FEDERAL CONSTITUTIONAL LAW NO. 1-FKZ OF APRIL 28, 1995 ON THE ARBITRATION COURTS IN THE RUSSIAN FEDERATION

See also Federal Constitutional Law No. 1-FKZ of December 31, 1996 on the Judicial System of the Russian Federation

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Chapter I. General Provisions

Article 1. The Arbitration Courts in the Russian Federation

The arbitration courts in the Russian Federation are a part of the judicial system of the Russian Federation.

Article 2. Legislation on the Arbitration Courts in the Russian Federation

- **1.** In accordance with the <u>Constitution</u> of the Russian Federation legislation on the arbitration courts shall come within the jurisdiction of the Russian Federation.
- **2.** The powers and the procedure for the formation and functioning of arbitration courts in the Russian Federation shall be established by the <u>Constitution</u> of the Russian Federation, the Federal Constitutional Law on the Judicial System, the present Federal Constitutional Law and other federal Constitutional Laws.

The procedure in the arbitration courts in the Russian Federation shall be determined by the <u>Constitution</u> of the Russian Federation, the present Federal Constitutional Law, the <u>Arbitration Procedure Code</u> of the Russian Federation and other federal laws, adopted in conformity with them.

Article 3. The System of the Arbitration Courts in the Russian Federation

The system of the arbitration courts in the Russian Federation comprises:

the Higher Arbitration Court of the Russian Federation;

the federal arbitration courts of the circuits:

the arbitration courts of the Republics, territories, regions, the federal cities, the arbitration courts of the autonomous formations (hereinafter referred to as the arbitration courts of the subjects of the Russian Federation).

Article 4. The Administration of Justice by the Arbitration Courts in the Russian Federation

The arbitration courts in the Russian Federation shall administer justice by settling economic disputes and examining other cases referred to their jurisdiction by the <u>Constitution</u> of the Russian

Federation, the present Federal Constitutional Law, the Arbitration Procedure Code of the Russian Federation and other federal laws adopted in conformity with them.

Article 5. The Main Tasks of the Arbitration Courts in the Russian Federation

The main tasks of the arbitration courts in the Russian Federation in the examination of cognizable disputes are as follows:

the protection of the breached or disputed rights and lawful interests of the enterprises, institutions, organizations (hereinafter referred to as the organizations) and private persons in the sphere of business and other economic activity;

the promotion of legality and of the prevention of breaches of law in the business and other economic activity.

Article 6. The Basic Principles of the Functioning of the Arbitration Courts in the Russian Federation

The activity of the arbitration courts in the Russian Federation is built on the principles of law, the independence of judges, the equality of organizations and private persons before the law and the court, adversarial proceedings, the equality of the parties, and the publicity in arbitral proceedings.

Article 7. The Binding Nature of Judicial Acts

The judicial acts that have come into legal force - awards, rulings and decisions of the arbitration courts - shall be binding on all the state bodies, local self-government bodies, other organs, organizations, officials and private persons and shall be subject to execution on the entire territory of the Russian Federation.

Article 8. The Judges of the Arbitration Courts in the Russian Federation

1. The Chairman of the Higher Arbitration Court of the Russian Federation shall be appointed to this post by the Federal Council of the Federal Assembly of the Russian Federation on the proposal of the President of the Russian Federation.

The Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation and the other judges of the Higher Arbitration Court of the Russian Federation shall be appointed to their posts by the Federal Council on the proposal of the President of the Russian Federation, based on the representation of the Chairman of the Higher Arbitration Court of the Russian Federation.

- **2.** The chairman, deputies of the chairman, the judges of the federal arbitration courts of circuits and the arbitration courts of the subjects of the Russian Federation shall be appointed to their posts in the order, prescribed by the federal law.
- **3.** No person may be nominated for appointment to the post of a judge without the consent of the corresponding qualifying board of judges.

The termination of the judge's powers shall be allowed only by decision of the corresponding qualifying board of judges.

Chapter II. The Powers and the Procedure for the Formation and Functioning of the Higher Arbitration Court of the Russian Federation

Article 9. The Higher Arbitration Court of the Russian Federation

The Higher Arbitration Court of the Russian Federation is the supreme judicial body that settles economic disputes and other cases examined by arbitration courts, exercises judicial supervision over these court's activity in the procedural forms, provided for by the federal law, and gives explanations on the matters of judicial practice.

Article 10. The Powers of the Higher Arbitration Court of the Russian Federation

- **1.** The Higher Arbitration Court of the Russian Federation shall:
- 1) examine in the first instance:

cases of recognition as invalid (in full or in part) of non-normative acts of the President of the Russian Federation, the Federal Council and the State Duma of the Federal Assembly of the Russian Federation and the Government of the Russian Federation, which are inconsistent with law

and violate the rights and lawful interests of organizations and private persons;

economic disputes between the Russian Federation and its subjects and those between the subjects of the Russian Federation;

- 2) examine cases by way of supervision upon the protests against the judicial acts of the arbitration courts in the Russian Federation which have come into legal force;
- 3) review the judicial acts that have come into legal force due to newly discovered circumstances:
- 4) apply to the Constitutional Court of the Russian Federation with an inquiry about the verification of the constitutionality of the laws, referred to in the <u>second part of Article 125</u> of the Constitution of the Russian Federation, and other normative acts, treaties and agreements;

apply to the Constitutional Court of the Russian Federation with an inquiry about the constitutionality of the application of laws in a case under examination in any instance;

