.

3. The disclaiming of an inheritance shall not be subject to alteration or reversed.

4. In the case of a minor heir, an heir lacking dispositive capacity or having partial dispositive capacity the disclaiming of an inheritance shall be admitted with the preliminary consent of the body of tutorship and guardianship.

Article 1158. Disclaiming an Inheritance for the Benefit of Other Persons and Disclaiming of a Portion of an Inheritance

1. A heir is entitled to renounce succession as heir in favour of other persons from among heirs by devise or heirs at law of any turn, regardless of calling to inherit, who are not deprived of inheritance (**Item 1 of Article 1119**), as well as in favour of those who are called to inherit by right of representation (**Article 1146**) or by way of hereditary transition (**Article 1156**).

No disclaimer shall be for the benefit of any of the above persons:

of assets inherited under a will if the whole of the decedent's estate is left by will for heirs appointed by the decedent;

of a compulsory share of an estate (**Article 1149**);

if an alternate heir has been appointed for the heir in question (**Article 1121**);

2. No disclaimer shall be for the benefit of persons who are not specified in **Item 1** of the present article.

No disclaimer of inheritance shall be stipulated by conditions or special clauses.

3. An heir shall not disclaim a portion of his/her inheritance. However, if an heir is called upon to inherit simultaneously on several grounds (by will, by law or by inheritance transition or as a result of opening of an inheritance etc.) he shall be entitled to disclaim the gift he is entitled to on one of these grounds, on several of them or on all of them.

Article 1159. Methods of Disclaimer

1. The disclaimer of an inheritance shall be effected by the heir by means of filing a disclaimer with a notary or official empowered under law to issue certificates of inheritance at the place of opening of the inheritance.

2. If a disclaimer is filed with a notary by a person other than the heir or if it is mailed the signature of the heir on such disclaimer shall be attested by a notary, an officer authorised to perform notarial acts (**Item 7 of Article 1125**), or a person authorised to certify wills in accordance with **Item 1 of Article 1127** of the present Code.

3. An inheritance may be disclaimed through a representative if powers to disclaim are established in the powers of attorney. No powers of attorney is required for a legal representative to disclaim an inheritance.

Article 1160. Right to Disclaim a Testamentary Renunciation

1. The beneficiary is entitled to refuse to accept a trust (**Article 1137**). In this case no trust for the

benefit of another person or a trust stipulated by a clause or condition is permitted.

2. If the beneficiary is at the same time an heir his/her right specified in the present article shall not depend on his/her right to accept the inheritance or disclaim it.

Article 1161. Increment of Shares of Estate

1. If an heir does not accept his/her inheritance, disclaims his/her inheritance without indicating that the disclaimer is for the benefit of another heir (**Article 1158**), does not have the right to inherit or if his/her right of inheritance is forfeited on the grounds established by **Article 1117** of the present Code or as a result of invalidity of the will the portion of the estate to which such heir would have been entitled shall pass to the legal heirs called upon to inherit, pro rata to their shares of the estate.

However, if the testator has left all property to the heirs he appointed, the portion of the estate to which an heir who disclaimed his/her gift or who was dropped on other specified grounds was entitled shall pass to other heirs by will pro rata to their shares of the estate, except as otherwise required by the will in respect of distribution of that portion of the estate.

2. The rules contained in **Item 1** of the present article shall not be applicable if an alternate heir (**Item 2 Article 1121**) has been appointed for the heir who disclaimed his/her gift or who was dropped on other grounds.

Article 1162. Certificate of Right to Inheritance

1. A certificate of right to inheritance shall be issued at the place of opening of the inheritance by a notary or an official empowered by law to accomplish such a notarial action.

The certificate shall be issued at the application of an heir. If heirs so wish one certificate may be issued for all the heirs or a separate certificate may be issued to each of the heirs, for the whole of the estate or for specific parts thereof.

The same procedure shall be applicable when a certificate is issued in the case of escheat in compliance with **Article 1151** of this Code in the Russian Federation, a constituent entity of the Russian Federation or municipal entity.

2. If, after the issue of a certificate of right to inheritance, assets of the estate are discovered which are not covered by such a certificate, an additional certificate of right to inheritance shall be issued.

Article 1163. Term for Issue of a Certificate of Right to Inheritance

1. A certificate of right to inheritance shall be issued to heirs at any time upon the expiry of six months after the date of opening of the inheritance, except for the cases specified in the present Code.

2. In the case of succession both by will and by operation of law a certificate of right to inheritance may be issued before the expiry of six months after the opening of the inheritance if there is reliable information evidencing that there are no other heirs entitled to the inheritance or a portion thereof apart from the persons who have applied for the certificate.

3. The issuance of a certificate of right to inheritance shall be suspended by a decision of a court and also in the case of existence of an heir conceived but not yet born.

Article 1164. Heirs' Common Ownership

In the case of succession by operation of law if an estate passes to two or several heirs and in the case of succession by will if an estate is left by will to two or several heirs without an indication of specific assets of the estate to be taken by each of the heirs the estate shall be put into the shared ownership of the heirs as of the time of opening of the inheritance.

Heirs' common ownership of assets of an estate shall be subject to the provisions of **Chapter 16** of the present Code on shared ownership with due regard to the rules set out in **Articles 1165 - 1170** of the present Code. However, in the distribution of an estate the rules of **Articles 1168 - 1170** of the present Code shall be applicable within three years after the opening of the inheritance.

Article 1165. Distribution of Decedent's Estate by Agreement between Heirs

1. The assets of an estate in the shared ownership of two or several heirs can be divided by agreement between them.

The agreement on distribution of estate shall be subject to the rules of the present Code concerning the form of deals and form of agreements.

2. An agreement on distribution of estate incorporating immovable property, in particular, an agreement on devolution of the share of one or several heirs may be concluded by heirs after a certificate of right to inheritance has been issued.

The state registration of heirs' ownership of immovable property being the subject matter of an agreement on distribution of estate shall be accomplished on the basis of the agreement on distribution of estate and the certificate of a right to an inheritance issued earlier and in cases when the state registration of heirs' rights to immovable property has been accomplished before the heirs entered into the agreement on distribution of the estate, on the basis of the agreement on distribution of the estate.

