COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM (MONEYVAL)

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Progress report[1] - *Annexes*

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FEDERAL LAW
NO. 115-FZ OF AUGUST 7, 2001
ON COUNTERING THE LEGALISATION OF ILLEGAL EARNINGS (MONEY LAUNDERING) AND THE FINANCING OF TERRORISM

Adopted by the State Duma on July 13, 2001
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Chapter I. General Provisions

Article 1. The Goals of the Present Federal Law

The present Federal Law is aimed at protecting the rights and lawful interests of citizens, society and the state by means of building up legal mechanism to counter the legalisation of illegal earnings (money laundering) and the financing of terrorism.

Article 2. The Applicability of the Present Federal Law

The present Federal Law shall govern the relationships of citizens of the Russian Federation, foreign citizens and persons without citizenship, organisations accomplishing transactions in amounts of money or other property and also state bodies responsible for exercising control on the territory of the Russian Federation over the conduct of transactions in amounts of money or other property, for the purpose of preventing, detecting and putting an end to actions relating to the legalisation (laundering) of illegal earnings and the financing of terrorism.

The present Federal Law extends to the branches and representative offices and also to affiliates of the organisations which carry out transactions in amounts of money or other property and are located outside the Russian Federation, unless it conflicts the legislation of the state where they are located.

In accordance with the international treaties of the Russian Federation the present Federal Law extends to natural persons and legal entities accomplishing transactions in amounts of money or other property outside the Russian Federation.

Article 3. The Basic Terms Used in the Present Federal Law

The following basic terms are used for the purposes of the present Federal Law:

"incomes received through crime" meaning amounts of money or other property received as the result of committing a crime;

"the legalisation of incomes received through crime (money laundering)" meaning the making of a legal appearance for the possession, use or disposal of amounts of money or other property received as the result of committing a crime, except for the crimes set out in Articles 193, 194, 198, 199, 199.1 and 199.2 of the Criminal Code of the Russian Federation;

"the financing of terrorism" meaning the provision or raising of funds or the provision of financial services in the knowledge of their being intended for financing an organisation, preparing and committing any of the crimes envisaged by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279 and 360 of the Criminal Code of the Russian Federation or for supporting an organised group, illegal military formation or criminal community (criminal organisation) that has been formed or is being formed for the purpose of committing any of the said crimes;

"transactions in amounts of money or other property" meaning actions of natural

persons or legal entities with amounts of money or other property, irrespective of the form and method thereof, aimed at establishing, modifying or terminating the civil rights and duties relating thereto;

"empowered body" meaning a federal executive governmental body taking measures for countering the legalisation of incomes received through crime (money laundering) and the financing of terrorism in keeping with the present Federal Law;

"compulsory control" meaning the entirety of measures taken by an empowered body to monitor transactions in amounts of money or other property on the basis of the information it receives from the organisations which carry out such transactions, and also to verify this information in accordance with the legislation of the Russian Federation;

"internal control" meaning the activity of the organisations that carry out transactions in amounts of money or another property in terms of detecting the transactions subject to compulsory control as well as other transactions in amounts of money or another property that are related to the legalisation of incomes received through crime (money laundering) and the financing of terrorism.

"organisation of internal control" means the entirety of measures which are taken by the organisations carrying out transactions in amounts of money or other property and include the approval of internal control rules and internal control programmes, the appointment of special officials who are responsible for the observance of said rules and the implementation of said programmes;

"exercise of internal control" means the implementation of internal control rules and internal control programmes by the organisations carrying out transactions in amounts of money or other property and also the observance of the legislation provisions governing the identification of clients, their representatives and beneficiaries, the documenting of data (information) and the provision thereof to an empowered body, the storage of documents and information and the training and education of personnel;

"client" means a natural person or legal entity receiving the services of an organisation that carries out transactions in amounts of money or other property;

"beneficiary – a person whose benefit the customer acts for, in particular under a brokerage, agency, commission and grant agreement, when carrying out transactions with funds or other assets";

"identification" means the entirety of measures whereby the information about clients, their representatives and beneficiaries defined by the present Federal Law is established and the reliability of such information is confirmed by means of original documents and/or appropriately attested copies;

"recording data (information)" means receiving and fixing data (information) on paper and/or other media for the purpose of implementing the present Federal Law.

Chapter II. Preventing the Legalisation of Illegal Earnings (Money Laundering) and the Financing of Terrorism

Article 4. The Measures for Countering the Legalisation of Illegal Earnings (Money Laundering) and the Financing of Terrorism

Below are the measures aimed at countering the legalisation (laundering) of illegal earnings and the financing of terrorism:

organising and exercising internal control;

compulsory control;

a ban on informing clients and other persons about the measures taken to counter the legalisation (laundering) of illegal earnings and the financing of terrorism, except for informing clients of suspension of a transaction, refusal to perform a client's instructions on

implementation of transactions, refusal to conclude a contract of bank account (deposit), the need for the provision of documents on the grounds set out in the present Federal Law;

other measures taken under federal laws.

Article 5. The Organisations Accomplishing Transactions in Amounts of Money or Other Property

For the purposes of the present Federal Law the "organisations accomplishing transactions in amounts of money or other property" shall include the following:

credit organisations;

professional participants in the securities market;

insurance organisations and financial leasing companies;

the organisation of the federal postal service;

pawn shops;

the organisations buying up, purchasing or selling precious metals and gemstones, jewelry and scrap of such jewelry;

the organisations which incorporate parimutuel betting and bookmaker offices and also which organise and conduct lotteries, parimutuel betting and other gambling based on chance, in particular in electronic form;

the organisations managing investment funds or non-governmental pension funds;

the organisations which provide broker's services in the accomplishment of transactions of purchase/sale of immovable asset;

operators engaged in payments' acceptance;

commercial organisations which conclude as financial agents contracts for financing against the cession of a pecuniary claim;

credit consumer cooperatives;

microfinance organisations.

Article 6. Operations in Monetary Funds or Any Other Assets Subject to Compulsory Control

1. An operation in monetary funds or any other assets is subject to compulsory control, if the amount on which it is completed is equal to or exceeds 600,000 roubles, or exceeds it, and by its character this operation refers to one of the following types of the operation:

1) operations in monetary funds in cash:

the withdrawal of money in cash from the account of a juridical person or the entering of money in cash in the account of a juridical person unless this is stipulated by the nature of its economic activity;

the purchase or sale of foreign currencies in cash by a natural person;

the acquisition by a natural person of securities cash down;

the reception by a natural person of money by cheque to bearer, issued by a non-resident;

the exchange of banknotes of one denomination for banknotes of another denomination;

the depositation by a natural person of money in cash to the authorised or investment capital;

2) crediting or remitting an amount of money to an account, providing or receiving a credit (loan), accomplishing transactions in securities if at least one of the parties is a natural person or a legal entity which is registered, resides or is located in a state (on a territory) that fails to comply with the recommendations of the Financial Activity Task Force (FATF) or if

said transactions involve the use of an account in a bank registered in said state (on said territory). The list of such states (territories) shall be drawn up in the procedure established by the Government of the Russian Federation with due regard to the documents issued by the Financial Activity Task Force (FATF) and it is subject to publication;

3) transactions via bank accounts (deposits):

the placement of money on a deposit with drawing up documents certifying the deposit to bearer;

the opening of a deposit in favour of third persons with the placement of money in cash on this deposit;

the transfer of money abroad to the deposit opened for an anonymous holder and the receipt of money from abroad from the account or the deposit opened for an anonymous holder;

the entry of money to the account or the deposit of a juridical person or the write off of money from the account or the deposit of a juridical person, whose period of activity does not exceed three months since the day of its registration, or the entry of money to the account or the deposit of a juridical person or the entry of money to the account or the deposit of a juridical person or the write-off of money from the account or the deposit of a juridical person, unless transactions via the said account or the deposit were made since its opening;

4) other transactions in movable property:

the placement of precious metals, gunstones, jewelry and scrap of jewelry or any other valuables in a pawn-shop;

the payment to a natural person of insurance indemnity or the receipt of a life insurance premium from him or an insurance premium from other types of accumulated insurance and pension coverage;

the reception or the granting of assets under a contract of financial lease (leasing);

the transfers of money by non-credit organisations by order of a client;

the buying up, purchase and sale of precious metals gemstones, jewelry and scrap of such jewelry;

the receipt of amounts of money as payment for participation in a lottery, parimutuel betting or other gambling based on chance, in particular, in electronic form, as well as the disbursement of amounts of money as a prize received from participation in said gambling;

the provision by juridical persons not deemed credit organisations of non-interest bearing loans to natural persons and/or other juridical persons and also the receipt of such a loan.

