

Foreign goods further squeezed out of Russian public procurement

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Quotas for goods of Russian origin now apply for state customers acting under Federal Laws [No. 44-FZ*](#) (state and municipal entities) and [No. 223-FZ*](#) (state-owned companies). These changes were introduced by Russian Government Decrees [No. 2013*](#) and [No. 2014*](#), which came into force on 1 January 2021.

State-owned companies are more affected by the changes than state and municipal entities. The list of the types of goods the changes apply to contain more than 250 items, from golf carts to balalaikas.

The sectors concerned by the new requirements are telecommunications and radio electronic products, medical devices and products, as well as road construction and mining machinery.

Quotas are determined as a percentage of the total volume of each customer's purchase of goods of the corresponding type in a single reporting year, including goods to be supplied for conducting work or rendering services. Exact quotas, which can in certain instances be up to 90-95%, are established by both Decrees in relation to specific types of goods. For most items, the Decrees provide for annual increase of such quotas between 2021 and 2023.

Overall, the Decrees continue the import substitution strategy previously announced by the Russian Government, which enlarged the ban on public procurement of foreign industrial goods (as previously [reported](#)). It is assumed that, in the future, the quotas they provide may be increased and extended to other types of industrial products.

For more information on this eAlert, please contact CMS Russia experts [Maxim Boulba](#), [Dr. Thomas Heidemann](#), [Dmitry Bogdanov](#) or your regular contact at CMS Russia.

* *In Russian*

KEY CONTACTS



Maxim Boulba

Partner | Head of Competition & Public Procurement, Moscow



Dr. Thomas Heidemann

Partner | Corporate / M&A, Moscow, Düsseldorf



Dmitry Bogdanov

Senior Associate | Real Estate & Construction, Moscow