3. A discrepancy between the way an estate is distributed by heirs in an agreement they concluded and the shares of the estate to which the heirs are entitled as specified in the certificate of right to inheritance shall not cause refusal of state registration of their rights to the immovable property received as the result of distribution of the estate.

Article 1166. Safeguarding the Interests of a Child in the Case of Distribution of an Estate

If there is an heir who has been conceived but not yet born, distribution of an estate shall be accomplished only after the birth of such an heir.

Article 1167. Safeguarding the Lawful Interests of Minors, Citizens Lacking Dispositive Capacity or Having Limited Dispositive Capacity in the Distribution of an Estate

If among the heirs there are minor citizens, citizens without dispositive capacity or having a limited dispositive capacity an estate shall be distributed in compliance with the rules of **Article 37** of the present Code.

For the purpose of safeguarding the lawful interests of the said heirs the tutorship and guardianship body shall be notified of the drawing up of an agreement on distribution of the estate (**Article 1165**) and of a court hearing a case of distribution of the estate.

Article 1168. Right in Rem Relating to an Indivisible Item in Distribution of an Estate

1. An heir who had a right of shared ownership together with the testator in respect of an indivisible item (**Article 133**), the share in the right of which is incorporated in the estate, shall have a preferential right to obtain as his/her share of the estate the item that was in common ownership, over the heirs who had not been party to the common ownership before, irrespective of their having used the item or not.

2. An heir who had been permanently using an indivisible item (Article 133) incorporated in an estate shall have a preferential right to obtain this item as his/her share in the estate, over the heirs who had not been using the item and had not been party to the common ownership thereof.

3. If an estate incorporates living accommodation (a residential house, apartment etc.) which cannot be physically divided, the heirs who had been residing in the housing accommodation as of the date of opening of the inheritance and who do not have other living accommodation shall have the right to enjoy preferential treatment in cases of distribution of the estate over other heirs not being owners of the living accommodation incorporated in the estate in obtaining this living accommodation as their shares of the estate.

Article 1169. Preferential Right to Ordinary Household Articles in Distribution of an Estate

In the case of distribution of an estate an heir who had been residing as of the date of opening of an inheritance together with the testator shall have a preferential right to obtain household articles as his/her share of the estate.

Article 1170. Compensation for a Mismatch between the Received Assets of an Estate and the Share in the Estate

1. A mismatch between the assets of the estate claimed by an heir by a preferential right under **Articles 1168** or **1169** of the present Code and the heir's share of the estate shall be eliminated by means of his/her transferring other assets of the estate to other heirs or by the provision of another compensation,

including disbursement of the relevant amount of money.

2. Except as otherwise required by an agreement between all the heirs, the exercise of a preferential right by any of them shall be possible after the provision of relevant compensation to other heirs.

Article 1171. Preservation of an Estate and Administration of an Estate

1. For the purpose of safeguarding the rights of heirs, beneficiaries and other persons concerned the executor of a will or the notary at the place where an inheritance is opened shall take the measures specified in **Articles 1172** and **1173** of the present Code as well as other necessary measures for preservation and administration of the estate.

2. The notary shall take measures for preservation and administration of the estate at the application of one or several heirs, the executor of the will, a local government body, the tutorship and guardianship body or other persons acting in the interests of preservation of the estate. If an executor of the will has been appointed (**Article 1134**) the notary shall take measures for preservation and administration of the estate in agreement with the executor.

The executor of the will shall take measures for the preservation and administration of the estate on his own or at the request of one or several heirs.

3. For the purpose of ascertaining the subject matter of an inheritance and preserving it banks, other credit institutions and other legal entities shall inform the notary, at the notary's request, of the information they have concerning assets belonging to the testator. The information so obtained shall be passed by the notary only to the executor of the will and to the heirs.

4. The notary shall take measures for preservation and administration of the estate within a term set by the notary with due regard to the nature and value of the estate and also the time required for the heirs to commence owning their inheritance.

The executor of the will shall take measures for the preservation and administration of the estate within the term required for executing the will.

5. In cases when assets of the estate are located in different places, the notary at the place where the inheritance has been opened shall forward instructions on the preservation and administration of the assets of the estate to a notary at the place where the relevant portion of the assets is located, via the territorial agencies of the federal executive body exercising law enforcement functions and functions of control and supervision in the notarial field. If the notary at the place of opening of the inheritance knows who should take measures for the preservation of the estate, such instructions shall be forwarded to the relevant notary or official.

6. The procedure for preservation and administration of an estate, in particular, the procedure for drawing up an inventory of the estate shall be determined by the legislation on notaries. The **maximum limits** on remuneration payable under an agreement of custody of estate and agreement of trust of estate shall be set by the Government of the Russian Federation.

7. In cases when a right to accomplish notarial actions is granted under law to officials of local government bodies and consular officials the necessary measures for preservation and administration of an estate can be taken by the relevant official.

Article 1172. Measures for Preservation of the Estate

1. For the purpose of preserving an estate the notary shall draw up an inventory of the estate in the presence of two witnesses qualifying under the criteria established in **Item 2 of Article 1124** of the present Code.

The executor of the will, heirs and in relevant cases representatives of the tutorship and guardianship body can be in attendance when an inventory of estate is being drawn up.

At the request of persons specified in Paragraph 2 of the present item, the estate shall be valued by agreement of the heirs. If no agreement is made the estate or the portion thereof not covered by a valuation agreement shall be valued by an independent appraiser at the expense of the person who has demanded the valuation of the estate, with these expenses later being distributed among the heirs pro rata to the value of the assets of the estate received by each of them.

2. Money in cash incorporated in the estate shall be deposited with the notary and foreign currency valuables, precious metals and stones, articles made from them and securities that do not require

management shall be handed over to a bank into the custody thereof under an agreement in compliance with **Article 921** of the present Code.

3. If its has come to the notary's knowledge that the estate includes weapons he shall notify about it the federal executive body authorised in the sphere of circulation of weapons, or its territorial body.

4. Assets incorporated in the estate but not specified in **Items 2** and 3 of the present article, if they do not require management, shall be passed by the notary under an agreement to an heir into the custody thereof, or if they cannot be passed to an heir, to another person at the notary's discretion.