- 5) study and generalize the practice of applying by the arbitration courts of the laws and other normative legal acts regulating relations in the sphere of business and other economic activity, and give explanations on the matters of judicial practice;
- 6) elaborate proposals on the improvement of laws and other normative legal acts regulating relations in the sphere of business and other economic activity;
 - 7) keep the judicial statistics and organize the work of their keeping in arbitration courts;
- 8) implement measures for creating conditions for the functioning of arbitration courts, including measures involving the personnel, organizational, material and technical and other provision of their activity;
- 9) settle questions following from the international treaties and agreements of the Russian Federation within its jurisdiction;
- 10) discharge other powers given to it by the Constitution of the Russian Federation, the present Federal Constitutional Law and other federal constitutional laws.
- **2.** The Higher Arbitration Court of the Russian Federation shall enjoy the right to initiate legislation on the matters coming within its jurisdiction.
- **3.** On matters of the internal activity of the arbitration courts in the Russian Federation and of the mutual relations between them the Higher Arbitration Court of the Russian Federation shall adopt the rules of procedure which shall be binding on the arbitration courts in the Russian Federation.

Article 11. The Composition of the Higher Arbitration Court of the Russian Federation

The Higher Arbitration Court of the Russian Federation shall function as consisting of the following bodies:

the Plenary Session of the Higher Arbitration Court;

the Presidium of the Higher Arbitration Court;

the Judicial Division for the Examination of Disputes Arising from Civil and Other Legal Relations:

the Judicial Division for the Examination of Disputes Arising from Administrative Legal Relations.

Article 12. The Plenary Session of the Higher Arbitration Court of the Russian Federation

- **1.** The Plenary Session of the Higher Arbitration Court of the Russian Federation shall settle major questions of the activity of the arbitration courts in the Russian Federation.
- 2. The Plenary Session of the Higher Arbitration Court of the Russian Federation shall act with the participation of the Chairman and Deputies and the judges of the Higher Arbitration Court of the Russian Federation.
- **3.** The sittings of the Plenary Session of the Higher Arbitration Court of the Russian Federation may be attended by Deputies (Members) of the Federal Council and Deputies of the State Duma, the Chairman of the Constitutional Court of the Russian Federation, the Chairman of the Supreme Court of the Russian Federation, the Procurator-General of the Russian Federation, the Ministry of Justice of the Russian Federation, and the chairmen of the arbitration courts. At the invitation of the

Chairman of the Higher Arbitration Court of the Russian Federation the sittings of the Plenary Session of the Higher Arbitration Court may be attended by the judges of the arbitration courts, the representatives of the federal organs of State power, the organs of state power of the subjects of the Russian Federation, scientific institutions, other organizations and private persons.

Article 13. The Powers of the Plenary Session of the Higher Arbitration Court of the Russian Federation

- **1.** The Plenary Session of the Higher Arbitration Court of the Russian Federation shall discharge the following powers:
- 1) examine the materials of the study and generalization of the practice of applying laws and other normative legal acts by the arbitration courts and give explanations on the matters of judicial practice;
 - 2) settle the question of initiation of legislation;
- 3) settle questions of applying to the Constitutional Court of the Russian Federation with inquiries about the constitutionality of laws and other normative legal acts, treaties and agreements;
- 4) elect the Secretary of the Plenary Session of the Higher Arbitration Court of the Russian Federation from among the judges of the Higher Arbitration Court on the proposal of the Chairman of the Higher Arbitration Court of the Russian Federation;
- 5) approve the members of the Judicial Boards and the chairmen of the Judicial Panels of the Higher Arbitration Court of the Russian Federation on the proposal of the Chairman of the Higher Arbitration Court of the Russian Federation;
- 6) endorse the places of the permanent stay of the federal arbitration courts of circuits in the order, prescribed by the present Federal Constitutional Law;
- 7) confirm the judges of the federal arbitration court of a circuit, who are members of its presidium, on the proposal of the chairman of the arbitration court of the circuit;
- 8) confirm the judges of the arbitration court of a subject of the Russian Federation, who are members of its presidium, on the proposal of the chairman of the arbitration court of the subject of the Russian Federation;
- 9) approve the rules of procedure of the arbitration Courts on the proposal of the Chairman of the Higher Arbitration Court of the Russian Federation;
- 10) settle other questions of the organization and functioning of the arbitration court in the Russian Federation in keeping with the present Federal Constitutional Law.
- **2.** On matters coming within its jurisdiction the Plenary Session of the Higher Arbitration Court of the Russian Federation shall adopt decisions that binding on the arbitration courts in the Russian Federation.

Article 14. The Procedure of the Work of the Plenary Session of the Higher Arbitration Court of the Russian Federation

- 1. The Plenary Session of the Higher Arbitration Court of the Russian Federation shall be convened by the Chairman of this Court as required, but at least twice a year.
- **2.** The Plenary Session of the Higher Arbitration Court of the Russian Federation shall be competent to settle questions, if it is attended by not less than two-thirds of its membership.
- **3.** Decisions of the Plenary Session of the Higher Arbitration Court of the Russian Federation shall be taken by a show-of-hands vote of the majority of the total number of its members who are present at the sitting.
- **4.** The decisions of the Plenary Session of the Higher Arbitration Court of the Russian Federation shall be signed by the Chairman of the Court and the Secretary of its Plenary Session.

