## **Data Localization Laws: Russian Federation**

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Country Q&A | Law stated as of 22-Jul-2021 | Russian Federation

This Q&A provides a high-level summary of the key data localization requirements in Russia. It identifies applicable laws, sector-specific requirements, exceptions, and cross-border data transfer requirements.

1. What are the key data localization laws in the jurisdiction?

The key data localization laws in the Russian Federation are:

- Federal Law No. 152-FZ of July 27, 2006 on Personal Data (Personal Data Law) as amended by Federal Law No. 242-FZ of July 21, 2014 on Amending Certain Legislative Acts Concerning Updating the Procedure for Personal Data Processing in Information-Telecommunication Networks (Data Localization Law):
  - Article 18(5) of the Data Localization Law requires that Russian and foreign data operators that collect personal data of Russian citizens, including over the internet, initially record, store, arrange, update, and extract that data using Russian databases.

Under Article 1(2)(a) of the Federal Law No. 405-FZ on Amending the Code of Administrative Offences of the Russian Federation (in Russian) (effective December 2, 2019), legal entities that violate the Data Localization Law face fines between RUB1,000,000 and RUB6,000,000 for first offenses, and between RUB6,000,000 and RUB6,000,000 for subsequent offenses.

The data protection regulator (Roskomnadzor) aggressively enforces the Data Localization Law. For example, in 2019 it imposed fines on Facebook and Twitter for failing to comply with data localization requirements and on LinkedIn for refusing to transfer personal data of Russian individuals to Russian territory. LinkedIn was ultimately blocked from operating in the Russian Federation as a result of its noncompliance. According to Roskomnadzor's July 1, 2021 press release (in Russian), it drew up administrative protocols against WhatsApp as a first-time offender and against Facebook and Twitter as second-time offenders under the Data Localization Law.

- Federal Law No. 126-FZ of July 7, 2003 on Communications (in Russian) (Communications Law):
  - Article 64 requires licensed communications operators to use Russian-based databases for storing contents and metadata of users' electronic communications.

- Federal Law No. 149-FZ of July 27, 2006 on Information, Informational Technologies and Protection of Information (in Russian) (Information Law):
  - Article 10.1(3) requires information dissemination organizers (see Question 3) to store contents and metadata of website users' communications in Russian-based databases.
  - Government Decree No. 955 of July 24, 2019 on Approving Requirements to an Automated Information System for Processing Air Transportations (effective October 31, 2021) (in Russian):
    - Article 9 requires that databases and servers that provide clearance for domestic air transportation be located in the Russian Federation.

Government Decree No. 685 on Amending Government Decree No. 955 (April 30, 2021) (in Russian) postponed the effective date of Decree No. 955 from October 31, 2021 to October 30, 2022.

- Federal Law No. 236-FZ on the Activities of Foreign Persons in the Information and Telecommunication Network "Internet" on the Territory of the Russian Federation (July 1, 2021) (in Russian) (Internet Activities Law):
  - Article 5 requires foreign companies conducting activities in the Russian segment of the internet to establish a subsidiary or branch office in Russia, create a mechanism for Russian citizens and organizations to contact the foreign company, and register a personal account on Roskomnadzor's website to enable interaction with Russian governmental authorities.

2. What do the data localization laws cover?

- Federal Law No. 152-FZ of July 27, 2006 on Personal Data (Personal Data Law) as amended by Federal Law No. 242-FZ of July 21, 2014 on Amending Certain Legislative Acts Concerning Updating the Procedure for Personal Data Processing in Information-Telecommunication Networks (Data Localization Law) covers Russian citizens' personal data, which broadly includes any information referring directly or indirectly to an identifiable Russian citizen (Articles 3(1) and 18(5), Personal Data Law).
- Federal Law No. 126-FZ of July 7, 2003 on Communications (in Russian) (Communications Law) covers information relating to communication services users regardless of their citizenships, including:
  - identifying information, such as name and payment information;
  - voice information;
  - text messages;
  - images;

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• sounds; and

• videos.

(Article 64(1), Communications Law.)

- Federal Law No. 149-FZ of July 27, 2006 on Information, Informational Technologies and Protection of Information (in Russian) (Information Law) covers information relating to internet users regardless of their citizenships, including:
  - identifying information, such as name and payment information;
  - voice information;
  - instant messages;
  - images; and
  - videos.

(Article 10.1(3), Information Law.)

- Government Decree No. 955 on Approving Requirements to an Automated Information System for Processing Air Transportations (July 24, 2019) (effective October 31, 2021) (in Russian) requires further clarification from State authorities on its scope.
- Federal Law No. 236-FZ on the Activities of Foreign Persons in the Information and Telecommunication Network "Internet" on the Territory of the Russian Federation (July 1, 2021) (in Russian) (Internet Activities Law) covers foreign companies conducting activities in the Russian segment of the internet (Article 5, Internet Activities Law).