In the case of succession by a will whereby an executor of the will is appointed, the executor of the will shall be responsible for the custody of the said assets of estate on his own or by means of entering into a custody agreement with an heir or another person chosen at the discretion of the notary.

Article 1173. Trustee Management of the Hereditary Property

1. If in the composition of the inheritance there is property requiring not only protection but also management (an enterprise, a share in the authorised (pooled) capital of a corporate legal entity, securities, exclusive rights and such like), the notary shall conclude a contract for the trustee management of this property in conformity with **Article 1026** of the given Code in the capacity of the founder of the trustee management.

Before the conclusion of a contract for the trustee management of the hereditary property an independent assessor shall estimate that part of the property which is handed over into the trustee management. The outlays on carrying out the estimation shall be considered those made on the protection of the inheritance and on its management (**Article 1174**).

2. If the succession is effected by the will in which the executor of the will is appointed, the latter shall be seen as the trustee manager of the hereditary property from the moment of his giving his consent to be the executor of the will (**Article 1134**).

3. The trustee management of the hereditary property is effected for the purposes of preserving this property and of increasing its value.

A beneficiary under the contract for trustee management of the hereditary property is not appointed with the exception of the case when the testamentary refusal is effected supposing its execution in favour of a certain person for the period of the performance of actions aimed at the protection of the hereditary property and at its management. In such a case the recipient of the refusal shall be appointed as the beneficiary.

The trustee manager of the hereditary property has no right to fulfil the liabilities of the testator at the expense of the property handed over into his trustee management until the issue to one of the heirs of the certificate for the right to the property with the exception of the cases when the trustee management contract or the will stipulates the trustee manager's liability to recompense the outlays pointed out in **Article 1174** of this Code at the expense of the property handed over into trustee management.

4. At the performance of actions aimed at the protection of the hereditary property and at its management in the cases when the testator's will contains his orders on the issues of the management of the inheritance, the trustee manager and the executor are obliged to act in accordance with such testator's orders; they are also obliged to vote in the corporation's higher bodies in the way which indicated in the will.

5. The notary implementing the powers of the founder of the trustee management under a trustee management contract is obliged to control the fulfilment of his liabilities by the trustee manager at least once in two months. If he exposes a violation of his liabilities by the trustee manager, the notary has the right to cancel the trustee management contract unilaterally, to demand that the trustee manager present a report and to appoint a new trustee manager.

6. A person satisfying demands pointed out in **Article 1015** of this Code may be appointed as the trustee manager under a contract, including the supposed heir who may be appointed with the consent of other heirs revealed at the moment of the appointment of the trustee manager and if they object to it - on the grounds of a court decision.

7. If the hereditary property is handed over to several trustee managers, each of them has powers in the management of the hereditary property unless the contract for the trustee management or the will has envisaged that the trustee managers shall exercise these liabilities jointly. If divergences of opinion

arise among the trustee managers about their exercising the rights and fulfilling the liabilities, the notary is obliged to cancel the trustee management contract signed with such managers, to demand that the trustee managers present reports and to appoint a new trustee manager or new trustee managers.

8. A contract for the trustee management of the hereditary property may be concluded for a time term not exceeding five years. In any case as at the moment of the issue of a certificate for the right to the inheritance to at least one of the heirs, if such certificate indicates property which is the object of the trustee management or if such certificate is issued with respect to the entire property of the testator in whatever it is expressed and wherever it is located the rights and the liabilities of the trustee management's founder shall pass to such heir (to such heirs). The notary who has founded the trustee management is relieved of fulfilment of the founder's liabilities. The heir who has received the certificate for the right to the inheritance has the right to stop the trustee management and to demand that the trustee manager hand over the property which was in his management, the rights to which have passed to this heir and to submit a report on the trustee management.

If the heirs do not present the demand for handing over the property which was in trustee management, the trustee management contract is seen as extended for five years while the trustee management may be stopped on the grounds stipulated in **Article 1024** of this Code.

Article 1174. Reimbursement of Expenses Incurred Due to the Death of the Testator and Expenses Towards Preservation and Administration of the Estate

1. The necessary expenses incurred due to the pre-death illness of the testator, decent funeral expenses, including the necessary expenses incurred as payment for the place of burial of the testator, estate preservation and administration expenses and also testamentary expenses shall be reimbursable out of the decedent's estate within the value thereof.

2. Claims for reimbursement of the expenses specified in Item 1 of the present article may be presented to heirs which have accepted their inheritance and, before the acceptance of an inheritance, to the executor of the will or satisfied at the expense of the estate.

Such expenses shall be reimbursed before the repayment of debts to creditors of the testator and within the limits of value of the portion of the estate taken by each of the heirs. In such cases expenses incurred in connection with the testator's illness and funeral shall rank as first category, estate preservation and administration expenses as second category and testamentary expenses as third category.

3. Any amounts of money owned by the testator, including bank deposits and accounts, may be used to bear the testator's decent funeral expenses.

Banks on deposits or accounts of which the testator's funds are located, as well as the Bank of Russia, if there are digital roubles accounted for on the testator's digital rouble account, must provide them, by a notary's order, to a person specified in the notary's resolution to pay the specified expenses.

The heir to whom the funds are bequeathed (credited onto the deposit or on any other accounts of the testator in banks, as well as the digital roubles counted on the testator's digital rouble account), including if they are bequeathed through the testamentary disposition (**Article 1128**), is entitled to obtain, at any time before the expiration of the inheritance from the date of the opening of the inheritance, the funds necessary for the testator's funeral, from the deposit or account, including the testator's digital rouble account.

The amount of money handed out by the bank in keeping with the present item for funeral purposes to an heir or a person indicated in the notary's decision shall not exceed one hundred thousand roubles.

The rules of the present item shall be correspondingly applicable to other credit organisation entitled to accept citizens' funds in deposit and other accounts.

Article 1175. Heirs' Liabilities for the Testator's Debts

1. Heirs who have accepted their inheritance shall be liable together for the debts of the testator (**Article 323**).

Each of the heirs shall be liable for the testator's debts within the limits of the value of the inheritance he/she receives.