1.1. A transaction with immovable asset shall be subject to compulsory control if the amount thereof is equal to or exceeds 3,000,000 roubles or is equal to a sum of foreign currency equivalent to 3,000,000 roubles or exceeds it.

2. An operation with monetary means or other property shall be subject to obligatory control if at least one of the parties is an organisation or a natural person in whose respect there is information obtained in the procedure established in accordance with this Federal Law about their complicity in extremist activity or terrorism, or a legal entity directly or indirectly owned or controlled by such organisation or person, or a natural person or legal entity acting in the name or under direction of such organisation or person.

The procedure for determining and bringing to the notice of organisations performing operations with monetary means or with other property of the list of such organisations or persons, shall be established by the Government of the Russian Federation. In this case, the information about organisations and persons included in the said list on the grounds stipulated by Subitems 1, 2, 3, 6, 7 of Item 2.1 of this Article and removed from the said list

on the grounds stipulated by Subitems , 2, 3, 5, 6, 7 and 8 of Item 2.2 of this Article, shall be subject to placing on the Internet on the official site of the authorised body and to publishing in the official periodic publications determined by the Government of the Russian Federation.

2.1. The grounds for including an organisation or a natural person in the list of organisations and natural persons in whose respect there is information about their complicity in extremist activity or terrorism, shall be:

1) a decision in legal force of a court of the Russian Federation on liquidation or prohibition of activity of an organisation in connection with its complicity in extremist activity or terrorism;

2) a sentence in legal force of a court of the Russian Federation on finding a person guilty of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

3) a decision of the Procurator General of the Russian Federation, his subordinate procurator or of the federal body of executive power in the field of state registration (its respective territorial body) on suspending the activity of an organisation in connection with their application to a court for bringing the organisation to responsibility for extremist activity;

4) a procedural decision on finding a person suspected of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

5) a ruling of an investigator on accusing a person of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

6) lists, made by international organisations struggling against terrorism or by bodies authorised by them and recognised by the Russian Federation, of organisations and natural persons connected with terrorist organisations or with terrorists;

7) sentences or court decisions and decisions of other competent bodies of foreign states recognised in the Russian Federation in accordance with international treaties of the Russian Federation and federal laws with respect to organisations or natural persons carrying out terrorist activity.

2.2. The grounds for removing an organisation or a natural person from the list of organisations in whose respect there is information about their complicity in extremist activity or terrorism, shall be:

1) repeal of a decision in legal force of a court of the Russian Federation on liquidation or prohibition of activity of an organisation in connection with its complicity in extremist activity or terrorism and termination of the proceedings;

2) repeal of a sentence in legal force of a court of the Russian Federation on finding a person guilty of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation and termination of the proceedings in the criminal case with respect to the given person on grounds giving the right to rehabilitation;

3) repeal of a decision of the Procurator General of the Russian Federation, his subordinate procurator or of the federal body of executive power in the field of state registration (its respective territorial body) on suspending the activity of an organisation in connection with their application to a court for bringing the organisation to responsibility for extremist activity;

4) termination of a criminal case or a criminal prosecution with respect to a person

suspected or accused of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

5) removal of an organisation or a natural person from lists, made by international organisations struggling against terrorism or by bodies authorised by them and recognised by the Russian Federation, of organisations and natural persons connected with terrorist organisations or with terrorists;

6) repeal sentences or court decisions and decisions of other competent bodies of foreign states recognised in the Russian Federation in accordance with international treaties of the Russian Federation and federal laws with respect to organisations or natural persons carrying out terrorist activity;

7) presence of documentarily confirmed data about the death of a person included in the list of organisations and natural persons in whose respect there is information about their complicity in extremist activity or terrorism;

8) presence of documentarily confirmed data about the quashing or expunging of the record of conviction from a person sentenced for committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220, 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation.

3. If an operation in money or any other assets is realised in foreign currency, its amount in Russian roubles shall be determined at the official exchange rate of the Central Bank of the Russian Federation that is in effect on the date of the completion of such operation.

4. Information about operations in money or any other assets subject to compulsory control shall be submitted directly to the authorised body by the organisations carrying out operations in money or in any other assets.

Article 7. The Rights and Duties of the Organisations Carrying out Operations in Money or Any Other Assets

1. The organisations accomplishing transactions in amounts of money or other assets shall:

1) identify a client, a representative of a client and/or a beneficiary, except in the cases fixed by Items 1.1 and 1.2 in the present Article and it shall establish the following details:

as concerning natural persons: surname, first name and patronymic (except as otherwise ensuring a law or ethnic custom), citizenship, the date of birth, personal identity document details, data of migration card, document confirming the foreign citizen's or stateless person's right to stay (reside) in the Russian Federation, residential (registration) address or whereabouts, taxpayer identification number (if any);

as concerning juridical persons: the name, taxpayer identification number or code of the foreign organisation, state registration number, place of state registration and whereabouts;

2) take measures—substantiated and available in prevailing circumstances—for identifying beneficiaries, save the cases established by Items 1.1 and 1.2 of the present article, including inter alia measures for establishing the details envisaged by Subitem 1 of Item 1 of the present Article in respect thereof;

3) on a regular basis update information on clients and beneficiaries;

4) keep documentary record of and provide the following information to the empowered body not later than on the working day following the date of the transaction on the transactions in amounts of money or other assets which are subject to compulsory control:

the type of the transaction and the grounds for the accomplishment of the transaction;

the date of the transaction in amounts of money or other assets and the amount of the transaction;

the information required to identify the natural person who accomplishes the transaction in amounts of money or other assets (the details of the passport or another personal identity document), the data of a migration card, a document confirming the foreign citizen's or stateless person's right to stay (reside) in the Russian Federation, taxpayer identification number (if any), residential address or whereabouts thereof;

the name, taxpayer identification number, state registration number, place of state registration and whereabouts of the juridical person which accomplishes the transaction in amounts of money or other assets;

the information required to identify the natural or juridical person on whose behalf and in whose name the transaction in amounts of money or other assets is accomplished, the data of an immigration card, a document confirming the foreign citizen's or stateless person's right to stay (reside) in the Russian Federation, taxpayer identification number (if any), residential address of whereabouts of the natural or juridical person respectively;

the information required to identify a representative of the natural or juridical person, the attorney, agent, commission agent, grantee who accomplishes the transaction in amounts of money or other assets in the name or in the interests or on the account of another person as being empowered under a power of attorney, contract, law or paper of state body or local self-government body authorised to give such powers, the data of a migration card, a document confirming the foreign citizens' or stateless person's right to stay (reside) in the Russian Federation, taxpayer identification number (if any), residential address or whereabouts of the representative of the natural or juridical person respectively;

the information required to identify the beneficiary under the transaction in amounts of money or other assets and/or his representative, in particular, the data of a migration card and a document confirming the foreign citizen's or stateless person's right to stay (reside) in the Russian Federation, taxpayer identification number (if any), residential address or whereabouts of the beneficiary and/or representative thereof if there is a provision to this effect in the rules of accomplishment of this transaction;

5) provide the empowered body on written requests of the body the information specified in Subitem 4 of the present item both on the transaction subject to compulsory control and the transactions specified in Item 3 of the present article. The procedure for the empowered body to forward said requests shall be determined by the Government of the Russian Federation in agreement with the Central Bank of the Russian Federation.

The empowered body is not entitled to demand the provision of documents and information on transactions which had been accomplished prior to the entry into force of the present Federal Law, except for the documents and information provided under an applicable international treaty of the Russian Federation;

1.1. The identification of a client which is a natural person and the ascertainment and identification of the beneficiary shall not be effected when the organisations handling operations in cash or any other assets make operations involving the acceptance from clients which are natural persons of payments, if their amount does not exceed 15 000 roubles or the sum in foreign currency which is equivalent to 15 000 roubles (except when employees of the organization handling operations in cash or other property suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way or of financing terrorism).

1.2. When a natural person handles an operation in buying or selling foreign cash to the amount that does not exceed 15,000 roubles or does not exceed the sum in foreign

exchange equivalent to 15,000 roubles, no identification of a client, a natural person, and no ascertainment and the identification of a beneficiary shall be carried out, except for when workers of the organisation that handles operations in cash or in any assets have suspicious that this operation is conducted for the purpose of the legalisation (laundering) of criminally received incomes or for the purpose of financing terrorism.