3. To which sectors, individuals, and entities do the data localization laws in the jurisdiction apply?

Federal Law No. 152-FZ of July 27, 2006 on Personal Data (Personal Data Law) as amended by Federal Law No. 242-FZ of July 21, 2014 on Amending Certain Legislative Acts Concerning Updating the Procedure for Personal Data Processing in Information-Telecommunication Networks (Data Localization Law) applies to all data operators and third parties acting under the authorization of data operators (Articles 3(2) and 6(3), Personal Data Law). A data operator is a state or municipal body, legal entity, or natural person that:

- organizes or carries out, alone or jointly with other persons, personal data processing; and
- determines the purposes of personal data processing, the content of personal data, and the personal data use.

(Article 3(2), Personal Data Law.)

- Federal Law No. 126-FZ of July 7, 2003 on Communications (in Russian) (Communications Law) applies to licensed communications operators within Russia (Article 2(12), Communications Law).
- Federal Law No. 149-FZ of July 27, 2006 on Information, Informational Technologies and Protection of Information (in Russian) (Information Law) applies to information dissemination organizers, that is, companies that operate information systems, such as websites, webpages, or software, that allow users to publicly and privately communicate with each other and with the organizer on the internet (Article 10.1(1), Information Law).
- Government Decree No. 955 on Approving Requirements to an Automated Information System for Processing Air Transportations (July 24, 2019) (effective October 31, 2021) (in Russian) applies to operators of automated information systems for processing air traffic information. However, the Decree does not define these terms.
- Federal Law No. 236-FZ on the Activities of Foreign Persons in the Information and Telecommunication Network "Internet" on the Territory of the Russian Federation (July 1, 2021) (in Russian) (Internet Activities Law) applies to:
  - foreign companies conducting activities on the internet in the Russian territory with more than 500,000 Russian users per day that: (1) have a Russian language version of the website; (2) target Russian users with advertising; (3) process information about Russian users; or (4) receive payments from Russian entities and individuals.
  - Russian website hosting providers.
  - advertising system operators targeting Russian users; and
  - information dissemination organizers with Russian users.

(Article 4, Internet Activities Law.)

4. What are the main exemptions from the application of the data localization laws?

The localization requirement under Federal Law No. 152-FZ of July 27, 2006 on Personal Data (Personal Data Law) as amended by Federal Law No. 242-FZ of July 21, 2014 on Amending Certain Legislative Acts Concerning Updating the Procedure for Personal Data Processing in Information-Telecommunication Networks (Data Localization Law) does not apply to the cases specified in Article 6(1), paragraphs 2, 3, 4, and 8 of the Personal Data Law, which include processing:

- Required to achieve the purposes established by an international agreement or statute to fulfil a data operator's obligation under Russian law.
- For law enforcement and judicial purposes.
- By Russian government authorities for providing public services.

• For journalism, the mass media, or other scientific, literary, or creative activities if the processing does not violate individuals' privacy rights.

(Article 18(5), Personal Data Law.)

The Ministry of Telecom and Mass Communications has issued comments and a set of FAQs (in Russian) describing exceptions to the Data Localization Law. However, Roskomnadzor has not adopted this guidance. Therefore, data operators should rely on these exceptions with extreme caution. For more on the data localization guidance, see Practice Note, Cross-Border Personal Data Transfers (Russian Federation): Data Localization Law Requirements.

There are no exceptions under Russia's other localization laws.

5. Do the data localization laws allow for cross-border transfers after storing the data in the jurisdiction? If yes, what are the requirements for transferring data outside the jurisdiction?

Federal Law No. 242-FZ of July 21, 2014 on Amending Certain Legislative Acts Concerning Updating the Procedure for Personal Data Processing in Information-Telecommunication Networks (Data Localization Law) does not address the circumstances under which data operators can transfer personal data out of Russia. However, the Ministry of Telecom and Mass Communications issued comments and a set of FAQs (in Russian) stating that a data operator may make cross-border personal data transfers if it:

- Complies with the cross-border data transfer requirements in Article 12 of Federal Law No. 152-FZ of July 27, 2006 on Personal Data (Personal Data Law). For more detailed information about cross-border transfers under the Personal Data Law, see Practice Note, Cross-Border Personal Data Transfers (Russian Federation).
- Stores a primary copy of the database containing Russian citizens' personal data, collected in Russia, in the Russian territory, including any subsequent updates and additions to that personal data.

The Data Localization Guidance also indicated that any cross-border personal data transfer must be consistent with the stated purpose of data processing. However, data operators should rely on these exceptions with extreme caution because Roskomnadzor has not adopted this guidance.

Government Decree No. 955 on Approving Requirements to an Automated Information System for Processing Air Transportations (July 24, 2019) (effective October 31, 2021) (in Russian) contains ambiguous language on crossborder transfers that requires further clarification.

Russia's other data localization laws do not address cross-border transfers.

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