2. An heir who has accepted his/her inheritance by way of hereditary transition (**Article 1156**) shall be liable for the testator's debts within the limits of the value of the inheritance and the inheritance

shall not be levied with the debts of the heir from whom he/she acquired the right to the inheritance.

3. The the stator's creditors are entitled to present their claims to heirs who have accepted their inheritance within the statutory limitation term set for the relevant claims. Until the acceptance of the inheritance creditors' claims may be presented to the hereditary property for the purposes of the preservation of which the executor of the will or the notary shall be invited to participate in the case. In the latter case a court shall suspend consideration of the case until the time when the estate is distributed among the heirs or passed under **Article 1151** of this Code to the Russian Federation, a constituent entity of the Russian Federation or municipal entity by way of escheat.

When the testator's creditors file claims, the statutory limitation term established for relevant claims shall not be interrupted, suspended or reinstated.

Chapter 65. Succession of Specific Types of Assets

Article 1176. Succession of Rights Connected with an Interest in Economic Partnerships and Companies and Production Co-Operatives

1. The estate of a participant in a general partnership or of a general partner in a trust partnership, a participant in a limited liability company or a supplementary liability company or a member of a production co-operative shall include the participant's (member's) share of the share (authorised) capital (assets) of the respective partnership, company or co-operative.

If for an heir to join a business partnership or production cooperative or for an heir to acquire a share in the authorised capital of a business company the consent of the rest of the participants in the partnership or company or members of the co-operative is required under the present Code, other laws or the foundation documents of a business partnership or company or a production co-operative, and if the heir has been refused such consent he/she shall be entitled to receive from the business partnership or company or production co-operative the actual value of the inherited share or a portion of the assets pro rata to the share, in the manner established for such cases by the rules of the present Code, other laws or the foundation documents of the legal entity.

2. The estate of an investor in a partnership shall include his/her share in the share capital of the partnership. The heir to whom this share has been transferred shall become an investor in the partnership.

3. The estate of a participant in a joint stock company shall include the shares he/she owned. The heirs by whom these shares have been taken shall become participants in the company.

Article 1177. Succession of Rights Relating to Participation in a Consumer Co-Operative

1. The estate of a member of a consumer co-operative shall include his/her share.

An heir of a member of a housing, dacha or other consumer co-operative shall be entitled to admittance as member of a respective co-operative. Admittance to membership in the co-operative shall not be refused for such an heir.

2. The decision of the issue as to which of the heirs may be admitted to become a member of a consumer co-operative in the case when the testator's share has been taken by several heirs and also the procedure, methods and term for disbursing amounts of money payable to the heirs who have not become members of the co-operative or for handing out assets in kind to them in place of money shall be governed by the **law** on consumer co-operatives and the foundation documents of the respective co-operative.

Article 1178. Succession of an Enterprise

An heir who, as of the date of opening an inheritance, had been registered as an individual entrepreneur or a commercial organisation being an heir by will shall enjoy a preferential right in the case of estate distribution to receive an enterprise incorporated in the estate as his share of inheritance (**Article 132**), given the observance of the rules of **Article 1170** of the present Code.

If none of the heirs has said preferential right or has not exercised such right, the enterprise incorporated into the estate shall not be subject to partition and shall come under the share ownership of the heirs in compliance with the inheritance they are entitled to, except as otherwise required by an agreement of the heirs who have taken the estate incorporating the enterprise.

Article 1179. Succession of Property of a Member of a Peasant (Individual) Farm

1. On the death of any member of a peasant (individual) farm inheritance shall be opened and succession shall be accomplished on general terms, given the observance of the rules of **Articles 253-255** and **257-259** of the present Code.

2. If an heir of a deceased member of a peasant (individual) farm is not himself/herself a member of the farm he/she shall be entitled to receive compensation pro rata to the share of the assets in share ownership of members of the farm he/she is entitled to. The term for disbursement of the compensation shall be set by agreement of the heir with the members of the farm, or if there is no agreement, by a court, but it shall not exceed one year after the opening of the inheritance. If there is no agreement between the members of the farm and the said heir to the contrary, the share of the testator in the assets shall be deemed equal to the shares of other members of the farm. If the heir is admitted as a member of the farm the said compensation shall not be payable for his/her benefit.

3. In cases when on the death of a member of a peasant (individual) farm the farm is terminated (**Item 1 of Article 258**), in particular, in connection with the fact that the deceased had been the sole member of the farm and none of his/her heirs wishes the peasant (individual) farm to continue its activities the assets of the peasant (individual) farm shall be subject to distribution between the heirs according to the rules of Articles 258 and **1182** of the present Code.

Article 1180. Succession of Items with Limited Alienability

1. Weapons, highly toxic and poisonous substances, narcotic drugs and psychotropic substances and other things with limited alienability (**Paragraph 2 of Item 2 of Article 129**) that had been owned by the testator shall be incorporated into the estate and be inherited on the general terms established by the present Code. No special permit shall be required for accepting an inheritance that includes such things.

2. Until the time when the heir obtains a special permit for such items, measures for ensuring the security of the items with limited alienability shall be taken in keeping with the procedure established by **law** for this kind of property.

If the heir is refused the said permit his/her right of ownership of such property shall be subject to termination in compliance with **Article 238** of the present Code and proceeds from the sale of the property less sales expenses shall be payable to the heir.

Article 1181. Succession of Plots of Land

A plot of land or a right of lifetime inheritable ownership of a plot of land owned by the testator shall be included in the estate and inherited on the general terms established by the present Code. No special permission is required for accepting an inheritance incorporating such property.

In the case of succession of a plot of land or a right of lifetime inheritable ownership of a plot of land, the succession shall also include the surface layer of the plot of land (soil), bodies of water, the plants located thereon, except as otherwise established by a law.

Article 1182. Peculiarities of Partition of a Plot of Land

1. The partition of a plot of land belonging to heirs under the right of common ownership shall be accomplished on the basis of the minimum size of a plot of land set for the plots with the relevant purpose.

2. If the plot of land cannot be divided in the manner established by Item 1 of the present article the plot of land shall pass to the heir having a preferential right of obtaining this plot of land as his/her share of the estate. Compensation shall be provided to other heirs in the manner established by **Article 1170** of the present Code.