Article 15. The Presidium of the Higher Arbitration Court of the Russian Federation

- 1. The Presidium of the Higher Arbitration Court of the Russian Federation shall act and consist of the Chairman, Deputies of the Chairman and the chairmen of the Judicial Panels of the Higher Arbitration Court of the Russian Federation.
- **2.** By decision of the Plenary Session of the Higher Arbitration Court of the Russian Federation the Presidium of the Higher Arbitration Court may be supplemented by the judges of the Higher Arbitration Court of the Russian Federation.

3. The sittings of the Presidium of the Higher Arbitration Court of the Russian Federation may be attended by the Procurator-General of the Russian Federation. At the invitation of the Chairman of the Higher Arbitration Court of the Russian Federation the sittings may be attended by the Chairman of the Constitutional Court of the Russian Federation, the Chairman of the Supreme Court of the Russian Federation, the Minister of Justice of the Russian Federation, the chairmen, the deputies of the chairmen, the judges of arbitration courts and other persons.

Article 16. The Powers of the Presidium of the Higher Arbitration Court of the Russian Federation

The Presidium of the Higher Arbitration Court of the Russian Federation shall:

supervision and examine complaints against the judicial acts taken by the arbitration courts in the Russian Federation but not entered into legal force;

examine particular questions of judicial practice and inform the arbitration courts in the Russian Federation about the results of their consideration.

Article 17. The Procedure of the Work of the Presidium of the Higher Arbitration Court of the Russian Federation

- **1.** The Presidium of the Higher Arbitration Court of the Russian Federation shall be convened by its Chairman of this Court as required.
- **2.** The Presidium of the Higher Arbitration Court of the Russian Federation shall be competent to settle questions in the presence of the majority of the Presidium members.
- **3.** The decisions of the Presidium of the Higher Arbitration Court of the Russian Federation shall be taken by a show-of-hands vote of the majority attendant members of the Presidium and signed by the Chairman of the Higher Arbitration Court of the Russian Federation. The Presidium members shall have no right to abstain from voting.

Article 18. The Judicial Divisions of the Higher Arbitration Court of the Russian Federation

- 1. The Higher Arbitration Court of the Russian Federation shall set up judicial divisions from among the judges of the Higher Arbitration Court of the Russian Federation, who are confirmed by the Plenary Session of the Higher Arbitration Court of the Russian Federation upon the proposal of its Chairman.
- 2. The Judicial Divisions of the Higher Arbitration Court of the Russian Federation shall be headed by their chairmen the Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation.
- **3.** In case of necessity the Chairman of the Higher Arbitration Court shall have the right to draw by his order the judges of one judicial division to the consideration of cases by another judicial division.
- **4.** The Judicial Divisions of the Higher Arbitration Court of the Russian Federation shall hear cases in the first instance, study and generalize judicial practice, formulate proposals on the improvement of laws and other normative legal acts, analyze judicial statistics, and also discharge other powers, provided for by the rules of procedure of the arbitration courts.

Article 19. The Judicial Panels of the Higher Arbitration Court of the Russian Federation

- 1. The Judicial Divisions of the Higher Arbitration Court of the Russian Federation shall set up judicial panels from among the judges who are the members of the corresponding division.
- **2.** The Judicial Panels shall be formed by the Chairman of the Higher Arbitration Court of the Russian Federation.
- **3.** The Judicial Panels shall be headed by the chairman, confirmed by the Plenary Session of the Higher Arbitration Court of the Russian Federation.

Article 20. The Chairman of the Higher Arbitration Court of the Russian Federation

- **1.** The Chairman of the Higher Arbitration Court of the Russian Federation is a judge and discharges the procedural powers, stipulated by the <u>Arbitration Procedure Code</u> of the Russian Federation.
 - 2. The Chairman of the Higher Arbitration Court of the Russian Federation shall:

- 1) organize the work of the Higher Arbitration Court of the Russian Federation and the systems of arbitration courts in the Russian Federation:
- 2) convene the Plenary Session and the Presidium of the Higher Arbitration Court of the Russian Federation and chair at its sittings, and also submit for the consideration by the Plenary Session and the Presidium questions referred by the present Federal Constitutional Law to their jurisdiction;
- 3) exercise the general guidance of the apparatus of the Higher Arbitration Court of the Russian Federation, appoint to the post and release from it the officials of the apparatus of the Higher Arbitration Court of the Russian Federation;
- 4) distribute the duties among the Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation;
- 5) form the judicial panels from among the judges of the Higher Arbitration Court of the Russian Federation;
- 6) put for discussion by the Council of Chairmen of the Arbitration Courts questions referred by the present Federal Constitutional Law to its jurisdiction;
- 7) represent the Higher Arbitration Court of the Russian Federation in relations with governmental, nongovernmental and other bodies;
 - 8) discharge other powers granted to him by the present Federal Constitutional Law.

The Chairman of the Higher Arbitration Court of the Russian Federation shall issue orders.

3. The Chairman of the Higher Arbitration Court of the Russian Federation shall have the right to take part in the sittings of the Federal Council and the State Duma, their committees and commissions, and the Government of the Russian Federation.

