

# Gorshenin Weekly



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### **1. TOP STORIES**

### IOC allows Russian team to take part in Rio Olympics with reservations

Relevant international federation will decide on every Russian athlete separately. Read more in SPORT

### Three senior employees of Russian Investigations Committee arrested

They were detained by the Federal Security Service as part of the corruption probe

Read more in DOMESTIC POLITICAL

### Putin bans sale of Bashneft to state-owned companies - media

Rosneft was earlier offered to buy the company.

Read more in ECONOMIC

### 2. INTERNATIONAL POLITICAL

#### **RUSSIA-EU**

### British premier concerned about threat from Russia

During her first appearance in the House of Commons, new British Prime Minister **Theresa May** has said that the threats from countries like Russia and North Korea remain very real. She called on MPs to support the Trident programme on nuclear modernization.

Russian presidential press secretary **Dmitriy Peskov** regretted May's remarks and said he hoped "an unbiased point of view" would dominate the UK-Russia relations.

### Spain cancels deal with Russia on PAZ satellite launch

Spain has decided to cancel the deal with the Russian arms export agency, Rosoboroneksport, to launch the Spanish reconnaissance satellite PAZ, Spanish mass media have said.

The project budget is 160m euros.

The launch became a problem because the Russian-Ukrainian Dnepr space launch vehicle cannot be used at the moment.

### Former Yukos shareholders challenge court ruling quashing compensation

The former shareholders of the Yukos oil company, including Hulley Enterprises, Yukos Universal and Veteran Petroleum, have appealed the Hague District Court's decision to quash an international arbitration panel's 50bn-dollar compensation award.



### Gorshenin IN THE SPOTLIGHT

Back in April, the court ruled that without the ratification of the Energy Charter by Russia, under which the compensation was awarded, the arbitration was not authorized to consider the dispute.

### **RUSSIA-TURKEY**

### Turkish pilots who shot down Russian Su-24 detained over failed coup

Two Turkish pilots involved in downing the Russian Su-24 jet in November 2015 have been remanded on suspicion of involvement in the coup attempt on 15 July 2016.

### Iranian media say Russia warned Turkish president about coup plot

Russia warned Turkish President **Recep Tayyip Erdogan** about preparations for a military coup several hours before its start, diplomatic sources in Ankara have told several Arab media, according to the Iranian news agency Fars.

It quoted its sources as saying that the Khmeimim airbase in Syria, where Russian aircraft are deployed, have systems which can intercept communication signals.

### Kremlin concerned about "turbulence" near Russian border

Russian presidential press secretary **Dmitriy Peskov** has said that the Kremlin is concerned about "displays of turbulence" near the Russian border, namely in Turkey, Armenia and Kazakhstan. He said that Russia was interested in its neighbour states being "flourishing and predictable".

The military coup attempt took place in Turkey on 15 July 2016.

On 16 July, a group of opposition activists seized a patrol police regiment in Yerevan and demanded the resignation of President **Serzh Sargsyan**.

On 18 July, four people were killed in a shoot-out in Kazakhstan's largest city Almaty, three of them were police officers.

### Russian aviation authority lifts ban on regular flights to Turkey

The Russian aviation authority has lifted the ban on regular flights to Turkey. Air communication between the two countries resumed on 22 July 2016.

Russian airlines were banned from making flights to Turkey after the failed coup attempt there. Several weeks earlier, President **Vladimir Putin** lifted the ban on the sale of holiday tours to Turkey, which has been in place since the end of 2015.

### Russian TV journalist deported from Turkey

Russian Ren-TV journalist **Valentin Trushnin**, who was detained at Istanbul airport, has left for Russia. According to the RBC news agency, he found himself "on the list of personae non grata in Turkey".

The journalist has been offline for over 10 hours after his detention.

Turkey also denied entry to his cameraman and sent him back to Russia, either.



### WAR IN SYRIA

### Russian long-range bombers hit Islamic State positions in Syria

Six long-range bombers Tu-22M3 which took off from Russia have hit Islamic State positions in Syria for the third time over the past two weeks.

According to the Russian Defence Ministry, two command centres of the terrorists were destroyed.

### The Wall Street Journal: Russia bombs base in Syria used by USA, UK

On 16 June 2016, the Russian Aerospace Troops bombed the At-Tanf garrison, the remote outpost about 10 miles from the Jordanian border, used by the US and British special forces for secret operations, The Wall Street Journal has said.

According to it, US military and intelligence officials said the strikes were "part of a campaign by Moscow to pressure the **Obama** administration to agree to closer cooperation in the skies over Syria".