If none of the heirs has a preferential right of obtaining the plot of land or has exercised such right the heirs shall possess, use and dispose of this plot of land under the right of shared ownership.

Article 1183. Succession of Outstanding Amounts of Money Granted to a Citizen as Means of Subsistence

1. The right to receive the amounts of wage/salary and payments qualifying as such, pension, stipend, social insurance benefit, damages for harm to life or health, alimony and other amounts of money

provided to the testator as means of subsistence that was been payable for his benefit but not been received in his lifetime shall belong to the members of the testator's family who had been residing together with him and also his disabled dependants, irrespective of their having resided with the deceased or not.

2. Claims for the disbursement of amounts of money under Item 1 of the present article shall be presented to the persons liable within four months after the opening of the inheritance.

3. If there are no persons entitled under **Item 1** of the present article to receive outstanding amounts of money that had been owing to the testator or if these persons have not presented their claims for the disbursement of such amounts of money within the established term, these amounts of money shall be included in the estate and inherited on the general terms established by the present Code.

Article 1184. Succession of Assets Granted to the Testator by the State or a Municipal Entity on Privileged Terms

Means of transportation and other assets granted by the state or a municipal entity to the testator on privileged terms in connection with his disability or other similar circumstances shall be incorporated into the estate and inherited on the general terms established by the present Code.

Article 1185. Succession of State Awards, Honours and Commemorative Badges

1. The state awards bestowed on the testator and covered by the legislation on the state awards of the Russian Federation shall not be included in the estate. The transfer of the said awards on the death of the decedent to other persons shall be subject to the procedure established by the legislation on state awards of the Russian Federation.

2. State awards that belonged to the testator which are not covered by the legislation on state awards of the Russian Federation, honours, commemorative and other badges, including awards and badges being part of collections, shall be included in the estate and inherited on the general terms established by the present Code.

Section VI. International Private Law

Chapter 66. General Provisions

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

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

The peculiarities of determining the law subject to application by an international commercial arbitration tribunal shall be established by a **law** on international commercial arbitration tribunals.

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

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

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

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

2. If, when applicable law is being defined, legal terms that require qualification are not known to Russian law or are known in another wording or with another content and if they cannot be defined by

means of construction under Russian law a foreign law may be applied to the construction thereof.

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

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

Article 1189. Reciprocity

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

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

Article 1190. Reverse Reference

1. Any reference to foreign law in compliance with the rules of the present section shall be deemed a reference to substantive law rather than the law of conflict of the relevant country, except for the cases specified in Item 2 of the present article.

2. A reverse reference of foreign law may be accepted in the cases of reference to the Russian law defining the legal status of a natural person.

Article 1191. Establishing the Content of Foreign Law Norms

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

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

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

As concerns claims relating to the pursuance of entrepreneurial activity by parties, the duty of providing data on the content of foreign law rules may be imposed by a court upon the parties.

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

Article 1192. The Direct Application Rules

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

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

Article 1193. Public Order Clause

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

law shall be applied if necessary.

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

Article 1194. Retortion

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

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

Article 1195. The Personal Law of Natural Persons

1. The personal law of a natural person shall be the law of the country of which the person is a citizen.

2. If, apart from being a Russian citizen, a person also has foreign citizenship, his/her personal law shall be deemed Russian law.

3. If a foreign citizen has a place of residence in the Russian Federation his/her personal law shall be deemed Russian law.

4. If a person has several foreign citizenships his/her personal law shall be deemed the law of the country in which the person has his/her place of residence.

5. The personal law of a person without citizenship shall be deemed the law of the country where he/she has his/her place of residence.

6. The personal law of a refugee shall be deemed the law of the country where he/she has been granted asylum.

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

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

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

1. The civil dispositive capacity of a natural person shall be determined by his/her personal law.

2. A natural person who does not have civil dispositive capacity according to his/her personal law shall have no right to refer to his/her lacking dispositive capacity if he/she has dispositive capacity at the place where the deal was made, except for cases in which the other party knew or was obviously supposed to know of the lack of dispositive capacity.

3. The recognition of a natural person in the Russian Federation as having no dispositive capacity or as having a limited dispositive capacity shall be governed by **Russian law.**

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

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

Article 1199. The Law Governing Tutorship and Guardianship

1. Tutorship and guardianship over minors, adults having no dispositive capacity or having limited dispositive capacity shall be appointed and terminated according to the personal law of the person over which it is appointed or terminated.

2. The tutor's (guardian's) duty to accept tutorship (guardianship) shall be determined according

to the personal law of the person who is appointed a tutor (guardian).

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

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

The declaration in the Russian Federation of a natural person as missing or dead shall be governed by **Russian law.**

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

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

Article 1202. The Personal Law of a Legal Entity

1. The personal law of a legal entity is the law of the country where the legal entity has been established, except as otherwise envisaged by the **Federal Law** on Making Amendments to the Federal Law on the Putting into Force of Part 1 of the Civil Code of the Russian Federation and to Article 1202 of Part 3 of the Civil Code of the Russian Federation and the Federal Law on International Companies.

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

1) an organisation's status as a legal entity;

2) the organisational legal form of a legal entity;

3) the standards governing the name of a legal entity;

4) issues concerning the formation, re-organisation and liquidation of a legal entity, in particular matters of succession;

5) the content of the legal capacity of a legal entity;

6) the procedure for acquisition of civil rights and assumption of civil duties by a legal entity;

7) internal relations, in particular, relations between a legal entity and its founders;

8) a legal entity's capacity to be liable for its obligations.

9) the issues of liability of the founders (participants) of a legal entity with respect to the commitments thereof.

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

4. If a legal entity established abroad exercises its activities predominantly on the territory of the Russian Federation, Russian law or at the creditor's choice the personal law of such legal entity shall apply to claims for liability in respect of commitments of the legal entity's founders (participants) and of other persons that are entitled to give instructions to be followed by it without fail or are capable of determining their actions.

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

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

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

Article 1204. Participation of a State in Civil Legal Relations Complicated by a Foreign Factor

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

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

Article 1205. The Law to Be Applied to Real Rights

The right of ownership and other real rights to immovable and movable property shall be determined according to the law of the country where this property is located.