Article 21. The Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation

- **1.** The Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation are judges and discharge the procedural powers stipulated by the <u>Arbitration Procedure Code</u> of the Russian Federation.
- **2.** In accordance with the distribution of duties the Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation shall head the Judicial Divisions and organize the work of the structural subdivisions of the apparatus of the Higher Arbitration Court of the Russian Federation and the systems of the arbitration courts in the Russian Federation.
- **3.** In the absence of the Chairman of the Higher Arbitration Court of the Russian Federation his powers shall be discharged by the First Deputy Chairman and in the absence of the latter one of the Deputies of the Chairman.
- **4.** The Deputies of the Chairman of the Higher Arbitration Court of the Russian Federation shall have the right to take part in the sittings of the Federal Council and the State Duma, their committees and commissions, and the Government of the Russian Federation.

Article 22. The Council of the Chairmen of the Arbitration Courts

- 1. The Council of the Chairmen of the Arbitration Courts consisting of the Chairman of the Higher Arbitration Court of the Russian Federation and the chairmen of the arbitration courts in the Russian Federation shall function under the Higher Arbitration Court of the Russian Federation. The sittings of the Council shall be held as required.
- **2.** The Council of the Chairmen of the Arbitration Courts is a consultative body that considers questions of the organizational, personnel and financial activity of the arbitration courts in the Russian Federation.
- **3.** To enforce the decisions by the Council and Chairmen of the Arbitration Courts, the Chairman shall issue orders.

Article 23. The Scientific Advisory Council under the Higher Arbitration Court of the Russian Federation

1. The Scientific Advisory Council Under the Higher Arbitration Court of the Russian Federation for the preparation of scientifically based recommendations on the matters of the practice application of laws and other normative legal acts and of the formulation of proposals on their improvement.

2. The membership of the Scientific Advisory Council and its Statute shall be approved by the Chairman of the Higher Arbitration Court of the Russian Federation.

Chapter III. The Powers and the Procedure for the Formation and Functioning of the Federal Arbitration Courts in the Circuits

Article 24. The Federal Arbitration Circuit Courts

- 1. The federal arbitration circuit courts are the courts in cassation proceedings to review the legality of decisions taken by the arbitration courts of the subjects of the Russian Federation. The circuit court shall be an appellate one.
 - 2. The following federal arbitration circuit courts function in the Russian Federation:
- 1) the Federal Arbitration Court of the Volga-Vyatka Circuit, which verifies the awards taken by the arbitration courts of the Vladimir Region, the Ivanovo Region, the Kirov Region, the Republic of Komi, the Kostroma Region, the Republic of Marii El, the Republic of Mordovia, the Nizhny Novgorod Region, the Chuvash Republic, and the Yaroslavl Region;
- 2) the Federal Arbitration Court of the East Siberian Circuit, which verifies the awards taken by the arbitration courts of the Republic of Buryatia, The Irkutsk Region, the Krasnoyarsk Region, the Republic of Sakha (Jakutia), the Republic of Tyva, the Republic of Khakassiya and the Chita Region;
- 3) the Federal Arbitration Court of the Far Eastern Circuit, which verifies the awards taken by the arbitration courts of the Amur Region, Jewish Autonomous Region, the Kamchatka Region, the Magadan Region, the Primorye Territory, the Sakhalin Region, the Khabarovsk Territory and the Chukotka Autonomous Area;
- 4) the Federal Arbitration Court of the West Siberian Circuit, which verifies the awards taken by the arbitration courts of the Republic of Altai, the Altai Territory, the Kemerovo Region, the Novosibirsk Region, the Omsk Region, the Tomsk Region, the Tyumen Region, the Khanty-Mansi Autonomous Area, and the Yamalo-Nenets Autonomous Area;
- 5) the Federal Arbitration Court of the Moscow Circuit, which verifies the awards taken by the arbitration courts of the city of Moscow and the Moscow Region;
- 6) the Federal Arbitration Court of the Volga Circuit, which verifies the awards taken by the arbitration courts of the Astrakhan Region, the Volgograd Region, the Penza Region, the Samara Region, the Saratov Region, the Republic of Tatarstan, and the Ulyanovsk Region;
- 7) the Federal Arbitration Court of the North-Western Circuit, which verifies the awards taken by the arbitration courts of the Archangel Region, the Vologda Region, the Kaliningrad Region, the Republic of Karelia, the Murmansk Region, the Novgorod Region, the Pskov Region, the city of St. Petersburg and the Leningrad Region, and the Tver Region;
- 8) the Federal Arbitration Court of the North Caucasian Circuit, which verifies the awards taken by the arbitration courts of the Republic of Adygeia, the Republic of Daghestan, the Republic of Kalmykia (Halmg Taugch), the Karachai-Circassian Republic, the Krasnodar Territory, the Rostov Region, the Republic of North Ossetia, and the Stavropol Territory;
- 9) the Federal Arbitration Court of the Urals Circuit, which verifies the awards taken by the arbitration courts of the Republic of Bashkortostan, the Komi-Permyak Autonomous Area, the Kurgan Region, the Orenburg Region, the Perm Region, the Sverdlovsk Region, the Udmurt Republic, and the Chelyabinsk Region;
- 10) the Federal Arbitration Court of the Central Circuit, which verifies the awards taken by the arbitration courts of the Belgorod, the Bryansk Region, the Voronezh Region, the Kaluga Region, the Kursk Region, the Lipetsk Region, the Orel Region, the Ryazan Region, the Smolensk Region, the Tambov Region, and the Tula Region.
 - 3. The composition of the judicial circuits may be changed by a federal law.

