
SHORT NEWS

Deferral and reduction of rental payments in the view of the COVID-19 pandemic

On April 01, 2020, a new law No. 98-FL establishing peculiarities of rental payments for real estate in terms of the novel coronavirus pandemic came into force.

In case a high-alert regime or state of emergency is introduced in the territory of a federal subject of the Russian Federation, at the request of a lessee carrying out its activities in economic sectors most affected by the novel coronavirus (food service, hotel industry, etc.) a lessor is obliged to enter into addendum deferring rental payments for real estate (save for residential premises) for the year 2020 on the following conditions:

- the deferral shall affect rental payments accrued until October 01, 2020;
- for the period of duration of the high-alert regime or state of emergency rental payment shall be deferred in full and for the period from cancellation of the relevant regimes to October 01, 2020 the lessee shall pay 50% of rental payments;
- the deferral does not cover utility charges and maintenance expenses;
- the rental debt shall be paid within the period from January 01, 2021 to January 01, 2023 by equal payments not exceeding 50% of the monthly rent.

Also, any lessee irrespective of economic sector may claim reduction of the rent in connection with impossibility to use the rented property caused by the high-alert regime or state of emergency.

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