Article 1205.1. The Scope of the Law to Be Applied to Real Rights

Unless otherwise provided for by this Code, the law to be applied to real rights shall determine, in particular:

1) the objects of real rights, in particular the property's pertinence to movable or immovable things;
2) the transferability of the objects of real rights;
3) the kinds of real rights;
4) the content of real rights;
5) the origination and termination of real rights, in particular the transfer of ownership;
6) the exercise of real rights;
7) the protection of real rights.

Article 1206. The Law to Be Applied to the Origination and Termination of Real Rights

1. The origination and termination of the rights of ownership and other real rights to property shall be determined according to the law of the country where this property was located at the time when the action or other circumstance serving as a basis for the origination or termination of the right of ownership and other real rights took place, unless otherwise provided for by law.

2. The origination or termination of the right of ownership and other real rights in a transaction made in respect of movable property being in transit shall be determined according to the law of the country which this property has been shipped from, unless otherwise provided for by law.

3. The parties may agree on the application of the right of ownership and other real rights to movable property under the law applicable to their transaction to the origination and termination without detriment to the rights of third parties.

4. The origination of the right of ownership and other real rights to property by virtue of its acquisitive prescription shall be determined by the law of the country where the property was located at the end of the time period of prescription.

Article 1207. The Law to Be Applied to Real Rights to Vessels and Space Objects

The right of ownership and other real rights to aircraft, sea vessels, inland navigation vessels and space objects which are subject to state registration shall be determined according to the law of the country where these vessels and objects are registered.

Article 1208. The Law Governing the Statute of Limitations

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

Article 1209. The Law to Be Applied to the Form of a Transaction

1. The form of a transaction shall be in keeping in with the law of the country to be applied to the transaction proper. However, a transaction may not be declared invalid as a result of a failure to observe the form thereof, if the requirements of the law of the country where the transaction is made for the form of the transaction are satisfied. A transaction made abroad, if at least one of the parties thereto is a person whose personal law is Russian law, may not be declared invalid as a result of a failure to observe the form thereof, provided that the requirements of Russian law for the form of the transaction are observed.

The rules provided for by **Paragraph One** of this item shall also apply to the form of a letter of attorney.

Where there are the circumstances cited in **Item 1 of Article 1212** of this Code, the law of the country where the consumer resides shall apply to the form of a contract with the participation of a consumer at the choice thereof.

2. If the law of the country where a legal entity is established contains special requirements in respect of the form of an agreement on establishing a legal entity or of a transaction connected with the exercise of the rights of a participant of the legal entity, the form of such agreement or transaction shall be in keping with the law of this country.

3. If a transaction or the origination, transfer, limitation or termination of rights in respect of it is subject to mandatory state registration in the Russian Federation, the form of such transaction shall be in keping with Russian law.

4. The form of a transaction in respect of immovable property shall be in keping with the law of the country where this property is located and in respect of immovable property which is entered into the state register in the Russian Federation, it shall be in keping with Russian law.

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

1. When they enter into a contract or later on the parties thereto may select by agreement between them the law that will govern their rights and duties under the contract.

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

3. Selection of applicable law made by parties after the conclusion of a contract shall have retroactive effect and it shall be deemed valid, without prejudice to the rights of third parties and the validity of a transaction from the point of the requirements for the form thereof, beginning from the time when the contract was concluded.

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

5. If at the time of selection by the parties to a contract of the law to be applied by the parties to a contract all the circumstances concerning the essence of the parties relations are only connected with a single country, the selection by the parties of the law of another country may not concern the operation of the imperative norms of law of the country with which all the circumstances concerning the essence of the parties' relations are connected.

6. Unless otherwise results from law or the essence of relations, the provisions of **Items 1-3** and **5** of this article shall accordingly apply to the selection of the law as agreed by parties to be applied to the relations which are not based upon an agreement where such choice is allowed by law.

Article 1211. The Law to Be Applied to a Contract Where There Is No Agreement of the Parties on the Choice of Law

1. Unless otherwise provided for by this Code or other law, where there is no agreement of the parties as to the law to be applied, the law of the country where as of the time of making a contract the place of residence or the principle place of activity of the party, which effects the execution thereof that is of crucial importance for the content of the contract is located, shall apply to the contract.

2. As the party effecting execution which is of crucial importance for the content of a contract shall be recognised the party which is:

1) the seller - in a contract of purchase and sale;
2) the donator - in a contract of gift;
3) the lessor - in a contract of lease;
4) the lender - in a contract of gratuitous use;
5) the contractor - in a contract of work and labour;
6) the carrier - in a contract of carriage;
7) the forwarding agent - in a forwarding contract;
8) the lender (creditor) - in a contract of loan (credit contract);

9) the financial agent - in a contract of financing against the assignment of a monetary claim;
10) the bank - in a bank deposit and bank account contract;
11) the custodian - in a contract of custody;
12) the insurer - in an insurance contract;
13) the attorney - in a trust deed;
14) the commission agent - in a contract of commission;
15) the agent - in an agency contract;
16) the executor - in a contract of onerous rendering of services;
17) the pledger - in a contract of pledge;
18) the surety - in a contract of suretyship.

3. In respect of a construction contract and a contract for design and prospecting works the law of the country where the results provided for by the relevant contract will be mainly created shall apply.

4. In respect of a simple partnership agreement the law of the country where such partnership mainly exercises its activities shall apply.

5. In respect of a contract made at an auction, on the basis of a tender or at an exchange the law of the country where the auction or tender is held or where the exchange is located shall apply.

6. In respect of a commercial concession contract shall apply the law of the country on whose territory it is allowed to use a set of the exclusive rights possessed by the right holder or, if the given use is concurrently allowed on the territories of several countries, the law of the country where the right holder's place of residence or the principal place of exercising activities is located shall apply.

7. In respect of an agreement on alienation of the exclusive right to the result of intellectual activities or means of individualisation the law of the country on whose territory the exclusive right transferred to the acquirer thereof operates shall apply or, if it concurrently operates on the territories of several countries, the law of the country where the right holder's place of residence or the principle place of exercising activities is located.