Article 25. The Composition of the Federal Arbitration Court of a Circuit

The Federal Arbitration Circuit Court consist of:

the Presidium of the Federal Arbitration Circuit Court;

the Judicial Division for the examination of disputes arising from civil and other legal relations;

the Judicial Division for the examination of disputes arising from administrative legal relations.

Article 26. The Powers of the Federal Arbitration Circuit Court

The Federal Arbitration Circuit Court shall:

verify in cassation instance the lawfulness of judicial acts in cases heard by the arbitration courts of the subjects of the Russian Federation in the first and appellate instances;

review the judicial acts that have come into legal force due to newly-discovered circumstances;

apply to the Constitutional Court of the Russian Federation with a request about the verification of the constitutionality of the law that war applied or subject to application in the case under review:

study and generalize the judicial practice;

prepare proposals on the improvement of laws and other normative legal acts; analyze judicial statistics.

Article 27. The Presidium of the Federal Arbitration Circuit Court

The Presidium of the Federal Arbitration Circuit Court consists of the Chairman of this Court, his Deputies, the Chairman of the judicial panels and judges.

The judges of the Federal Arbitration Circuit Court, who are members of the Presidium of this Court, shall be confirmed by the Plenary Session of the Higher Arbitration Court of the Russian Federation on the proposal of the Chairman of the Federal Arbitration Circuit Court.

Article 28. The Powers of the Presidium of the Federal Arbitration Circuit Court

The Presidium of the Federal Arbitration Circuit Court shall:

confirm the members of the judicial divisions and the chairmen of the judicial panels of this Court upon the proposal of the Chairman of the Federal Arbitration Circuit Court;

consider other questions of the Court's organization of work;

consider questions of the judicial practice.

Article 29. The Procedure of the Work of the Presidium of the Federal Arbitration Circuit Court

- **1.** The Presidium of the Federal Arbitration Circuit Court shall be convened by the Chairman of this Court as required.
- **2.** The Presidium of the Federal Arbitration Circuit Court shall be competent to settle questions in the presence of a majority of the Presidium's membership.
- **3.** The Presidium of the Federal Arbitration Circuit Court shall make decisions by a show-of-hand vote of the majority attendant members of the Presidium and its Chairman shall sign them. The Presidium members shall have no right to abstain from voting.

Article 30. The Judicial Divisions of the Federal Arbitration Circuit Court

- 1. The Federal Arbitration Circuit Court shall set up judicial divisions with their members to be confirmed by the Court's Presidium from among the judges of this Court upon the proposal of the Court's Chairman.
 - 2. The Judicial Divisions shall be headed by their Chairmen Deputy Chairman of the Court.
- **3.** In case of necessity the Court's Chairman shall have the right to draw by his order the judges of one Judicial Division for consideration of cases by the other Judicial Division.
- **4.** The Judicial Divisions of the Federal Arbitration Circuit Court shall review cassation instance the legality of final judicial decisions in cases heard by the arbitration courts of the subjects of the Russian Federation in the first and appellate instances, study and generalize the judicial practice, formulate proposals for the improvement of laws and other normative legal acts, analyze the judicial statistics, and also discharge other powers, stipulated by the rules of procedure of the arbitration courts.

Article 31. The Judicial Panels of the Federal Arbitration Circuit Court

- **1.** The Judicial Divisions of the Federal Arbitration Circuit Court may form judicial panels from among the judges who are members of the corresponding judicial division.
- 2. The Judicial Panels shall be formed by the Chairman of the Federal Arbitration Circuit Court.

3. The Judicial Panel shall be headed by its Chairman, confirmed by the Presidium of the Federal Arbitration Circuit Court.

Article 32. The Chairman of the Federal Arbitration Circuit Court

- **1.** The Chairman of the Federal Arbitration Circuit Court is a judge and discharges the procedural powers, stipulated by the <u>Arbitration Procedure Code</u> of the Russian Federation.
 - 2. The Chairman of the Federal Arbitration Circuit Court shall:
 - 1) organize the work of the Federal Arbitration Circuit Court;
 - 2) distribute the duties among the Deputies of the Chairman of this Court;
 - 3) form judicial panels from among the judges of the Federal Arbitration Circuit Court;
- 4) convene the Presidium of the Federal Arbitration Circuit Court and preside over its sittings, and also put for consideration by the Presidium questions referred by the present Federal Constitutional Law to the jurisdiction of this Court;
- 5) exercise general guidance of the apparatus of the Federal Arbitration Circuit Court, appoint to the posts and release from them the officials of the Court's apparatus;
- 6) represent the Federal Arbitration Circuit Court in relations with governmental, non-governmental and other bodies;
 - 7) discharge other powers, established by this Federal Constitutional Law.

The Chairman of the Federal Arbitration Circuit Court shall issue orders.