A spokesman for the Russian Defence Ministry, **Igor Konashenkov**, said that the coalition was to blame for the fact that its troops in Syria may be exposed to risks in the area where Russian aircraft carry out their attacks. In his words, Russia has constantly been calling on the coalition forces to report the whereabouts of "moderate opposition" units under their control, though in vain.

#### Russian troops in Syria have new commander

A deputy commander of the Southern Military District, Lt-Gen **Aleksandr Zhuravlev**, has been put in charge of the Russian troops in Syria.

His predecessor, Col-Gen **Aleksandr Dvornikov**, was offered to head the Southern Military District in early July 2016. According to the Kommersant daily, he was awarded the Hero of Russia title by the president's secret decree for the successful mission in Syria.

### **3. DOMESTIC POLITICAL**

#### Three senior employees of Russian Investigations Committee arrested

Moscow's Lefortovskiy court has arrested the head of the internal security department of the Russian Investigations Committee, **Mikhail Maksimenko**, his deputy **Aleksandr Limonov** and the first deputy head of the committee's main directorate in Moscow, **Denis Nikandrov**.

They were detained by Federal Security Services (FSB) officers who also searched their homes.

According to later reports, the criminal case against them was opened by committee head **Aleksandr Bastrykin**.

The Interfax news agency said that they were suspected of "providing protection to people close to Russian crime boss **Zakhariy Kalashov**, also known as **Shakro Molodoy**, not without a selfish motive". According to the agency, crime rings allocated



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1m dollars to bribe officials of the Investigations Committee's Moscow directorate to facilitate the release from a remand centre of the person suspected of involvement in a shoot-out in a Moscow bar, in which two people were killed and eight wounded.

Seven more high-ranking officers from the main and central offices of the Investigations Committee are being checked for involvement in office abuse.

The head of the main investigations directorate of the Investigations Committee in Moscow, **Aleksandr Drymanov**, retired a day before the searches.

### Former intelligence chief's daughter appointed to Putin's administrative department

Russian President **Vladimir Putin** has signed the decree to appoint the daughter of the former head of the Main Intelligence Directorate, **Olga Sergun**, as deputy head of his administrative department.

Earlier, she was in charge of the federal state-owned enterprise Centre for Financial and Legal Support of the president's administrative department.

### Moscow authorities ban protest against new antiterrorism laws

The Moscow mayor's office has rejected an application for a protest rally against the controversial package of legal regulations significantly tightening security arrangements, known as the Yarovaya law. The city administration said that the rally organizers had not completed the required approval procedure.

The representatives of the Russian opposition, who submitted the application, wanted to hold a rally in defence of Articles 23, 24 of the Russian constitution for the freedom of the Internet on Moscow's Slovyanskaya Square on 26 July 2016.

Several senators registered a bill with the State Duma to delay until 2023the enforcement of the adopted amendments, scheduled for 2018.

### Russian Postal Service reportedly fails to abide by new antiterrorism law

The Russian Postal Service has neither equipment nor money to equip its offices to be able to comply with the new antiterrorism law, the Russian daily Kommersant has quoted its sources in the government administration, the Communications Ministry and the postal service as saying.

Since 20 July, the company has had to subject all parcels to increased scrutiny, including with X-rays, metal detectors and gas analysers.

Earlier, the Russian Postal Service said it would cost it 500bn roubles (7.7bn dollars) to properly equip all its 42,000 offices.

### President orders state bodies to use Russia-developed encryption

Russian President **Vladimir Putin** has ordered the government to ensure that state agencies start using domestically developed cryptographic algorithms and encryption means before 1 December 2017.

Also, the president instructed to provide "legislative measures" that would make it



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impossible to use equipment that allows interference with cryptographic protocols.

### Government allows uniformed agencies to buy foreign equipment

The Russian government has given the green light to the Interior Ministry, the Federal Security Service (FSB), the Federal Guard Service, the Foreign Intelligence Service, the Federal Service for Technical and Export Control, and the Department for Presidential Affairs to purchase foreign equipment to provide security and defence of the country.

The ban on the purchase of foreign equipment was in effect since December 2013. The ban did not apply in cases where such goods were not produced or services were not provided in Russia.

#### State companies say immediate switch to Russian software risky

State-owned companies have said that their IT systems may stop working if they are ordered to start using domestically developed software immediately. According to the TASS news agency, some of the largest state-owned companies sent a respective letter to Deputy Prime Minister **Igor Shuvalov**.

Earlier, state companies received instructions from Shuvalov to switch to Russian software.