1.3. Abrogated upon the expiry of 180 days from the day of the official publication of the Federal Law No. 121-FZ of June 3, 2009.

2. To prevent the legalisation (laundering) of illegal earnings and the financing of terrorism organisation accomplishing transactions in amounts of money or other property shall elaborate internal control rules and programs for the implementation thereof, appoint special officials responsible for observance of these rules and implementation of these programs and also take other organisational measures for these purposes.

The internal control rules of an organisation pursuing transactions in amounts of money or other property shall include a procedure for documenting the necessary information, an information non-disclosure procedure, qualification criteria for cadre training and also criteria for detecting extraordinary deals and the features of such deals with due regard to the peculiarities of the organisation's activities.

Organisations accomplishing transactions in amounts of money or other property in keeping with internal control rules shall document the information received as the result of application of these rules and implementation of the programs aimed at implementing the internal control rules and safeguard the non-disclosure of information.

Below are the grounds for documenting information:

a confusing or extraordinary nature of a deal which does not make obvious economic sense or have an obvious lawful goal;

a discrepancy between the deal and the goals of the organisation's activities set out in its constituent documents;

the discovery of repeated transactions or deals which by their nature provide grounds to believe that their goal is an evasion of the compulsory control procedures stipulated by the present Federal Law;

other circumstances giving grounds to believe that the deals are implemented legalise (launder) illegal earnings or the financing of terrorism.

The rules for internal control shall be worked out with account of the recommendations approved by the Government of the Russian Federation, and for credit organisations - by the Central Bank of the Russian Federation by agreement with the authorised body, and shall be confirmed in keeping with the order established of the Government of the Russian Federation.

The qualification standards applicable to the special officials who are responsible for the observance of internal control rules and the programmes of implementation thereof and also the standards governing the preparation and training of personnel, client and beneficiary identification shall be determined in accordance with the procedure established by the Government of the Russian Federation, and for credit organisations, by the Central Bank of Russian Federation by agreement with the authorised body. Identification standards may differ depending on the degree (level) of risk of the client's accomplishing a transaction for the purpose of legalising incomes received by the way of crime (money laundering) and financing terrorism.

3. If the employees of an organisation pursuing transactions in amounts of money or other property have suspicions on the basis of implementation of the internal control programs specified in Item 2 of the present article, that certain transactions are accomplished for the purpose of legalising (laundering) illegal earnings or the financing of terrorism this organisation not later than on the working day following the date of detection of such

transactions, shall send information about such transactions to the authorised body, irrespective of their being classified as the transactions specified in Article 6 of the present Federal Law.

3.1. Abrogated upon the expiry of 180 days from the day of the official publication of the Federal Law No. 121-FZ of June 3, 2009.

4. Documents containing information indicated in the present Article and information needed for the identification of a person shall be stored for a period of not less than five years. This period shall be counted from the day of the termination of relations with a client.

5. Credit organisations are hereby prohibited from:

opening an account (deposit) for anonymous holders, i.e., without the show by the natural or juridical person which opens the account (deposit) of the documents required to identify the person;

opening an account (deposit) for natural persons without the attendance in person of the person which opens the account (deposit) or his representative;

establishing and maintaining relations with non-resident banks which do not have permanent managerial bodies in the territories of the states where they are registered;

concluding a contract of bank account (deposit) with a client if the client or a representative of the client has defaulted on the provision of the documents required to identify the client or the representative thereof in the cases established by the present Federal Law.

5.1. Credit organisations shall take measures aimed at averting the establishment of relations with the non-resident banks in respect of which information is available to the effect that their accounts are used by the banks which do not have permanent managerial bodies in the territories of the states where they are registered.

5.2. In the below cases credit organisations are entitled to refuse concluding a contract of bank account (deposit) with a natural or juridical person:

if the following are not available at their addresses: the juridical person, its permanent managerial body, another body or person entitled to act in the name of the juridical person without a power of attorney;

if the natural or juridical person fails to present documents confirming the information specified in the present article or present unreliable documents;

if information is available on hand to the effect that the natural or juridical person is involved in terrorist activity, such information having been received in accordance with the present Federal Law.

5.3. If the state (territory) being the location of branches and representative offices and also affiliates of the organisations carrying out transactions in amounts of money or other property is impeding the implementation of the present Federal Law or specific provisions thereof by said branches, representative offices and affiliates the organisations carrying out transactions in amounts of money or other property shall send information about such facts to the empowered body and also to the body in charge of supervision in the relevant area of activity.

5.4. In the course of identification of a client, a representative of a client or a beneficiary or of the updating of information about them the organisations carrying out transaction in amounts of money or other property are entitled to demand and receive from the client or the representative of the client personal identification documents, constitutive documents and documents on the state registration of the legal entity (individual entrepreneur).

5.5. The organisations carrying out transaction in amounts of money or other property shall pay enhanced attention to any transactions in amounts of money or other property which are carried out by the natural persons or legal entities specified in Subitem 2 of Item 1 of Article 6 of the present Federal Law or with their participation or in their names or in their interests, and equally through the use of the bank account specified in Subitem 2 of Item 1 of Article 6 of the present Federal Law.

6. The organisations providing relevant information to the empowered body and also the heads and employees of the organisations providing relevant information to the empowered body are not entitled to inform about it the clients of these organisations or other persons.

7. The procedure for providing information to the authorised body shall be established by the Government of the Russian Federation, and for credit organisations, by the Central Bank of the Russian Federation by agreement with the authorised body.

8. The provision of information and documents to the empowered body by the organisations carrying out transactions in amounts of money or other property or by their heads and employees in respect of transactions and for the purposes and in the procedure envisaged by the present Federal Law is not deemed breach of service, banking, tax, commercial or communication secrets (in as much as it concerns information on postal money remittance).

9. The observance of the present Federal Law by natural persons and legal entities in as much as it concerns documenting, storing and providing information on the transactions subject to compulsory control and also the organisation and implementation of internal control shall be monitored by relevant supervisory bodies within their competence and in compliance with the procedure established by the legislation of the Russian Federation and also the authorised body if there are no supervisory bodies in the field of activity of specific organisations pursuing transactions in amounts of money or other property.

10. The organisations carrying out operations in money and any other assets shall hold up such operations, except for operations in the charge of money received on the account of a natural or juridical person for two working days from the date when the orders of clients on their realisation shall be fulfilled and at the latest on the working day that follows the day of the suspension of the operations; these organisations shall present information about them to the authorised body, if at least one of the parties is the organisation or the natural person, in relation to which there is information received in accordance with Item 2 of Article 6 of the present Federal Law that they participate in terrorist activities, or the juridical person that is directly or indirectly owned or controlled by such organisation or such person, or the natural or juridical person acting on behalf of such organisation or such person or on their instruction.

In case of the non-receipt during the said period of time of the decision of the authorised person on the suspension of the corresponding operation for an additional term on the basis of the third part of Article 8 of the present Federal Law the organisations shall carry out the operation in money or any other assets by order of a client, unless a different decision is taken in keeping with the legislation of the Russian Federation to limit its realisation.

11. Organisations carrying out operations in money or any other assets shall have the right to refuse to fulfil the client’s order on the completion of the operation, except for the operation in the charge of money received on the account of a natural or a juridical person, for which no documents were submitted, which are necessary for fixing information in

accordance with the provisions of the present Federal Law.

12. The suspension of operations in keeping with Item 10 of this Article shall not be a ground for the rise of the civil-law liability of the organisations carrying out operations in money or any other assets for the violation of the terms of relevant contracts.

13. Credit organisations shall keep documented record of and provide the empowered body with information on the cases of refusal, on the grounds specified in the present article, to conclude a contract of bank account (deposit) with a natural or juridical person and/or to accomplish transactions, within the term ending on the working day following the date of the actions, in the procedure established by the Central Bank of the Russian Federation in agreement with the government of the Russian Federation.

Article 7.1. The Rights and Duties of Other Persons

1. The requirements applicable to client identification, internal control organisation, information recording and storage established by Subitem 1 of Item 1, Items 2 and 4 of Article 7 of the present Federal Law shall extend to barristers/solicitors, notaries and persons pursuing entrepreneurial activities in the area of provision of legal or accountancy services in cases when they prepare or accomplish the following transactions in amounts of money or other assets in the name or on behalf of their clients:

transactions in immovable assets;

the management of funds, securities or other client's assets;

the management of bank accounts or securities accounts;

fund-raising for the purpose of forming organisations, maintaining their operations or managing them;

the formation of organisations, maintenance of their operations or management thereof as well as the purchase/sale of organisations.