Article 33. The Deputies of the Chairman of the Federal Arbitration Circuit art

- 1. The Deputies of the Chairman of the Federal Arbitration Circuit Court are judges and discharge the procedural powers stipulated by the Arbitration Procedure Code of the Russian Federation.
- **2.** In accordance with the distribution of the duties the Deputies of the Chairman of the Federal Arbitration Circuit Court shall head the judicial divisions and organize the work of the Court's structural subdivisions.
- **3.** In the absence of the Chairman of the Federal Arbitration Circuit Court his powers shall be discharged by the First Deputy Chairman and in the absence of the First Deputy, who is one of the Chairman's Deputies.

Chapter IV. The Powers and the Procedure for the Formation and Functioning of the Arbitration Courts in the Subjects of the Russian Federation

Article 34. The Arbitration Courts of the Subjects of the Russian Federation

- **1.** The arbitration courts of the Republics, territories, regions, cities of federal importance, and autonomous formations shall function in the subjects of the Russian Federation.
- **2.** Judicial power on the territory of several subjects of the Russian Federation may be exercised by one arbitration court alone. Judicial power on the territory of one subject of the Russian Federation may be exercised by several arbitration courts.
 - **3.** The arbitration courts in the Russian Federation shall be set up by a federal law.

Article 35. The Composition of the Arbitration Court of a Subject of the Russian Federation

The Arbitration Court of a Subject of the Russian Federation shall have its Presidium. This Court may set up judicial divisions for the examination of disputes arising from civil and other legal relations and for the examination of disputes arising from administrative legal relations.

Article 36. The Powers of the Arbitration Court of a Subject of the Russian Federation

The Arbitration Court of a subject of the Russian Federation shall:

- 1) consider in the first instance all the cases subject to the jurisdiction of the arbitration courts in the Russian Federation, except for the cases referred to the terms of reference of the Higher Arbitration Court of the Russian Federation;
 - 2) hear in the appellate instance cases examined in this court in the first instance;

- 3) review the judicial acts that have been adopted by it and come into legal force due to the newly discovered facts:
- 4) apply to the Constitutional Court of the Russian Federation with a request to review the constitutionality of a law, applied or subject to application in the case heard by it in any instance;
 - 5) study and generalize the judicial practice;
 - 6) prepare proposals for the improvement of laws and other normative legal acts;
 - 7) analyze the judicial statistics.

Article 37. The Presidium of the Arbitration Court of a Subject of the Russian Federation

The Presidium of the Arbitration Court of a Subject of the Russian Federation consists of the Chairman of this Court, his Deputies, the Chairman of the Judicial Panels and judges.

The judges of the Arbitration Court of a subject of the Russian Federation, who are members of the Court's Presidium, shall be confirmed by the Plenary Session of the Higher Arbitration Court of the Russian Federation upon the proposal of the Chairman of the Arbitration Court of the subject of the Russian Federation.

Article 38. The Powers of the Presidium of the Arbitration Court of a Subject of the Russian Federation

The Presidium of the Arbitration Court of a subject of the Russian Federation shall:

confirm the members of the judicial divisions and the chairmen of the judicial panels of this Court upon the proposal of the Court's Chairman;

consider other questions of the organization of the Court's work; consider questions of the judicial practice.

Article 39. The Procedure for the Work of the Presidium of the Arbitration Court of a Subject of the Russian Federation

- **1.** The Presidium of the Arbitration Court of a subject of the Russian Federation shall be convened by the Chairman of this Court as required.
- **2.** The Presidium of the Arbitration Court of a subject of the Russian Federation shall be competent to settle questions in the presence of a majority of the Presidium members.
- **3.** Decisions of the Presidium of the Arbitration Court of a subject of the Russian Federation shall be taken by a show-of-hands vote of the majority attendant members of the Presidium and signed by the Chairman of this Court. The Presidium members shall have no right to abstain from voting.

Article 40. The Judicial Divisions of the Arbitration Court of a Subject of the Russian Federation

- 1. The Arbitration Court of a subject of the Russian Federation may set up judicial divisions with their members to be confirmed by the Court's Presidium from among the judges of this Court upon the proposal of the Court's Chairman.
- 2. The Judicial Divisions shall be headed by their chairmen the deputies of the chairman of the Court.
- **3.** In case of necessity the Court's Chairman shall have the right to draw by his order the judges of one judicial division for the consideration of cases by the other judicial division.
- **4.** The Judicial Divisions of the Arbitration Court of a subject of the Russian Federation shall examine in the first and the appellate instances all the cases which are subject to the jurisdiction of the arbitration courts in the Russian Federation with the exception of cases coming under the jurisdiction of the Higher Arbitration Court of the Russian Federation, study and generalize the judicial practice, formulate proposals for the improvement of laws and other normative legal acts, analyze judicial statistics, and also discharge other duties, provided for by the rules of procedure of the arbitration courts.

Article 41. The Judicial Panels of the Arbitration Court of a Subject of the Russian Federation

1. The Arbitration Court of a subject of the Russian Federation shall form judicial panels from among the judges who are members of the corresponding judicial division and in the absence of judicial divisions - from among the judges of this Court.

- **2.** Judicial panels shall be formed by the Chairman of the Arbitration Court of a subject of the Russian Federation.
- **3.** The judicial panel shall be headed by its chairman to be approved by the Presidium of the Arbitration Court of a subject of the Russian Federation.

