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INDEPENDENT NEWS FROM RUSSIA

80% of Russian Business Owners Fear Arbitrary Arrest

Most entrepreneurs say Russia is not safe for business and that court rulings are not independent.

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Company owners overwhelmingly say doing business in Russia is dangerous. **Sergei Savostyanov / TASS**

Eight in 10 Russian business owners do not believe the country does enough to protect them from unjustified criminal prosecution, a government survey has found.

Some 79% of entrepreneurs told Russia's Federal Guard Service they feared Russian legislation was too weak to stop them being arrested or facing criminal investigation on dubious grounds, according to an annual report compiled by Russia's business ombudsman Boris Titov, cited by the RBC news site.

A majority of lawyers also believe business owners face heightened risk of arrest, as do 18% of federal and regional prosecutors, the survey, conducted in March, found.

Russia's business community has long complained of the risks of arbitrary arrest and criminal proceedings brought about as an attempt to sway corporate disputes. The issue gained new attention with the case of U.S. investor Michael Calvey, who was detained in February 2019 amid an international arbitration dispute between his Baring Vostok investment fund and a former business partner.

Related article: Russia's Business Regulations Are Worse Than The Pandemic, Say European Investors

Numerous surveys have shown falling levels of trust towards the authorities from entrepreneurs over recent years.

The proportion of business owners who say they do not trust Russia's law enforcement agencies rose from 45% in 2017 to 70% in 2020, while three-quarters say Russia's courts are not independent.

Speaking at a conference Tuesday, ombudsman Titov said there had been a "serious aggravation of problems related to corporate property rights" over the last 12 months.

Russia's small businesses have felt left out of the government's response to the pandemic, he added, which has focused on the country's largest businesses and made access to emergency funding contingent on rigorous bureaucracy and requirements that firms maintained at least 90% of their staff employed throughout the crisis.

A previous survey conducted by Russia's top business lobby found small businesses were twice as likely to have suffered a negative hit from the coronavirus pandemic than larger companies.

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