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Leaders League. What are some of the evolving and struggling law practices in Russian law firms?

Mikhail Kazantsev. I would say antitrust is booming, there is a lot of litigation work: just like sick patients always need doctors, people always need litigation. The white collar crime practice is expanding, I wouldn't say this is the trend for international firms because they don't have such expertise, but in our firm we increasingly see clients who want their lawyers to be compliant with FCPA, UKBA and the Russian Federal Anti-Corruption laws. There are few people in the market that can do this work, so we have advantage. The problem for international firms is that everything is dead, whilst once they were doing financing for international capital markets and IPOs, they are now forced to decrease their staff numbers and adapt to the market by doing corporate and financial restructurings. Although there are some M&A deals occurring, it is not the same workflow as two years ago.

Leaders League. How have legal market trends been affected by the sanctions, and how do you continue to assist your clients?

M.K. I see the sanctions in 3 phases. Phase 1: is a shock for everyone; Phase 2: is adaptation; and Phase 3: is about recovery and getting back to normal. Right now we are in phase 2. For months, everybody did nothing because they were afraid of violating something, but eventually people began to adapt pretty easily. Actually, the sanctions didn't hit as hard as the oil prices. Needless to say the Russian economy is 80% dependent on oil & gas, so no matter what the sanction is, if the price of oil & gas goes down, which is the case right now, it will have an effect on the economy and on the Russian Ruble. What is interesting for my international clients is product substitution in sectors like pharmaceuticals, high technolo-

gy and oil & gas, they are closely monitoring potential impact on import substitution. For now there hasn't been any trouble, but we need to think of how to protect them from the sanctions.

Leaders League. Egorov Puginsky Afanasiev & Partners is one of Russia's major law firms with 6 offices all over the world. How would you describe your international strategy?

M.K. First of all we always present ourselves as a leading national firm. We don't compete with the international firms abroad, but we do compete with them in the local markets in Russia, Belarus, and Ukraine. With respect to our offices in Washington D.C and London, I would say they are essentially representative offices, since we never intended to compete in London or in D.C. We positioned ourselves in D.C. and London as it helps a lot when it comes to connecting with clients, as about a quarter of our clients are based abroad.

Leaders League. Has the market been shaped by the new deoffshorization law that went into effect in Russia on January 1st, 2015?

M.K. Deoffshorization created a huge amount of work on the legislative side. It concerns Russian businesses with medium and big-sized companies who have a lot of offshore structures and need to know what to do with them, whether to liquidate them, bring them onshore, or come up with another solution. Consequently this affects the corporate world and the corporate and in-house counsel, who are doing a lot of heavy lifting in terms of thinking and re-structuring their business. The tax legislation has already been amended twice and there are talks that there will be additional changes in autumn. This creates a difficulty for the businesses, as they cannot be certain of the rules of the game while they are trying to modify their corporate structures. ♦

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