2. If a barrister/solicitor, notary, a person who pursues entrepreneurial activity in the area of provision of legal or accountancy services has any grounds to believe that the transactions or financial transactions specified in Item 1 of the present Article are being accomplished or can be accomplished for the purpose of legalising incomes received by the way of crime (money laundering) or financing terrorism they shall be obliged to inform the empowered body accordingly.

The barrister/solicitor and the notary are entitled to pass on this information either on their own or via a chamber of barristers/solicitors or notaries if the chamber has an agreement on cooperation with the empowered body.

3. The procedure for barristers/solicitors, notaries, persons pursuing entrepreneurial activities in the area of provision of legal or accountancy services to pass information on the transactions or financial transactions specified in Item 2 of the present article shall be established by the Government of the Russian federation.

4. The barrister/solicitor and the chamber of barristers/solicitors, the notary and the chamber of notaries, the persons pursuing entrepreneurial activities in the area of provision of legal or accountancy services shall not be entitled to disclose the fact that they have provided the information specified in Item 2 of the present Article to the empowered body.

5. The provisions of Item 2 of the present Article shall not extend to the information subject to the requirements of the legislation of the Russian Federation on the observance of the barrister's/solicitor's secret.

Article 7.2. The Rights and Duties of Credit Institutions and Federal Postal Communication Organisations When Making Settlements on a Cashless Basis and Transferring Monetary Assets

1. The credit institution where a payer's bank account is opened when making settlements on a cashless basis on the payer's instructions at every stage thereof shall be obliged to ensure the exercise of control over availability, completeness, transfer within the settlement documents or in some other way and correspondence to the data available to the credit institution, as well as custody in compliance with Item 4 of Article 7 of this Federal Law, of the following information:

1) about a payer which is a natural person, individual businessman or a natural person engaged in private practice in the procedure established by the legislation of the Russian Federation: full name (if not otherwise results from a law or national tradition), bank account number, taxpayer's identification number (if any) or address of residence (registration), or place of stay;

2) about a payer which is a legal entity: denomination, bank account number, taxpayer's identification number or code of a foreign organization.

1.1. If the bank in which a bank account of a beneficiary has been opened or the bank which provides services to a beneficiary in case when an amount of money is remitted for the benefit thereof without the opening of a bank account or the bank involved in money remittance is a foreign bank then information on the payer being a natural person, individual entrepreneur or a natural person engaged in private practices in the procedure established by the legislation of the Russian Federation shall include surname, first name and patronymic (except as otherwise ensues a law or national custom) and residential (registration) address or whereabouts address and information on the payer being a legal entity shall include its name and location.

2. If in a settlement or other document containing a payer's order there is no information cited in Item 1 of this Article or it is not received in some other way, the credit institution where the payer's bank account is opened shall be obliged to refuse to follow the payer's instructions, except as provided for by Item 3 of this Article.

3. When making operations in monetary assets, in particular with the use program-technical facilities, credit institutions shall be entitled for the purpose of satisfying the requirements established by this article to fill in payers' settlement documents independently using the information received from payers, in particular in the course of identification procedure.

4. The correspondent bank participating in settlements on a cashless basis shall be obliged to ensure inalterability of the information contained in a received settlement document and its custody in compliance with Item 4 of Article 7 of this Federal Law.

5. The credit institution where the bank account of the monetary assets' recipient is opened shall be obliged to have procedures which are required for detecting incoming settlements documents without the information cited in Item 1 of this Article.

6. If an incoming settlement document does not contain the information cited in Item 1 of this Article and if employees of the credit institution where the recipient's bank account is opened suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way and of financing terrorism, such credit institution shall be obliged at latest on the working day following the date when the given operation is recognized as suspicious to forward to the authorised body data on this operation in compliance with this Federal Law.

7. A credit institution providing services to a payer, when transferring monetary assets on the instructions of natural persons without opening bank accounts, and a federal postal communication organization, when effecting transfers of monetary assets by mail, at every stage thereof shall be obliged to ensure the exercise of control over the availability, completeness, transfer within the settlement documents, by mail or in some other way and

correspondence to the data available to the credit institution or to the federal postal communication organisation, as well as custody in compliance with Item 4 of Article 7 of this Federal Law, of the following information:

1) about a payer which is a natural person, individual businessman or a natural person engaged in private practice in the procedure established by the legislation of the Russian Federation: full name (if not otherwise results from a law or national tradition), unique operation number assigned (if any), taxpayer's identification number (if any) or address of residence (registration) or place of stay;

2) about a payer which is a legal entity: denomination, unique operation number (code, password) assigned, taxpayer's identification number or code of a foreign organization.

8. If in a settlement or other document, or in a postal communication containing a payer's order there is no information cited in Item 7 of this Article or it is not received in some other way, a credit institution or a federal postal communication organization rendering services to the payer shall be obliged to refuse to follow the payer's instructions.

9. A credit institution which participates in transferring monetary assets on natural persons instructions without opening bank accounts or a federal postal communication organization participating in postal transfer of monetary assets shall be obliged to ensure inalterability of the information contained in a received settlement document or postal communication and its custody in compliance with Item 4 of Article 7 of this Federal Law.

10. A credit institution providing services to the recipient of monetary assets transferred for the benefit thereof without opening a bank account or a federal postal communication organisation providing services to the recipient of monetary assets transferred by mail shall be obliged to have procedures which are required for detecting incoming settlements documents or postal sendings without the information cited in Item 7 of this Article.

11. If an incoming settlement document, or other document, or a postal communication does not contain the information cited in Item 7 of this Article and if employees of the credit institution or the federal postal communication organization suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way and of financing terrorism, such credit institution or the federal postal communication organization shall be obliged at latest on the working day following the date when such operation is recognized as suspicious to forward to the authorised body data on this operation in compliance with this Federal Law.

12. The requirements of this article shall not extend to the following:

1) settlements on a cashless basis made by a credit institution on bank accounts at most to the amount of 15 000 roubles or to the amount in foreign currency which is equivalent to 15 000 roubles;

2) settlements on a cashless basis on bank accounts opened with the same credit institution;

3) settlements on a cashless basis made with the use of payment cards;

4) settlements on a cashless basis made between credit institutions or between a credit institution and a foreign bank on their own behalf and at their own expense;

5) monetary assets' transfers on the instructions of natural persons without opening bank accounts effected by credit institutions at most to the amount of 15 000 roubles or to the amount in foreign currency which is equivalent to 15 000 roubles.

Article 7.3. The Duties of Organisations Engaged in Operations with Monetary Assets or Other Property When Accepting for Servicing and Servicing Foreign Public Officials

1. Organisations engaged in operations with monetary assets and other property, in addition to the measures provided for by Item 1 of Article 7 of this Federal Law, shall be obliged to do the following:

1) to take measures which are reasonable and possible under the circumstances for detecting foreign public officials among the natural persons which are being serviced or are being accepted for servicing;

2) to accept for servicing foreign public officials solely on the basis of a decision in writing of the head of the organization engaged in operations with monetary assets or other property or of the deputy thereof, as well as of the head of the organisation's isolated unit engaged in operations with securities or other property to whom the head of the said organization or the deputy thereof has delegated the appropriate authority;

3) to take measures which are reasonable and possible under the circumstances for identifying the sources of origin of monetary assets or other property of foreign public officials;

4) to update on a regular basis the information available to the organisation engaged in operations with monetary assets or other property about the foreign public officials which are serviced by them;

5) to pay special attention to operations in monetary assets or other property made by the foreign public officials serviced by the organisation engaged in operations in monetary assets or other property, by their spouses, close relatives (relatives of the ascending and descending lines (parents and children, grandfather, grandmother and grandchildren), full-blood and half-blood (having the common father or mother) brothers and sisters, adoptive parents and adopted children) or on behalf of the said persons, if they are serviced by the credit institution.

2. The requirements established by Item 1 of this Article shall not be applied by credit institutions when making operations at most to the amount of 15 000 roubles or to the amount in foreign currency equivalent to 15 000 roubles which are connected with purchase or sale of foreign currency in cash by natural persons or with transfers of monetary assets on the instructions of natural persons without opening a bank account, except when employees of the organisation engaged in operations with monetary assets or other property suspect that the given operations are made for the purpose of legalization (laundering) of incomes derived in a criminal way or of financing terrorism.