Article 42. The Chairman of the Arbitration Court of a Subject of the Russian Federation

- **1.** The Chairman of the arbitration court of a subject of the Russian Federation is a judge and discharges the procedural powers, stipulated by the Arbitration Procedure Code of the Russian Federation.
 - 2. The Chairman of the Arbitration Court of a subject of the Russian Federation shall:
 - 1) organize the work of the Arbitration Court of the subject of the Russian Federation;
 - 2) distribute the duties among his Deputies;
 - 3) form judicial panels;
- 4) convene the Presidium of the Arbitration Court of the subject of the Russian Federation and preside over its sittings, and also put for consideration by the Presidium questions, referred by the present Federal Constitutional Law to the jurisdiction of the Presidium;
- 5) exercise general guidance of the apparatus of the Arbitration Court of the subject of the Russian Federation, appoint to the posts and release from them the employees of the Court;
- 6) represent the Arbitration Court of the subject of the Russian Federation in its relations with governmental, non-governmental and other bodies;
 - 7) exercise other duties, specified by the present Federal Constitutional Law.

The Chairman of the Arbitration Court of the subject of the Russian Federation shall issue orders.

3. The Chairman of the Arbitration Court of the subject of the Russian Federation shall have the right to take part in the sittings of the organs of state power of the corresponding subject of the Russian Federation.

Article 43. The Deputies of the Chairman of the Arbitration Court of a Subject of the Russian Federation

- 1. The Deputies of the Chairman of the Arbitration Court of a subject of the Russian Federation are judges and shall have the procedural power stipulated by the Arbitration Procedure Code of the Russian Federation.
- **2.** In accordance with the distribution of their duties, the Deputies (of the Chairman of the Arbitration Court of a subject of the Russian Federation) shall head the judicial divisions and organize the work of the structural subdivisions of the Arbitration Court.
- **3.** The powers of the Chairman of the Arbitration Court of a subject of the Russian Federation shall be discharged by the First Deputy Chairman and in the absence of the First Deputy one of the Deputies of the Chairman in the Chairman's absence.

Chapter V. Concluding Provisions

Article 44. The Organizational Support for the Functioning of the Arbitration Courts in the Russian Federation

- **1.** The organizational support for the functioning of the arbitration courts in the Russian Federation shall be provided by the Higher Arbitration Court of the Russian Federation.
- **2.** The Higher Arbitration Court of the Russian Federation shall select and train candidates for judges, organize the work of advance training of judges and employees of the arbitration courts, finance these courts and exercise control over the spending of financial resources assigned to the arbitration courts.
- **3.** The federal executive bodies and the executive bodies of the subjects of the Russian Federation shall be obliged to render assistance to the Higher Arbitration Court of the Russian Federation in the organizational support for the functioning of the arbitration courts in the Russian Federation.
 - 4. The material and technical supply and the provision of offices for the arbitration courts in the

Russian Federation, and also the medical, housing, social and everyday services of the judges and employees of the arbitration courts shall be effected by the corresponding local executive body of the arbitration court from the federal budget resources.

Concerning the social protection of the judges and officials of the law-protective bodies see the Federal Law No. 45-FZ of April 20, 1995

Article 45. The Apparatus of the Arbitration Court

- 1. The functioning of the arbitration court shall be provided by the apparatus of this court.
- 2. The apparatus of the arbitration court shall:
- 1) organize the preliminary prejudicial reception of persons participating in a case;
- 2) accept and issue documents, certify the copies of documents of the arbitration court, circulate and hand over documents, verify the payment of the state duty, legal costs, subject to the placement on the deposit account of the arbitration court, and also arbitration fines;
 - 3) assist judges in preparing cases for the examination in judicial sittings;
- 4) keep the record of the movement of cases and the time-limits of their passage in the arbitration court and provide storage for files and documents;
 - 5) study and generalize the judicial practice;
- 6) prepare proposals for the improvement of laws and other normative legal acts and carry on its information reference work;
 - 7) keep the statistical record in the sphere of the activity of the arbitration court;
- 8) effect the material and technical provision of the arbitration court and the socio-domestic services of the judges and employees of the arbitration court.
- **3.** The employees of the arbitration court are employed in the federal state service. The rights and duties, the responsibility of the arbitration court employees and the terms of undergoing the state service shall be established by laws and other normative legal acts on the federal state service.

Article 46. The Financing of the Arbitration Courts

- **1.** The arbitration courts shall be financed from the federal budget resources and shall afford the full and independent administration of justice in keeping with the federal law.
- **2.** The expenses on the maintenance of the arbitration courts shall be provided for by a separate line in the federal budget.
- **3.** The amount of the expenses incurred on the maintenance of the federal arbitration circuit courts and the arbitration courts of the subjects of the Russian Federation shall be established by the Higher Arbitration Court of the Russian Federation with due account of the opinion of the Council of the Chairmen of the Arbitration Courts.

Article 47. The Numerical Strength, Structure and Personnel Arrangements of the Arbitration Courts

- **1.** The total number of the judges and employees of the arbitration courts in the Russian Federation, including the judges and employees of the Higher Arbitration Court of the Russian Federation shall be determined by the federal law.
- **2.** The number of the judges and employees of the federal arbitration circuit courts and the arbitration courts of the subjects of the Russian Federation shall be determined by the Higher Arbitration Court of the Russian Federation within the total numerical strength of the judges and employees of the arbitration courts in the Russian Federation.
- **3.** The structure and personnel arrangements of the Higher Arbitration Court of the Russian Federation shall be approved by the Chairman of this Court.
- **4.** The structure and personnel arrangements of the federal arbitration circuit court and the arbitration court of a subject of the Russian Federation shall be endorsed by the Chairman of the corresponding arbitration court.

