

# Deputy Says NGO Bill Has Strict Limits

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Andrew Somers, the head of the American Chamber of Commerce in Russia **Maxim Stulov**

A much-debated bill that labels certain foreign-funded nongovernmental groups as “foreign agents” will only affect organizations that strive for regime change, a State Duma deputy said Wednesday.

The draft law has triggered international outrage from critics who maintain that, in addition to its brandishing of pro-democracy activists as subversive, the bill might have unintended consequences by also covering business lobby groups.

But United Russia Deputy Alexander Petrov told a panel Wednesday at the American Chamber of Commerce, or AmCham, that the law will have no effect on most NGOs because it is aimed solely at those lobbying for change in the political power structure.

“Those working to change the traffic code or any other law will not be affected,” he said.

The [bill](#) as published on the Duma’s website stipulates that it effects any Russian

noncommercial organization that “partakes in political activity aimed at influencing state agencies’ political decisions with regard to changing state policies and also at forming public opinion with such aims.”

Major business associations including the Russo-German Chamber of Commerce and the Association of European Businesses have voiced fear that they will have to adopt the “foreign agent” label and introduce tougher accounting rules required by the law because they are registered as domestic NGOs with the Justice Ministry.

AmCham will not be affected because it is registered as a U.S. organization, but around 70 of the group’s more than 800 members are NGOs.

The Federation Council passed the bill Wednesday, just five days after it sailed through the Duma. Senators approved it in a 141-1 vote, Interfax reported.

A Federation Council spokesman, who declined to be identified by name, said the upper house of parliament made no amendments to the bill after receiving it from the Duma on Friday.

The law is expected to be signed by President Vladimir Putin in the near future, but it will come into effect only 120 days after publication in government newspaper Rossiiskaya Gazeta, giving lawmakers a chance to approve a separate law about the fines for violations in the fall session of parliament.

Prominent NGO representatives and experts contacted by The Moscow Times said that Petrov’s assurances fail to convince them.

Lilia Shibanova, the head of the Golos elections watchdog, pointed out that the law describes activity aimed at forming public opinion as political. “This gives them the possibility to interpret anything we do as they like,” she said.

Golos, which is partly funded by the U.S. National Endowment for Democracy, has borne the brunt of a Kremlin-led campaign to tarnish civil society groups as undermining the state.

Shibanova said she would categorically refuse to adopt the foreign agent label.

Her words were echoed by Yelena Panfilova, the head of the Russian branch of anti-corruption monitor Transparency International, who said the law should be taken to the Constitutional Court this fall. She argued that the use of foreign funds for political purposes was not sufficient to justify the “foreign agent” label.

“The main point is that we work in the interests of the Russian people — and not of foreign states,” she said.

Vladimir Kobzev, the chief lawyer for the Russo-German Chamber, said everything was dependent on the law’s application, which will be handled by the Justice Ministry. He said his past experience with the ministry was not encouraging. “They have been very tough in this respect,” he said.

But Petrov, the Duma deputy, defended the law by saying it was overdue in bringing transparency to the NGO sector. “Its basic idea is to bring public accountability into foreign

financing,” he said.

The lawmaker claimed that the country’s NGO sector receives some 6 billion rubles (\$186 million) from abroad annually, whereas the government only spends 1 billion rubles on them. President Vladimir Putin has promised to triple this sum to 3 billion rubles.

Independent experts said the high amount of foreign funding is misleading because it includes foreign payments to state corporations like Rosatom. The state-run holding receives significant income from foreign states, including Germany, for improving safety in the nuclear power sector. Petrov admitted that he and others in United Russia were being bombarded by criticism, but was adamant that this was unjustified and said the law was liberal. “Many countries ban foreign financing for NGOs altogether,” he said, without elaborating.

Petrov also suggested that foreign money was used to finance the opposition. “Remember that recently envelopes with a significant amount of money were found in the premises of a young woman whose name I won’t mention,” he said in an obvious reference to TV show host Ksenia Sobchak, who has become a vocal supporter of the country’s protest movement.

During coordinated raids on opposition leaders’ apartments on June 11, police confiscated some \$1.7 million in cash from a safe in Sobchak’s apartment.

“Why are such great sums kept in the grey?” Petrov asked.

Sobchak, who is not known to be affiliated with any organization, claims that she had earned the money legally but kept it at home because she did not trust the banks.

Meanwhile, another Duma member for United Russia, Yevgeny Fyodorov, said he submitted a bill that would force media outlets that receive foreign financing to call themselves “foreign agents.”

“This is the continuation of the work that we began with the NGO law,” he was quoted as saying by Interfax. He added that money from abroad finances political manipulation “not just through NGOs but maybe even more through national media.”

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