Chapter III. Organisation of Countering the Legalisation (Laundering) of Illegal Earnings and the Financing of Terrorism

Article 8. The Authorised Body

The authorised body designated by the President of the Russian Federation shall be a federal executive body for which the tasks, functions and powers in the field of countering the legalisation (laundering) of illegal earnings and the financing of terrorism are established under the present Federal Law.

Where there are sufficient reasons to believe that a transaction or a deal relats to the legalisation (laundering) of illegal earnings or with the financing of terrorism the authorised body shall forward relevant information and materials to law-enforcement bodies in compliance with their competence.

The authorised body shall pass a decision on the suspension of operations in money or any other assets, indicated in Item 2 of Article 6 of the present Federal Law, for a period of fire working days, if information received by it in keeping with Item 10 of Article 7 of the present Federal Law was recognised by it as substantiated according to the results of a preliminary inspection.

When employees of the authorised body perform under the present Federal Law they shall observe the principle of non-disclosure of the information classified as service, banking, tax commercial secret or a secret of communication came to their knowledge in connection with the activity of the authorised body and they shall be answerable under Russian law for the disclosure of such information.

Harm inflicted to natural persons and legal entities by unlawful activities of the authorised body or the employees thereof in connection with the authorised body's performing its functions shall be reimbursable from the federal budget funds in keeping with the legislation of the Russian Federation.

Article 9. Provision of Information and Documents

The governmental bodies of the Russian Federation, the governmental bodies of the Russian regions and local government bodies shall provide information and documents to the authorised body as may be required for it to pursue its functions (except for information concerning citizens' private lives) in the manner established by the Government of the Russian Federation.

The Central Bank of the Russian Federation shall provide information and documents to the authorised body as may be required for it to pursue its functions, in the manner agreed upon by the Central Bank of the Russian Federation and the authorised body.

The provision of information and documents on the request of the authorised body by governmental bodies of the Russian Federation, governmental bodies of Russian regions, local government bodies and the Central Bank of the Russian Federation for the purposes and in the manner specified in the present Federal Law shall not be deemed a breach of service, banking, tax commercial secrecy and a secrecy of communication (in respect to information about postal transfers of money).

The provisions of the present Article shall not apply to information and documents, which in accordance with Articles 6 and 7 of the present Federal Law may not be requested by the authorised body from the organisations carrying out operations in money or any other assets, or shall be submitted by these organisations directly to the authorised body.

The federal executive governmental bodies, acting within their jurisdiction and in the procedure they have agreed upon with relevant supervisory bodies, shall provide the organisations pursuing transactions in amounts of money or other assets with the information contained in the comprehensive state register of juridical persons, the consolidated state register of the foreign companies' representative offices located in the territory of the Russian Federation as well as information on lost and invalid passports, on the passports of deceased persons lost passport forms.

Chapter IV. International Co-Operation in the Field
of Countering the Legalisation (Laundering) of Illegal Earnings
and the Financing of Terrorism

Article 10. Information Exchange and Legal Assistance

The governmental bodies of the Russian Federation carrying out activities relating to countering the legalisation (laundering) of illegal earnings and the financing of terrorism in compliance with international treaties of the Russian Federation shall co-operate with competent bodies of foreign states at the stages of information gathering, preliminary investigation, litigation and execution of court decisions.

The authorised body and other governmental bodies of the Russian Federation carrying out activities relating to countering the legalisation (laundering) of illegal earnings and the financing of terrorism shall provide relevant information to competent bodies of

foreign states at their request or on their own initiative in the manner and on the grounds set out in international treaties of the Russian Federation.

The transfer of information to competent bodies of a foreign state in connection with the detection, seizure and confiscation of incomes received illegally shall be effected in the event it does not harm the interests of national security of the Russian Federation and if it can allow the competent bodies of that state to commence an investigation or formulate a request.

Information relating to the detection, seizure and confiscation of incomes received illegally shall be provided at the request of a competent body of a foreign state on the condition that it is not going to be used without preliminary consent of the relevant governmental bodies of the Russian Federation which furnish this information, for purposes other than those specified in the request.

The governmental bodies of the Russian Federation carrying out activities relating to countering the legalisation (laundering) of illegal earnings and the financing of terrorism shall forward requests for the provision of the necessary information to competent bodies of foreign states and shall reply to requests received from these competent bodies, in the manner stipulated by international treaties of the Russian Federation.

The governmental bodies of the Russian Federation carrying out activities relating to countering the legalisation (laundering) of illegal earnings and the financing of terrorism shall ensure the non-disclosure status of the information furnished and shall use it only for the purposes specified in the request.

Under the international treaties of the Russian Federation and federal laws the governmental bodies of the Russian Federation carrying out activities relating to countering the legalisation (laundering) of illegal earnings shall meet requests received from competent bodies of foreign states for confiscation of illegal earnings and also for the performance of certain proceedings relating to cases of searching for illegal earnings, seizure of property, confiscation of property, in particular, perform expert examination, interrogation of suspects, defendants, witnesses, victims and other persons, search, document seizure, transfer evidence, apprehend property, effect the delivery and dispatch of documents.

The expenses incurred in connection with performance under these requests shall be reimbursed under international treaties of the Russian Federation.

Article 11. Recognition of a Verdict (Decision) of a Court of a Foreign State

Under the international treaties of the Russian Federation and federal laws the verdicts (decisions) issued by the courts of foreign states and which have become final in respect of persons having illegal earnings shall be recognised.

Under the international treaties of the Russian Federation verdicts (decisions) issued by the courts of foreign states and which have become final concerning the confiscation of earnings located on the territory of the Russian Federation and received illegally or property equivalent thereto shall be recognised and executed.

Under an applicable international treaty of the Russian Federation confiscated earnings which have been received illegally or property equivalent thereto may be transferred in full or in part to the foreign state whose court has issued a confiscation decision.

Article 12. Extradition and Transit Transportation

The decision to extradite to a foreign state persons who have committed offences relating to the legalisation (laundering) of illegal earnings shall be made on the basis of the Russian Federation’s obligations ensuing from an international treaty of the Russian Federation. The decision to transport the said persons on the territory of the Russian Federation shall be made in the same manner.

If the Russian Federation does not have a relevant treaty with the foreign state that has

filed an extradition request the said persons may be extradited for offences relating to the legalisation of illegal earnings and the financing of terrorism, given the observance of the mutuality principle.

Chapter V. Concluding Provisions

Article 13. Liability for a Breach of the Present Federal Law

Where organisations accomplishing transactions in amounts of money or other property and acting under a license are in breach of the provisions of Articles 6 and 7 of the present Federal Law, except for Item 3 Article 7 of the present Federal Law, this may cause revocation (annulment) of the license in the manner envisaged by Russian law.

The persons guilty of breaching the present Federal Law shall be liable under the administrative, civil and criminal law of the Russian Federation.

Article 14. The Prosecutor's Supervision

The Prosecutor General of the Russian Federation and the prosecutors reporting thereto shall be responsible for supervision over the observance of the present Federal Law.

Article 15. Appealing the Actions of the Authorised Body and Its Officials

A person concerned may apply to the court claiming the protection of the person's violated or disputed rights and lawful interests in the manner established under law.

Article 16. Entry into Force of the Present Federal Law

The present Federal Law shall come into force as of February 1, 2002.

Article 17. Bringing Regulatory Legal Acts in Line with the Present Federal Law

Regulatory legal acts of the President of the Russian Federation and the Government of the Russian Federation, laws and other regulatory acts of the Russian regions shall be brought in line with the present Federal Law before it enters into force.

President
of the Russian Federation V.Putin

LAW
OF THE RUSSIAN FEDERATION
NO. 4015-1 OF NOVEMBER 27, 1992
ON THE ORGANIZATION OF INSURANCE BUSINESS IN THE RUSSIAN FEDERATION

Chapter 1. General Provisions

Article 1. The Relationships Regulated by the Present Law

1. The present Law regulates relationships between persons pursuing activity in the insurance business area or involving the participation of such persons, the relationships in carrying out state supervision over the activities of insurance businesses and also the other

relationships relating to the organisation of the insurance business.

2. The relationships specified in Item 1 of the present article are also regulated by federal laws, decrees of the President of the Russian Federation, decisions of the Government of the Russian Federation adopted in compliance with the present Law.

In the cases envisaged by the present Law federal executive governmental bodies may adopt regulatory legal acts within the scope of their powers.

3. For the purposes of the present Law the federal laws and other regulatory legal acts envisaged by Items 1 and 2 of the present article are deemed an integral part of the insurance legislation.

