

By the Judgement of 9 April 2020 No. 16-II the Constitutional Court of the Russian Federation appraised constitutionality of Article 104, Section 3, para. 2 of the Federal Law “On the Contract System in the Field of Procurement of Goods, Works, Services to Ensure State and Municipal Needs”

The challenged provision was subject to consideration to the extent that it serves as the basis for deciding on the possibility of inclusion in the register of unscrupulous suppliers of information on the founders of a legal entity (joint stock company) - individuals not participating therein (not being shareholders) at the time of conclusion and execution of the contract in the field of procurement of goods, works, services to ensure state and municipal needs by the legal entity, thereby depriving such founders of the right to protect their legitimate interests, including business reputation.

The challenged provision was found to be inconsistent with the Constitution of the Russian Federation to the extent that it allows the inclusion in the register of unscrupulous suppliers of information about the said individuals - founders of a legal entity (joint stock company).