Contents

Table of Legislation			xi	
To	Table of Informational Circulars			
Ta	able of	f Plenum Resolutions	xxi	
In	Introduction			
	ANG	ote about Language	2	
1	Useful Information			
	Ι	Introduction	4	
	II	A history of Russian contract law	4	
		A Prerevolutionary law	4	
		B 1922: First Soviet Civil Code	5	
		C Era of state planning	7	
		D Post-Stalin Fundamental Principles and the 1964 Russian		
		(RSFSR) Civil Code	8	
		E Perestroika (Перестройка)	11	
		F Russia's current Civil Code	14	
		G Reform of civil law in the twenty-first century	15	
	III	The Russian State and its agencies	16	
		A Russia's federal structure	16	
		B Relevant state agencies	17	
	IV	The Russian court system	20	
		A General overview	20	
		B Structure of the courts of general jurisdiction	21	
		C Structure of the commercial courts	22	
		D Federal Constitutional Court	22	
		E Arbitration tribunals (третейские суды; treteiskie sudy)	23	
	V	Sources of law	23	
		A Sources of law	23	
		B Sources in relation to contract law	30	
		C Sources of legal information	34	
		D Role of international law	34	
		E Recognition and enforcement of foreign judgments and		
		arbitral awards	35	
	VI	The legal profession	36	
		A Legal education	36	
		B Advokatura (the 'Bar')	36	

vi Contents

		C The notariat	38
		D The judiciary	40
	VII	Principles of contract law	42
		A Duality: commercial law versus civil law	42
		B Freedom of contract	43
		C Actual performance	44
		D Compensational nature and equivalence	45
		E Good faith	46
	VIII	Conclusion	49
2	The Terms of a Contract		
	I	Introduction	50
	II	Terms versus representations	50
	III	Terms: express and implied	53
		A Distinction between express and implied terms	53
		B Types of contract	55
	IV	Material terms	60
		A Definition of material terms	60
		B Subject matter as a material term	60
		C Terms mentioned in the Code or other legislation as material	
		for the particular type of contract	62
		D Terms defined as material by the parties to the contract	65
	V	Incorporation of terms	66
	VI	Interpretation of contract terms	68
		A Rule 1: literal meaning	68
		B Rule 2: parties' intention	69
		C Rules from court practice	70
	VII	Unfair contract terms	72
		A Controls on contracts of adhesion	72
		B Protection of consumer rights	73
		C Public contract (публичный договор; publichnyi dogovor)	74
	VIII	Conclusion	75
3	Requ	irements of Form	76
	I	Introduction	76
	II	Types of forms of contract	76
		A Oral contracts	76
		B Written contracts	77
	III	Consequences of non-compliance with the required form of	
		contract	81
		A Prohibition against witness testimony	81
		B Non-conclusion of the contract	82

		Contents	vii
		C Invalidity of the contract	84
	IV	Conclusion	85
4	Formation of Contracts		86
	I	Introduction	86
	II	Requirements for conclusion of a contract	86
	III	Formation of a contract: offer and acceptance	87
		A Offer	88
		B Acceptance	95
	IV	Formation of a contract: single written document signed by both	
		parties	100
	V	Formation of a contract: special cases	102
	VI	Moment of conclusion of the contract	103
		A Real contracts	103
		B Consensual contracts	104
		C Special cases	105
		D Preliminary contract: binding 'agreement to agree'	105
		E Conclusion of a contract compared to entry into force of a	400
		contract	106
	VII	Conclusion	107
5	Consideration		108
	I	Introduction	108
	II	Counter-performance	108
		A Definition of counter-performance	108
		B Function of counter-performance	109
		C Main characteristics of counter-performance	111
	III	Counter-giving for performance	116
		A Understanding the concept of counter-giving for performance B Counter-giving for performance compared to consideration:	116
		requirements of sufficiency and adequacy	119
		C Adequacy of counter-giving as an issue in Russian	
		commercial courts	120
		D Counter-giving in forgiveness of debt (прощение долга;	
		proshchenie dolga)	123
	IV	Conclusion	125
6	Facto	ors Tending to Defeat Contractual Liability	126
	I	Introduction	126
	II	Invalidity of contracts	127
		A Invalidity of contracts under Russian contract law	127
		B Grounds of invalidity: void contracts	136
		C Grounds for invalidity: contested contracts	143

.

viii Contents

	III	Contracts being not concluded	156
		A Performance of a 'not concluded' contract as unfounded	
		enrichment	157
	IV	Conclusion	160
7	Third Parties to the Contract		161
	I	Introduction	161
	II	Burdening the third party	162
	III IV	Defining a contract for the benefit of a third party Variation and cancellation of contracts for the benefit of third	163
		parties	167
	V	Rights of the promisee	168
	VI	Defences available to the promisor	170
	VII	Liability in contracts for the benefit of third parties	171
	VIII	Conclusion	173
8	Assignment		174
	I	Introduction	174
	II	Effect of assignment	175
	III	Assignment as a contract	176
		A Making a valid assignment	176
		B Notification of the debtor	179
		C Consent of the debtor	180
		D Rights which are not assignable	182
		E Form of assignment	184
		F Documents certifying the assigned rights	184
		G Objections to the demand of the new creditor	185
		H Liability of the original creditor	186
	IV	Assignment by operation of law	188
		A Universal legal succession	188
		B Transfer of rights by a court decision	190
		C Performance of the debtor's obligation by his surety or by a	
		pledgor other than the debtor	191
		D Subrogation	191
	V	Conclusion	192
9	Performance		193
	I	Introduction	193
	II	Proper performance	193
		A Definition of performance	194
		B Understanding proper performance	194
	III	Methods of ensuring performance	212
	TTT	Tyrethous of chouling performance	414

	Co	ntents	ix
IV	Alternative obligations		214
V	Entire and severable obligations		216
VI	Partial performance		218
VII	Right to cure bad or incomplete performance		218
	A Loss of interest in performance		219
	B Explicit right of the promisee to refuse to accept bad or		
	incomplete performance		220
	C Termination of contract due to material breach		220
VIII	Conclusion		220
10 Rer	nedies for Breach of Contract		222
I	Introduction		222
II	Damages		223
	A Conditions for recovering damages		224
	B Types of damages claimed		233
	C Limitation of damages		241
III	Penalty (неустойка; neustoika)		243
	A Neustoika and the concept of liquidated damages		244
	B Nature of neustoika: compensatory or punitive?		245
	C Types of neustoika		249
	D Conditions for recovering neustoika		250
IV	Required performance		251
	A General provisions		251
	B Contracts to transfer an individually-specified thing		254
	C Required performance as remedy for breach of contracts	s for	
	works and services		256
V	Specific remedies for breach of particular types of contracts		258
VI	Restitutionary awards		260
	A Restitutionary awards in case of termination of contract B Restitutionary awards as specific remedies for breaches of		260
	particular types of contracts		262
	C Recompense for goods or services		263
VII	Conclusion		264
11 Dis	charge of the Contract		266
I	Introduction		266
II	General rules on discharge		266
III	Discharge by agreement		268
IV	Discharge of a contract by breach		269
V	Discharge as a result of unilateral refusal to perform		273
	A Discharge of a contract due to unilateral refusal permitt	ed	
	by law		274

x Contents

	B Unilateral refusal allowed by contract	276
VI	Discharge by 'frustration'	277
	A Impossibility of performance	277
	B Consequences of impossibility	279
	C 'Special' impossibility	280
VII	Discharge of a contract as a result of material change of	
	circumstances	283
VIII	Conclusion	288
12 Con	clusion	289
Index		293