8. In respect of a licence agreement the law of the country on whose territory the licensee is allowed to use the result of intellectual activity or means of individualisation shall apply or, if such use is concurrently allowed on the territories of several countries, the law of the country where the licensee's place of residence or the principal place of activities is located.

9. If it clearly results from law, from the terms or essence of a contract or the aggregate of the facts in a case that the contract is more closely linked with the law of a country other than the one which is cited in **Items 1-8** of this article, the law of the country with which the contract is more closely linked shall apply.

10. To a contract containing elements of various contracts the law of the country with which this contract, seen in whole, is more closely linked shall apply, unless it results from law, the terms or essence of this contract or from the aggregate of the facts in a case that the law to be applied is subject to determination for such elements of this contract on a separate basis.

11. If the trade terms normally used in international intercourse are used in a contract, it shall be deemed, in the absence of other indications in the contract, that the parties have coordinated the application to their relations of the customs denominated by the relevant trade terms.

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

1. The selection of the law governing a contract to which a party is a natural person using, acquiring or ordering or intending to use, acquire or order movable things (works, services) intended for personal, family, household or other purposes and not connected with the pursuance of entrepreneurial activity may not cause the deprivation of such natural person (consumer) of the protection of the rights thereof provided by the imperative norms of the law of the country of the consumer's place of residence, if the consumer's contractor (the professional party) exercises its activities in the country of the consumer's place of residence or in any way focuses its activities on the territory of this country or the territories of several countries, including the territory of the country of the consumer's place of residence, provided that the contract is connected with such activities of the professional party.

2. If there is no agreement of the parties as to applicable law and if the circumstances specified in **Item 1** of the present article apply the law of the country where the consumer has his/her place of residence

shall govern a contract with the participation of a consumer.

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

1) a carriage contract;

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

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

4. Where it is not provided for by **Item 1** of this article, the choice of the law to be applied to a contract with a consumer's participation may not entail the consumer's deprivation of the protection of the rights thereof which is provided by the imperative norms of law of the country whose law would be applied to this contract in the absence of the parties' agreement on the choice of law.

5. Except for the exemptions established by this article, the law to be applied to a contract with a consumer's participation shall be determined according to the general rules of this Code on the law to be applied to the contract.

Article 1213. The Law Governing Contracts Relating to Immovable Property

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

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

Article 1214. The Law to Be Applied to an Agreement on the Establishment of a Legal Entity and to an Agreement Connected with the Exercise of the Rights of a Participant of the Legal Entity

1. The choice of the law to be applied to an agreement on the establishment of a legal entity and to an agreement connected with the exercise of the rights of a participant of a legal entity may not concern the operation of the imperative norms of the country where the legal entity is established in respect of the issues cited in **Item 2 of Article 1202** of this Code.

2. In the absence of the parties' agreement on the law to be applied the law of the country where the legal entity is established or is subject to establishment shall apply to an agreement on the establishment of a legal entity and to an agreement connected with the exercise of the rights of a participant of the legal entity.

Article 1215. The Scope of Operation of the Law to Be Applied to a Contract

1. The law to be applied to a contract in compliance with the rules of **Articles 1210-1214** and **1216** of this Code shall determine the following:

1) the contract's interpretation;

2) the rights and responsibilities of the parties to the contract;

3) the contract's execution;

4) the effects of failure to execute or improper execution of the contract;

5) the contract's termination;

6) the effects of the contract's invalidity.

2. Unless otherwise results from law, the provisions of **Item 1** of this article shall not concern, in particular, the scope of operation of the law to be applied to the issues cited in **Item 2 of Article 1202**, **Article 1205.1** and **Item 5 of Article 1217.1** of this Code.

Article 1216. The Law Governing Assignment of a Claim

1. The law governing a claim assignment agreement between the initial and new creditors shall be

determined in compliance with the rules of this Code on the law to be applied to a contract.

2. The admissibility of a claim assignment, relations between the new creditor and the debtor, the conditions for the claim to be presented to the debtor by the new creditor and the issue of the debtor's appropriate performance under his obligation shall be determined by the law applicable to the claim being the subject matter of the assignment.

Article 1216.1. The Law to Be Applied to the Transfer of the Creditor's Right to Another Person on the Basis of Law

When a third party satisfies the creditor's claim against the debtor, the transfer on the basis of law of the creditor's rights to such third party (to the new creditor) shall be determined on the basis of the law to be applied to the relations between the initial creditor and the new creditor, unless otherwise results from law or the totality of the facts in a case.

In the relations between the debtor and the new creditor the operation of the provisions of the law aimed at the debtor's protection, which is subject to application to the obligation between the debtor and the initial creditor, shall not be affected.

Article 1217. The Law Governing Obligations Emerging from Unilateral Transactions

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

Abrogated from November 1, 2013.

Article 1217.1. The Law to Be Applied to Representation Relations

1. If representation is based on an agreement, the relations between the represented person and the representative thereof shall be determined according to the rules of this Code on the law to be applied to the agreement.

2. Unless otherwise results from law, the relations between the represented person or the representative thereof and a third party shall be determined according to the law of the country which is selected by the represented person in a power of attorney, provided that a third party and the representative have been notified of this choice.

If the represented person has not chosen the applicable law in a power of attorney or the selected law is not subject to application in compliance with law, the relations between the represented person or the representative and a third party shall be determined according to the law of the country where the representative's place of residence or the principal place of exercising activities are located. If a third party did not know and could not have known about the representative's place of residence or the principal place of exercising activities the law of the country where the representative predominantly acted in a specific case shall apply.

3. If a representative is vested with authority to make a transaction in respect of immovable property and, in so doing, the transaction of the origination, transfer, limitation or termination of rights in respect of it are subject to mandatory state registration, the law of the country where the immovable property is entered into the state register shall apply.

4. If authority for pleading a case in a state court or arbitration court is vested with a representative, the law of the country where judicial or arbitration court proceedings are being carried out shall apply.