According to the Economy Ministry, state bodies procured software worth 93.9bn roubles (1.5bn dollars) in 2015, of which 77 percent was imported software.

### Almost million Russians barred from travelling abroad due to debts

Russian bailiffs have issued 961,000 rulings restricting debtors' travel outside the country in the first half of 2016, the Federal Bailiff Service has reported. This is 336,000 cases more than in the same period of the previous year.

According to the agency, property of 197,500 debtors was arrested during the period, while there were 30,000 fewer property arrests in January-June 2015.

### **4. PARLIAMENT ELECTION**

#### Election body expels 42 candidates from Pensioners Party's list

The Central Election Commission (CEC) has excluded 42 persons from the candidate list of the Russian Party of Pensioners for Justice compiled for the forthcoming parliament election. In addition, the CEC denied registration to the party's list of candidates in single-seat constituencies.

The CEC explained that its decision was due to the absence of required documents.

#### Homeless allowed to vote in parliament election

Russian citizens who have no permanent residence registration in the Russian Federation will be able to vote in the parliament elections on the territory of the Kazan Railway Station. The Moscow city electoral commission made this decision following the appeal from the human rights commissioner in Moscow, **Tatyana Potyaeva**.



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Citizens without permanent registration will not be able to vote for candidates in single-seat constituencies, but only for one of the parties on the federal candidate list.

### Media manager appointed head of creative team for United Russia's campaign

Journalist **Yevgeniy Revenko**, top manager of the All-Russian State Television and Radio Broadcasting Company (VGTRK), will be responsible for creativity in the election HQ of the United Russia party, the RBC news agency has reported.

The creative team will produce proposals on the party's agenda.

It should be noted that the party's headquarters are headed by the secretary of the United Russia's general council, **Sergey Neverov**.

### **5. RUSSIAN OPPOSITION**

### Court rejects activist's complaint about lawsuits against top prosecutor

The Constitutional Court of the Russian Federation has said that it will not consider the complaint from opposition activist **Aleksey Navalnyy** about the provisions of the civil procedure code concerning refusal to accept claims.

Earlier, it was reported that Navalnyy complained to the Constitutional Court about a violation of his constitutional rights. Specifically, the activist appealed against the refusal of courts of different instances to accept his lawsuit against Russian Prosecutor-General **Yuriy Chayka** to defend the honour and dignity of the Anti-Corruption Foundation.

Later, the Federal Penitentiary Service asked to substitute Navalnyy's suspended sentence in the Yves Rocher fraud case with real jail term.

### **6. HUMAN RIGHTS**

### Jury acquits "Primorye Partisans" in multiple murder case

The jury in the case concerning the group known as "Primorye Partisans" has found its members not guilty of the murder of four Primorye residents. The court ordered to release two members of the group in the courtroom.

In 2014, the court sentenced four members of the group to life in prison and three other members to different prison terms. Later, the Supreme Court cancelled the life sentences and sent the case for review.

"Primorye Partisans" is an informal name of the group whose members were found guilty of banditry and serious crimes in Primorye Territory committed against police officers in February-June 2010.

### Culture Ministry asks prosecutors to check Roerichs Centre

The Culture Ministry will appeal to the Prosecutor-General Office with the request to check the International Centre of the Roerichs.

Earlier, the ministry received a letter from the director of the Museum of Oriental Arts concerning activities of the centre and the Ukrainian Roerich Society.



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According to the RIA Novosti news agency, the centre published on its website "public statements that demean the dignity of Russia".

### 7. ECONOMY

### President prohibits selling Bashneft to state companies - media

Russian President **Vladimir Putin** has forbidden the government from selling Bashneft to state-owned companies, the RBC news agency has said.

Earlier, it was reported that major oil and gas companies received an offer from VTB Capital bank, the company sale manager, to purchase state-owned shares in the Bashneft company. In particular, Rosneft received such an offer. Lukoil also voiced the plans to buy Bashneft.

#### Finance Ministry set to extend increased extraction tax - media

The Finance Ministry intends to extend the increased tax on extraction of commercial minerals due to a large budget deficit, the Vedomosti newspaper has reported. Previously, the tax increase for the industry was explained as "withdrawal of depreciatory profits".

In 2015, some 200bn roubles (3bn dollars) was withdrawn from oil companies as a result of the mineral tax increase, as well as 100bn roubles (1.5bn dollars) from Gazprom.

According to an expert of the EY centre in Moscow, **Denis Borisov**, taxation as a percentage of revenue in the Russian oil industry is among the highest in the world: 73 percent versus 35 percent in the world before the fall in oil prices, and 58 percent versus 12 percent today.