4. The present Law shall extend to the compulsory insurance relationships in as much as it concerns the establishment of legal foundations for the regulation of said relationships.

5. This Law shall not extend to the relations concerning obligatory insurance of natural persons' deposits made with banks and insurance of export credits against commercial and political risks carried out by a state corporation which is entitled to exercise such activity by the Federal Law serving as a basis for establishment thereof.

6. The operation of this Federal Law shall extend to insurance organizations engaged in compulsory medical insurance, subject to the specifics established by the Federal Law on Compulsory Medical Insurance in the Russian Federation.

Article 2. The Insurance and Insurance Activities (Insurance Business)

1. "Insurance" means relationships in protecting the interests of natural and juridical persons, the Russian Federation, the Russian regions and municipal formations at the onset of certain insured events at the expense of monetary funds maintained by insurers made up of paid insurance premiums (insurance contributions) as well as other funds of insurers.

2. "Insurance activity" ("insurance business") means the area of insurers' activity of insurance, re-insurance, mutual insurance as well as of insurance brokers, insurance actuaries in terms of providing services related to insurance or re-insurance.

Article 3. The Goal and Objectives of the Organisation of the Insurance Business. The Forms of Insurance

1. The goal of the organisation of the insurance business is to protect the property interests of natural and juridical persons, the Russian Federation, the Russian regions and municipal formations on the onset of insured events.

The objectives of organisation of the insurance business are as follows:

to pursue a uniform state policy in the area of insurance;

to establish principles of insurance and to form insurance mechanisms which ensure the economic safety of citizens and economic entities/businesses in the territory of the Russian Federation.

2. Insurance shall be pursued in the forms of voluntary insurance and compulsory insurance.

3. Voluntary insurance shall be pursued on the basis of an insurance contract and insurance rules defining the general terms and procedure for insurance. Insurance rules shall be adopted and approved by an insurer or an association of insurers in compliance with the Civil Code of the Russian Federation and the present Law and they shall contain provisions concerning insurance businesses, objects of insurance, insured events, insurance risks, the procedure for calculating the insured amount, insurance tariffs, insurance premiums (insurance contributions), the procedure for concluding, performing and terminating contracts of insurance, the rights and duties of the parties, the assessment of damages or actual losses,

the procedure for calculating the insurance compensation, the conditions for refusal to pay insurance compensation as well as other provisions.

4. The terms and procedure for the pursuance of compulsory insurance shall be defined by federal laws on specific types of compulsory insurance. A federal law on a specific kind of compulsory insurance shall contain provisions defining:

a) insurance businesses;

b) the objects subject to insurance;

c) a list of insurable events;

d) the minimal insured amount or the procedure for assessing it;

e) the rate, structure or procedure for setting the insurance tariff;

f) the term and procedure for the payment of insurance premium (insurance contribution);

g) the effective term of a contract of insurance;

h) the procedure for assessing the amount of insurance compensation;

i) the monitoring of insurance practices;

j) the consequences of a default on or improper performance of obligations by insurance businesses;

l) other provisions.

Article 4. Objects of Insurance

1. The objects of personal insurance may be property interests relating to:

1) citizens' survival until a certain age or date, death, the onset of other events in citizens' lives (life insurance);

2) the infliction of harm to citizens' life, health, the provision of medical services to citizens (event and disease insurance, medical insurance).

2. The objects of property insurance may be property interests, in particular relating to:

1) the possessing, using and disposing of property (property insurance);

2) the duty to compensate for harm caused to other persons (civil liability insurance);

3) the pursuance of entrepreneurial activity (entrepreneurial risk insurance).

3. Insurance of illegal interests, and also of interests, though not illegal, of which insurance is prohibited by law, is prohibited.

4. Unless otherwise established by a federal law, insurance may be effected in respect of objects falling within different kinds of property insurance and/or personal insurance (combined insurance).

5. In the territory of the Russian Federation the insurance (except for reinsurance and other cases provided for by federal laws) of interests of juridical persons and also of the natural persons being Russian Federation residents may be pursued only by insurers holding licences obtained in the procedure established by the present Law.

Article 4.1. Participants in the Relationships Regulated by the Present Law

1. Participants in the relationships regulated by the present Law shall be as follows:

1) insurers, insureds, beneficiaries;

2) insurance organisations;

3) mutual insurance societies;

4) insurance agents;

5) insurance brokers;

6) insurance actuaries;

7) the federal executive governmental body charged with exercising the functions of

control and supervision in the field of insurance activity (insurance business) (hereinafter referred to as "the insurance supervision body").

8) associations of subjects of insurance business, in particular, self-regulating organisations.

2. Insurance organisations, mutual insurance societies, insurance brokers and insurance actuaries are deemed insurance businesses.

The activities of insurance businesses shall be subject to licensing, except for the activities of insurance actuaries who are subject to attestation.

Information on insurance businesses shall be subject to entry in the comprehensive state register of insurance businesses in the procedure established by the insurance supervision body.

3. The name (company name) of an insurance business being a legal entity shall contain the following:

1) an indication of the insurance business' organisational legal form;

2) an indication of the insurance business' type of activity either with the words "insurance" and/or "reinsurance" or "mutual insurance" or "insurance broker" and also derivatives from such words and word combinations;

3) an indication that individualises the insurance business.

4. An insurance business being a legal entity is not entitled to use completely an indication that individualises another insurance business. This provision does not extend to companies that are affiliated or dependent in respect of the insurance business.

Article 5. Insurants

1. Insurants shall be those recognized as being legal persons and actively capable, natural persons who concluded contracts of insurance with the insurers or who are an insured party by the operation of law.

2. Abrogated.

3. Abrogated.

Article 6. Insurers

1. Insurers that are juridical persons formed under the legislation of the Russian Federation for the purpose of pursuing insurance, reinsurance, mutual insurance that have obtained licences in the procedure established by the present Law.

2. The insurers shall carry out insurance risk assessment, receive insurance premiums (insurance contributions), maintain insurance reserves, invest assets, assess the amount of damages or actual losses, disburse insurance compensation, commit other actions relating to the performance of obligations under a contract of insurance.

Insurers shall be entitled to pursue either only personal insurance envisaged by Item 1 of Article 4 of the present Law, or only property insurance and personal insurance envisaged by Item 2 and Subitem 2 of Item 1 of Article 4 of the present Law respectively.

2.1. The insurers shall be bound to create conditions enabling to ensure the safekeeping of the documents whose list and whose safekeeping requirements are established by the federal executive power body exercising the functions of formulation of the state policy and normative legal regulation of insurance activities (hereinafter referred to as the insurance regulation body.

3. Insurance organizations being affiliates of foreign investors (parent organizations) or having a foreign investor's stake that makes up over 49 per cent of their authorized capital shall not pursue the following in the Russian Federation: the personal insurance envisaged by Subitem 1 of Item 1 of Article 4 of the present Law, compulsory insurance, compulsory state

insurance, property insurance relating to the performance of deliveries or of works under a contract for state needs as well as insurance of property interests of state and municipal organizations.

For the purposes of the present Law "foreign investors" are the foreign organisations having a right to invest, in the procedure and on the terms established by the legislation of the Russian Federation, in the territory of the Russian Federation into the charter capital of an insurance organisation that has been formed or is being formed in the territory of the Russian Federation.

If the stake (quota) of foreign capital in the authorized capitals of insurance organizations exceeds 25 per cent the insurance supervision body shall terminate the issuance of licenses for the pursuance of insurance activities to the insurance organizations being affiliates of the foreign investors (parent organizations) or having the foreign investors' stake in their authorized capital exceeding 49 per cent.

The aforesaid stake (quota) shall be computed as a ratio of the total capital owned by the foreign investors and their affiliates in the authorized capitals of insurance organizations to the aggregate authorized capital of the insurance organizations.

The insurance organization must obtain a preliminary permission from the insurance supervision body to increase the amount of its authorized capital at the expense of a foreign investor and/or affiliates thereof, to alienate for the benefit of a foreign investor (including but not limited to, sale to a foreign investor) its shares (stakes in the authorized capital) and the Russian shareholders (stake-holders) to alienate the shares (stakes in the authorized capital) of the insurance organization owned by them for the benefit of foreign investors and/or affiliates thereof. The issuance of said preliminary permission shall not be refused for insurance organisations which are affiliated companies of foreign investors (parent organisations) or which have a foreign investors' stake of over 49 per cent in their charter capitals or which are becoming such as the result of the said transactions, unless the amount (quota) set by the present item is exceeded as they are accomplished.