5. The law to be applied to relations between the represented person or the representative and a third party shall determine, in particular, the following:

1) the existence and scope of the representative's authority;

2) the effects of the representative exercising its authority;

3) the requirements for the content of a power of attorney;

4) the validity term of a power of attorney;

5) the termination of a power of attorney, in particular the effects of its termination for third parties;

6) the admissibility of issuance of a power of attorney by way of the transfer of trust;

7) the effects of carrying out a transaction in the absence of the authority to act on behalf of the represented person or in case of exceeding his authority, including if the represented person subsequently

approves such transaction.

6. Unless otherwise results from law or the essence of relations, it shall be deemed, if there are no other indications in the power of attorney, that the scope of the representative's authority includes the determination of the procedure for settling disputes (making agreements on the transfer of disputes to a state court or arbitration court and such), as well as the selection of the law to be applied to the transactions made by the representative on behalf of the represented person.

7. The provisions of this article shall not extend to the relations involved in representation which are based on an indication of law or an act of an authorised state body or local government body.

Article 1217.2. The Law to Be Applied to the Termination of an Obligation by Way of Set-Off

The termination of an obligation by way of set-off shall be determined according to the law of a country which is subject to application to the relation from which the claim against which a counter-claim is raised has arisen. The termination of an obligation by way of set-off as agreed by the parties shall be determined by the rules of this **Code** in respect of the law to be applied to a contract.

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

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

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

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

2. If the parties to an obligation resulting from the infliction of harm reside or have their principal place of activities in the same country, the law of this country shall apply. If the parties to a given obligation reside or have their principal place of activities in different countries but are citizens or legal entities of the same country, the law of this country shall apply.

3. If it results from the aggregate of the facts in a case that the obligation arising as a result of inflicting harm is closely linked with an agreement made by the aggrieved person and the harm-doer in the course of exercising business activities by these parties, the law to be applied to such agreement shall apply to the given obligation.

4. The rules of this article shall apply if the parties to an obligation arising as result of the infliction of harm have not made an agreement on the law to be applied to this obligation (**Article 1223.1**).

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

The following, i.a., shall be determined on the basis of the law governing obligations emerging as a result of infliction of harm:

1) a person's capacity to be liable for harm inflicted;
2) the vesting of liability for harm in a person who is not the cause of harm;
3) grounds for liability;
4) grounds for limitation of liability and relief from liability;
5) the methods of compensation for harm;
6) the scope and amount of compensation for harm.

Article 1220.1. The Law to Be Applied to Establishing the Admissibility of a Claim for Compensation for Harm by an Insurer

A claim for compensation for harm may be made by the aggrieved person directly against the insurer, if it is admissible according to the law to be applied to the obligation arising as a result of the infliction of harm or according to the law to be applied to an insurance agreement.

Article 1221. The Law to Be Applied to the Liability for Harm Caused by Defects of Goods, Work or Service

1. At the choice of the aggrieved person shall apply the following to a claim for compensation for harm caused as a result of defects of goods, work or service:

1) the law of the country where the seller or manufacturer or other harm-doer resides or has its principal place of activity;

2) the law of the country where the aggrieved person resides or has the principal place of activity;

3) the law of the country where the work was carried out and the service was rendered or the law of the country where the goods were acquired.

The selection by the aggrieved person of the law provided for by **Subitems 2** or **3** of this item is not allowed if the harm-doer can prove that he did not foresee and could not have foreseen the distribution of goods in the relevant country.

2. If the parties in compliance with **Article 1223.1** of this Code have chosen as agreed by them the law to be applied to a claim for compensation for harm caused as a result of the defects of goods, works or services, the law selected by the parties shall apply.

3. If the aggrieved person has not enjoyed the right of choice granted thereto by **Item 1** of this article and there is no agreement between the parties on the law to be applied, the law of the country where the seller or manufacturer or other harm-doer resides or has their principal place of activity shall be applied, unless otherwise results from law, the essence of an obligation or the aggregate of facts in a case.

4. The rules of this article shall accordingly apply to the claims for compensation for harm caused as a result of unreliable or insufficient information about the goods, works or services.

Article 1222. The Law to Be Applied to Obligations Arising as a Result of Unfair Competition or Restriction of Competition

1. In respect of the obligations resulting from unfair competition the law of the country whose market is affected or may be affected by such competition shall apply, unless otherwise results from law or the essence of an obligation.

If unfair competition effects solely the interests of an individual, the law to be applied shall be determined in compliance with **Articles 1219** and **1223.1** of this Code.

2. In respect of the obligations arising as a result of restriction of competition the law of the country whose market is effected or may be affected by this competition restriction shall apply, unless otherwise results from the law or the essence of an obligation.

3. The selection by the parties of the law to be applied to the obligations cited in **Paragraph One of Item 1** and **Item 2** of this article shall not be allowed.

Article 1222.1. The Law to Be Applied to Obligations Resulting from Unfair Holding of Talks on Making an Agreement

1. In respect of the circumstances resulting from the unfair holding of talks on making an agreement the law to be applied to an agreement shall apply or, if an agreement has not been made, the law which would apply to a contract, if it was made shall apply.

2. If the applicable law cannot be determined in compliance with **Item 1** of this article, the law to be applied shall be determined in compliance with **Articles 1219** and **1223.1** of this Code.

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

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

Abrogated from November 1, 2013.

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

3. The rules of this article shall apply if the parties to an obligation resulting from unjust enrichment have not made an agreement on the law to be applied to this obligation (**Article 1223.1**).

Article 1223.1. The Selection of Law by the Parties to an Obligation Resulting from the Infliction of Harm or Unjust Enrichment

1. Unless otherwise results from the law, after the committing of an action or the occurrence of another circumstance entailing the infliction of harm or unjust enrichment the parties may select the law to be applied to the obligation resulting from the infliction of harm or unjust enrichment.

The law selected by the parties shall apply without detriment to the rights of third parties.

2. If at the time of taking an action or the occurrence of other circumstances entailing the infliction of harm or unjust enrichment all the circumstances concerning the essence of the parties' relations are connected solely with a single country, the selection by the parties of the law of another country may not affect the operation of imperative rules of the law of the country with which all the circumstances concerning the essence of the parties relations are linked.

Article 1224. The Law Governing Succession Relations

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

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

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

President of the Russian Federation V. Putin

The Kremlin, Moscow
November 26, 2001
No. 146-FZ