Article 48. International Relations

Arbitration courts shall maintain international relations in the statutory order.

Article 49. The Press Organ

The Vestnik (Herald) of the Higher Arbitration Court of the Russian Federation is the press organ of the Higher Arbitration Court of the Russian Federation.

Article 50. The Seal of the Arbitration Court

The arbitration court is a legal entity and has its seal with its own name and image of the State Emblem of the Russian Federation.

Article 51. The Symbols of the Judicial Power of the Arbitration Court

- 1. The State Flag of the Russian Federation shall be hoisted on the building occupied by the arbitration court.
- **2.** The State Emblem and the State Flag of the Russian Federation shall be kept in the hall of sittings of the arbitration court.
 - **3.** The arbitration court judges shall administer justice in cloaks.

Article 52. The Location of Arbitration Courts

- **1.** The city of Moscow, the capital of the Russian Federation, shall be the permanent seat of the Higher Arbitration Court of the Russian Federation.
- 2. The permanent seat of the federal arbitration circuit court shall be determined by the Plenary Session of the Higher Arbitration Court of the Russian Federation upon the proposal of the Chairman of the Higher Arbitration Court of the Russian Federation, agreed upon with the executive bodies of the subjects of the Russian Federation, located on the territory of the relevant judicial circuit, and in case of disagreement between the participants in the dispute upon the proposal of the Chairman of the Higher Arbitration Court of the Russian Federation.

Concerning the places for the permanent location of the district federal arbitration courts see Decision of the Plenum of the Higher Arbitration Court of the Russian Federation No. 26 of July 3, 1995

- **3.** The administrative centre of the corresponding subject of the Russian Federation shall be the permanent seat of the arbitration of the subject of the Russian Federation.
- **4.** The arbitration court judges reside in the place of the permanent location of the relevant of the arbitration court.

Chapter VI. Transitional Provisions

- 1. The Plenary Session of the Higher Arbitration Court of the Russian Federation shall be instructed to determine the placed of the permanent location of the federal arbitration circuit courts within three months after the enforcement of the present Federal Constitutional Law.
- **2.** The Division of the Higher Arbitration Court of the Russian Federation for the Verification by Way of Supervision of the Lawfulness and Justification of Decisions which have been taken by arbitration courts and legally enforced shall be valid until the time of the complete examination of all the protests lodged to it before the entry into force of the present Federal Constitutional Law.
- 3. The arbitration courts of Republics shall consider in keeping with the earlier granted powers the received notices about protests and the protests lodged to it before the entry into force of this Federal Constitutional Law.
- **4.** The judges of all the arbitration courts, elected (appointed) to their posts before the entry into force of this Federal Constitutional Law, shall retain the powers of the judge before the expiration of the period of time for which they have been elected or appointed.

The chairmen of the judicial divisions of all the arbitration courts, who acted before the entry into force of this Federal Constitutional Law, shall retain the powers of the judge of the corresponding court before the expiration of the period of time for which they have been elected.

5. The Chairman of the Higher Arbitration Court of the Russian Federation shall be obliged to submit in the statutory manner to the President of the Russian Federation the candidatures for the appointment to the posts of the chairmen, deputy chairmen and judges of the federal arbitration circuit courts.

Pending the formation of a qualifying division of the federal arbitration circuit court the opinions on the possible appointment by the President of the Russian Federation to the posts of the

chairman, deputy chairman and the judges of the federal arbitration circuit court shall be submitted to the Chairman of the Higher Arbitration Court of the Russian Federation by the Section of the Arbitration Courts of the Higher Qualifying Division of the Judges of the Russian Federation.

6. Federal arbitration circuit courts, envisaged by <u>Article 24</u> of this Federal Constitutional Law, shall be formed before January 1, 1996.

In 1995, the total number of the employees of the arbitration courts in the Russian Federation shall be increased by 500 people and in 1996 the total number of the judges of the arbitration courts in the Russian Federation shall also be increased by 500 people.

The Government of the Russian Federation shall be instructed to provide in the drafts of the budgets for 1995 and 1996 for the appropriation to the Higher Arbitration Court of the Russian Federation of additional monetary resources on the maintenance of the arbitration courts, proceeding from the increased number of judges by 500 people and the increased number of the arbitration court employees by 500 people.

Chapter VII. The Enforcement of the Present Federal Constitutional Law

- 1. The Federal Constitutional Law shall come into force starting January 1, 1995.
- **2.** The following legislative acts shall be deemed invalid after the entry of this Federal Constitutional Law into force:

The RSFSR <u>Law</u> of July 4, 1991 on the Arbitration Courts (Gazette of the Congress of People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, No. 30, 1991, item 1013; Gazette of the Congress of People's Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, No. 34, 1992, item 1965; No. 32, 1993, item 1236);

the Resolution of the RSFSR Supreme Soviet No. 1544-I of July 4, 1991 on the enforcement of the RSFSR Law on the Arbitration Courts (Gazette of the Congress of People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, No. 30, 1991, item 1014).

President of the Russian Federation Moscow, the Kremlin

Boris Yeltsin