

# Press-release of 29.07.2010

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On 27th July 2010, the Federal Arbitration Court of the Moscow District confirmed validity of the Federal Antimonopoly Service (FAS Russia) decision that the auctions for selling the right to enter into lease contracts for forest plots, organized by the Forestry Office in the Moscow Region and Moscow (Mosleskhoz) on 19th and 20th 2007, were unlawful and their results must be cancelled.

On 16 June 2008, FAS Russia found that Mosleskhoz violated Part 2 Article 17 of the Federal Law "On Protection of Competition" (which prohibits unlawful restrictions of access to competitive bidding by the authorities).

FAS Russia established that when Mosleskhoz had notified about accepting the auction bids, it did not specify in the notices that bidders should register in advance to file the bids. However, the bids were being accepted at the Mosleskhoz building and members of Mosleskhoz staff personally accepted documents from the bidders, who did not have any other possibility to file their bids, for instance, by mail. Thus, Mosleskhoz set unlawful restrictions for the bidders wishing to take part in the auctions.

Mosleskhoz disagreed with the FAS Russia's decision and filed a lawsuit. However, on 27th April 2009, the third court instance - the Federal Arbitration Court of the Moscow District confirmed legitimacy and reasonableness of the FAS Russia's conclusions.

Then FAS Russia filed lawsuits (under Part 4 Article 17 of the Federal Law "On Protection of Competition" violations of tender procedures constitute the grounds for the Court to invalidate the tenders and contracts concluded upon the outcomes of the auctions, particularly, at the suit of the antimonopoly bodies).

'We welcome the ruling as it helps normalizing situation with the use of limited natural resources,' commented Vladimir Yefimov, the Head of the Moscow OFAS Russia. 'The ruling will ensure that plots are allocated with equal access of the interested persons.'