### Tycoon's son to buy out stake in Rusal - media

Companies of **Sayid Kerimov**, son of Russian billionaire **Suleyman Kerimov**, are mulling the possibility of buying a stake of **Mikhail Prokhorov**'s Onexim Group (17.02 percent) in the Rusal company, the Vedomosti newspaper has reported. The price of 17.02 percent of shares in the company was 878m dollars on the Hong Kong Stock Exchange on 22 July.

Earlier, it was reported that Onexim sold 20 percent of its Uralkali holdings.

### 8. ENERGY

### Polish antitrust agency objects to Nord Stream-2

The Polish anti-monopoly regulator UOKiK has presented its objections to the creation of a joint venture for the construction of the Nord Stream-2 gas pipeline.

Russia's Gazprom company said that due to Poland's objections the authorization of the gas pipeline construction by the Polish anti-monopoly agency is postponed until 31 August.

According to the Vedomosti newspaper, if the future consortium members are not able to receive the approval from UOKiK, the matter may be referred to the antitrust authority of the European Commission, which will require additional time.



### 9. MILITARY AND DEFENCE

### Large-scale mechanized infantry drill starts in Chechnya

Some 9,000 servicemen of motorized infantry units and over 3,000 pieces of combat and special hardware of three mechanized infantry units deployed on the territory of Chechnya have started combat readiness exercises.

The drill is aimed at practicing actions of personnel on combat alert.

### Federal agency comes short of 107m dollars to complete space port construction

The Federal Agency for Special Construction (Spetsstroy) needs additional 7bn roubles (107m dollars) to complete the construction of 20 first-stage objects at the Vostochnyy (Eastern) space port, the Kommersant daily has reported. According to the newspaper, these objects must be built by 31 October.

It should be noted that 36 criminal cases over corruption were instituted during the construction of the Vostochnyy space port.

### 10. MEDIA

### TV channel cameraman shot dead in Moscow

The body of **Andrey Nazarenko**, cameraman of Rossiya One TV channel, has been found in his flat in Moscow. Several gunshot wounds in the head and torso were found on the body. Presumably, the murder occurred on 19 July.

### Searches carried out at Moskovskiy Komsomolets newspaper

The police have raided the editorial office of the Moskovskiy Komsomolets newspaper under the case concerning an attack on a police officer committed on 13 July. According to the police, "person knowing the whereabouts of the suspect" could be in the office building.

### **11. SPORTS**

### IOC allows Russian team to compete in Olympics subject to conditions

The Executive Committee of the International Olympic Committee (IOC) has decided not to ban the entire Russian team from taking part in the Olympic Games in Rio de Janeiro.

The committee also transferred to international federations the full authority to admit specific athletes and teams in separate sports.

Earlier, the Court of Arbitration for Sport in Lausanne (Switzerland) rejected the appeal filed by the Russian Olympic Committee and Russian athletes against the ruling of the International Association of Athletics Federations to ban Russian athletes from participating in the Olympics.

### WADA says Russian security service falsifies doping tests

The World Anti-Doping Organization (WADA) has published a report which says that agents of Russia's Federal Security Service (FSB) were involved in substituting positive



doping tests of Russian athletes with clean ones during the Olympic Games in Sochi in 2014.

The document also states that the Russian Ministry of Sport "directed, controlled and oversaw the manipulation of athletes' analytical results and sample swapping, with the active participation and assistance of the Federal Security Service".

In addition, WADA recommended that all Russian athletes be denied participation in Rio 2016 Olympics.

Also, the International Paralympic Committee started disciplinary proceedings against the Russian Paralympic Committee in connection with the publication of the WADA doping report. The document said that 35 Russian Paralympians might have used performance-enhancing drugs.

### Finance Ministry reportedly wants to cut 2018 World Cup funding

The federal budget requires additional 15bn roubles (231m dollars) for the World Cup to be held in Russia in 2018, according to the Gazeta.ru website. According to the website, the Finance Ministry will offer to put these costs on the "waiting list" in 2017.

At the same time, the Ministry of Sport insists not only on preserving the full funding amount, but also proposes to increase expenditures on security during the World Cup by 1.6bn roubles (24m dollars).

Gorshenin Weekly Russia is a weekly digest of expert analysis covering the most important political, social and economic events in Russia. I is a new project launched in 2015 following the success of a weekly overview of the major news in Ukraine, Gorshenin Weekly that has been published since 2010. It is the key source of information about opinion polls carried out by the Gorshenin Institute as well as the best professional commentaries on recent developments. Gorshenin Weekly is available in Russian and English.

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