Payment by foreign investors for the shares (stakes in authorized capitals) of insurance organizations owned by them shall be effected exclusively in monetary form in the currency of the Russian Federation.

Persons who act in the capacity of sole executive and chief accountant of insurance organizations with foreign investment shall permanently reside on the territory of the Russian Federation.

4. An insurance organization being an affiliate of a foreign investor (parent organization) is entitled to pursue insurance activities in the Russian Federation if the foreign investor (parent organization) has been an insurance organization for at least 15 years as pursuing its activities in keeping with the legislation of a respective state and has been participating for at least two years in the activities of insurance organizations set up on the territory of the Russian Federation.

Insurance organizations being affiliates of foreign investors (parent organizations) or having foreign investors' stake in their authorized capital exceeding 49 per cent may set up their branches on the territory of the Russian Federation, participate in affiliated insurance organizations upon the obtaining of a preliminary permission to do so from the insurance supervision body. The said preliminary permission shall be denied if the stake (quota) of foreign capital in insurance organizations of the Russian Federation specified under Item 3 of the present article has been exceeded.

5. The rules established by Paragraphs 1, 6 and 7 of Item 3 and Item 4 of the present article, and also by Item 5 of Article 32.1 of the present Law shall not extend to insurance organisations that are affiliated companies of foreign investors (parent organisations) of the member states of the European Community being party to the Agreement on Partnership and

Cooperation Instituting Partnership between the Russian Federation on the One Hand and the European Community and the Member States Thereof on the Other of June 24, 1994 or have such foreign investors' stake of over 49 per cent in their charter capital.

Article 7. Procedure for Regulating the Activities of a Mutual Insurance Society

Activities of mutual insurance societies shall be regulated by the Civil Code of the Russian Federation, this Law, Federal Law on mutual insurance and by other federal laws.

Article 8. Insurance Agents and Insurance Brokers

1. "Insurance agents" means natural persons who permanently reside on the territory of the Russian Federation and pursue their activities under a civil law contract or Russian legal entities that represent an insurer in dealings with an insured person and that act on behalf of the insurer and on the instructions thereof in accordance with the powers vested therein.

2. "Insurance brokers" means natural persons who permanently reside on the territory of the Russian Federation and have registered in the procedure established by the legislation of the Russian Federation as individual entrepreneurs or Russian legal entities (commercial organisations) that act in the interests of an insured person (re-insured) or insurer (re-insurer) and carry out the activity of providing services related to the conclusion of contracts of insurance (re-insurance) between an insurer (re-insurer) and insured (re-insured), and also to the performance of the said contracts (hereinafter referred to as "provision of the services of an insurance broker"). While providing services related to the conclusion of the said contracts, the insurance broker is not entitled to simultaneously act in the interests of the insured and the insurer.

Insurance brokers shall be entitled to pursue another activity, not prohibited by law, relating to insurance, except for activity in the capacity of an insurance agent, insurer, re-insurer.

Insurance brokers shall not be entitled to pursue an activity not connected to insurance.

3. The activity of insurance agents and insurance brokers of providing services related to the conclusion and performance of contracts of insurance (except for contracts of re-insurance) with foreign insurance organisations or foreign insurance brokers on the territory of the Russian Federation is prohibited.

4. For the purpose of concluding contracts of re-insurance with foreign insurance organisations, insurers are entitled to conclude contracts with foreign insurance brokers.

Article 8.1. Insurance Actuaries

1. "Insurance actuaries" are natural persons permanently residing on the territory of the Russian Federation who hold a qualification certificate and pursue under a labour contract or a civil-law contract concluded with an insurer the activity of calculating insurance tariffs, the insurer's insurance reserves and assessing the insurer's investment projects by means of actuarial studies.

2. According to the results of each financial year, insurers must carry out an actuarial assessment of the insurance obligations assumed (insurance reserves). The results of the actuarial assessment shall be reflected in an appropriate report filed with the insurance supervision body in the procedure established by the insurance regulation body.

3. The standards governing the procedure for holding qualification examinations for insurance actuaries and the issuance and annulment of qualification certificates shall be

established by the insurance regulation body.

Article 9. The Insurance Risk, the Insured Event

1. The uninsurable risk represents a supposed event the onset of which is to be insured against.

The event regarded as an insurable risk shall possess the signs that its onset is probable and accidental.

2. The insurable event represents the occurrence of an event foreseen by an insurance contract or by the law, at the onset of which the insurer shall be obliged to make an insurance payment to the insurant, insured party, beneficiary or other third party.

3. Abrogated.

Article 10. The Insured Amount and the Insurance Compensation

1. “Insured amount” is the amount of money set by a federal law and/or defined by an insurant contract which is used to set the amount of insurance premium (insurance contribution) and the amount of insurance compensation disbursable on the onset of an insured event.

2. When a property is insured, the insured amount shall not exceed the actual value (insurance value) of the property as of the time of conclusion of the insurance contract. The parties shall not dispute the insurance value of the property defined by the insurance contract, except for cases when the insurer proves that the insurer has been mislead by the insured.

In personal insurance the insured amount shall be set by the insurer by agreement with the insured.

3. “Insurance disbursement” is an amount of money established by a federal law and/or an insurance contract which is payable by the insurer to the insured, insurant, beneficiary upon the onset of the insured event.

Insurance disbursements under insurance contracts shall be effected in Russian currency, except for the cases specified by Item 4 of the present article, the currency legislation of the Russian Federation and the normative legal acts of the currency regulation bodies adopted in compliance with it.

4. According to the terms of insurance of property and/or civil liability within the insured amount an insurance disbursement (insurance compensation) may be replaced by the provision of property similar to the property lost.

5. In the event of loss of, damage to an insured property the insured, beneficiary shall be entitled to waive his right to the property for the benefit of the insurer for the purpose of receiving an insurance disbursement (insurance compensation) from the insurer equal to the full insured amount.

6. In the event of personal insurance an insurance disbursement (insured amount) shall be paid to the insured or a person entitled to receive the insurance disbursement (insured amount) under the insurance contract, no matter the amounts of money due thereto under other insurance contracts, and also under compulsory social insurance, welfare and compensation-for-harm schemes.

In life insurance the insurer may pay out a portion of investment income in addition to the insured amount.

7. In the event of rescission of a contract of life insurance envisaging the insured’s survival to a certain age or date or the onset of another event the insured shall be entitled to a refund of an amount within the limits of the insurance reserve maintained in the established manner as of the date of termination of the insurance contract (buy-back amount).

8. Organisations and individual entrepreneurs shall provide insurers, on their request,

with the documents and reports relating to the onset of an insured event as might be required for resolving the issue of insurance disbursements, in compliance with the legislation of the Russian Federation.

Article 11. The Insurance Premium (Insurance Contribution) and the Insurance Tariff

1. The insurance premium (insurance contribution) shall be paid by the insured in Russian currency, except for the cases envisaged by the currency legislation of the Russian Federation and the normative legal acts of the currency regulation bodies adopted in compliance with it.

2. "Insurance tariff" is the rate of insurance premium per unit of the insured amount with account taken of the object of insurance and the character of insurance risk.

The specific size of an insurance tariff shall be set by a contract of voluntary insurance by agreement of the parties.

Insurance tariffs for types of compulsory insurance shall be established in accordance with federal laws on the types of compulsory insurance.

Article 12. Co-Insurance

"Co-insurance" is insurance of one and the same object of insurance by several insurers under a single insurance contract.

Article 13. Re-Insurance

1. "Re-insurance" is the activity of one insurer's (re-insurer's) protecting the property interests of another insurer (re-insurer) connected with the latter's obligations assumed under an insurance contract (basic contract) to effect an insurance disbursement.

2. No re-insurance shall be effected in respect of a risk of insurance disbursement under a contract of life insurance in as much as it concerns the insurant's survival until a certain age or date or the onset of another event.

3. The insurers holing life insurance licences shall not be entitled to re-insure property insurance risks assumed by insurers.

4. Re-insurance shall be pursued under a contract of re-insurance concluded between an insurer and a re-insurer in compliance with the provisions of civil legislation.

5. Apart from a re-insurance contract, other documents applicable depending on business customs may be used to confirm an agreement between a re-insured and a re-insurer.

Article 14. Associations of Insurance Businesses

1. For the purpose of coordinating their activities, representing and protecting the common interests of their members, insurance businesses may form unions, associations etc.

2. Information on a union of insurance businesses shall be subject to entry in the register of associations of insurance businesses on the basis of copies of certificates of state registration of such associations and their constitutive documents filed with the insurance supervision body.

Article 14.1. Insurance Pools

Under a contract of simple partnership (contract of joint activity) insurers may carry out joint activities without setting up a juridical person in order to ensure the financial stability of insurance transactions for specific kinds of insurance (insurance and re-insurance pools).

Federal Law No. 157-FZ of December 31, 1997 excluded Chapter II from this Law

Chapter III. The Security for the Financial Stability of Insurers

Article 25. Conditions for Ensuring Insurer's Financial Stability

1. As guarantees for ensuring the financial stability of an insurer shall be deemed economically-feasible insurance tariffs; insurance reserves sufficient to discharge obligations under contracts of insurance, co-insurance, re-insurance, mutual insurance; own resources; and re-insurance.

The insurer's insurance reserves and own resources shall be underpinned by assets meeting the criteria of diversification, liquidity, repayment and profitability.

2. Insurers' (except for mutual insurance societies) own resources shall incorporate charter capital, reserve capital, supplementary capital, undistributed profit.

3. Insurers (except for mutual insurance societies) shall possess a fully paid up charter capital in an amount not below the minimum charter capital level set by the present Law.

The minimum amount of the charter capital of an insurer shall be assessed on the basis of a basic amount of the insurer's charter capital equal to 30 million roubles and the following coefficients:

1 for insurance of the objects envisaged by Subitem 2 of Item 1 of Article 4 of the present Law;

1 for insurance of the objects envisaged by Subitem 2 of Item 1 and/or Item 2 of Article 4 of the present Law;

2 for insurance of the objects envisaged by Subitem 1 of Item 1 of Article 4 of the present Law;

2 for insurance of the objects envisaged by Subitems 1 and 2 of Item 1 of Article 4 of the present Law;

4 for re-insurance and also for insurance combined with reinsurance.

A change in the minimum amount of the charter capital of an insurer is only admitted under federal law not more than once in two years and involves the establishment of a transitional period as a compulsory feature.

It is prohibited to contribute borrowed funds or pledged property into charter capital.

3.1. A list of the documents proving satisfaction of the requirements for the insurer's charter capital established by this Law shall be defined by the insurance regulation body.

4. Insurers shall observe the provisions concerning financial stability established by the present Law and regulatory legal acts of the insurance regulation body in as much as concerns the maintenance of insurance reserves, the composition and structure of the assets acceptable as coverage for insurance reserves, reinsurance quotas, rated ratio of insurer's own resources to obligations assumed, the composition and structure of the assets acceptable as coverage for insurer's own resources and also for the issuance of banking guarantees.

5. The insurer (except for a mutual insurance society) may transfer the obligations he has assumed under insurance contracts (insurance portfolio) to one insurer or several insurers (replacement of insurer) holding licences for the types of insurance for which the insurance portfolio is transferred and having sufficient own resources, i.e. complying with the solvency requirements taking account of the newly assumed obligations. The transfer of an insurance portfolio is effected in the procedure established by the legislation of the Russian Federation.

An insurance portfolio shall not be transferred if:

the insurance contract to be transferred have been concluded in breach of the legislation of the Russian Federation;

the insurer which is accepting the insurance portfolio does not observe the financial stability provisions established by Items 1 - 5 of the present article;

there is no written consent by the insureds, insurants to replacement of the insurer (except as established by Federal Law No. 127-FZ of October 26, 2002 on Insolvency (Bankruptcy) (hereinafter referred to as the Federal Law on Insolvency (Bankruptcy));

the licence of the insurer accepting the insurance portfolio lacks an indication of the type of insurance for which the insurance contract have been concluded;

the insurer handing over the insurance portfolio lacks assets acceptable as coverage for insurance reserves (except for cases of insolvency (bankruptcy)).

Simultaneously with the transfer of an insurance portfolio, assets are transferred in the amount of insurance reserves matching the insurance obligations being transferred.

If there is a discrepancy between the insurance rules of the insurer which is accepting an insurance portfolio and the insurance rules of the insurer which is handing over the insurance portfolio, modifications in the terms of the insurance contracts shall be agreed with the insured.

Article 26. Insurance Reserves

1. To ensure the discharge of obligations related to insurance, reinsurance and mutual insurancem, insurers shall form insurance reserves in the procedure established by a normative legal act of the body in charge of insurance regulation.

2. Insurance reserve funds shall be used exclusively for making insurance disbursements.

3. Insurance reserves shall not be subject to withdrawal for the benefit of the federal budget and budgets of the other levels of the budgetary system of the Russian Federation.

4. Insurers shall be entitled to invest and other wise float insurance reserve funds in the procedure established by a regulatory legal act of the insurance regulation body.

The floatation of insurance reserve funds shall be effected on the conditions of diversification, repayment, profitability and liquidity.

5. When insurance concerns the personal insurance objects envisaged by Subitem 1 of Item 1 of Article 4 of the present Law the insurer shall be entitled to extend a loan to the insured being a natural person, within the limits of the insurance reserve maintained under an insurance contract concluded for at least a five-year term.

6. The insurance organisation is entitled to maintain a preventive measures fund for the purpose of financing measures for prevention of insured events.

Article 27. Abolished

Article 28. Bookkeeping and Accounting

1. Insurers shall do their bookkeeping, draw up accounting and statistical reports in compliance with the chart of accounts, bookkeeping rules, bookkeeping and accounting forms endorsed by the insurance regulation body in compliance with the legislation.

2. Separate bookkeeping shall be maintained for transactions of insurance of the personal insurance objects envisaged by Subitem 1 of Item 1 of Article 4 of the present Law and transactions of insurance other objects.

3. Insurers shall file accounting and statistical reports with the insurance supervision body as well as other information according to the forms and in the procedure established by insurance regulation body.

Insurance brokers shall provide the insurance supervision body with information on insurance brokerage activity in the procedure established by the insurance supervision body.

Article 29. Publication of Annual Financial Reports by Insurers

1. Insurers shall publish annual financial reports in the procedure and within the term established by regulatory legal acts of the Russian Federation after an audit confirmation has been obtained of the reliability of the information contained in such reports.

2. The publication of annual financial reports shall be done in the mass media, in particular those propagated in the territory where the insurer is pursuing his activities. Information on the publication shall be provided by the insurer to the insurance supervision body.

Chapter IV. State Supervision over the Activities of Insurance Businesses

Article 30. State Supervision over the Activities of Insurance Businesses

1. State supervision over the activities of insurance businesses (hereinafter referred to as "insurance supervision") shall be effectuated for the purpose of their observing the insurance legislation, preventing and stopping offences committed by participants in the relationships governed by the present Law, the insurance legislation, ensuring the protection of rights and lawful interests of insurers, other persons concerned as well as the state, providing for an effective development of the insurance business.

2. Insurance supervision shall be performed based on the concepts of legality, transparency and organisational integrity.

3. Insurance supervision shall be carried on by the insurance supervision body and its territorial bodies.

The insurance supervision body shall publish the following in the printed organ designated by it:

1) explanations of matters put within the jurisdiction of the insurance supervision body;

2) information from the comprehensive state register of subjects of insurance business, a register of associations of subjects of insurance business;

3) documents on limitation, suspension or resumption of an insurance activity licence;

4) documents on revocation of an insurance activity licence;

5) other information concerning control and supervision in the field of insurance activity (insurance business);

6) normative legal acts adopted by the insurance regulation bodies.

4. Insurance supervision shall incorporate the following:

1) the licensing of activities of insurance businesses, the attestation of insurance actuaries and the keeping of the comprehensive state register of insurance businesses, the register of associations of insurance businesses;

2) the monitoring of observance of the insurance legislation, in particular by means of on-site inspection of insurance businesses' activities and verification of the reports filed by them, and also the monitoring of insurers' success in ensuring their financial stability and solvency;

3) the issuance, within 30 days in the cases envisaged by the present Law, of permission to increase the amount of charter capitals of insurance organisations on the account of foreign investors' funds, to accomplish, with participation of foreign investors, the transactions of alienation of shares (stakes in charter capitals) of insurance organisations, to open representative offices of foreign insurance, re-insurance, brokerage and other organisations pursuing activities in the area of insurance, and also to open branches of insurers with foreign investment;

6) the adoption of the decision on appointing the provisional administration, on suspending and restricting the authority of the executive body of an insurance organisation in

the instances and in the procedure which are established by the Federal Law on Insolvency (Bankruptcy).

5. Insurance businesses must:

file the established reports on their activities, provide information on their financial state;

observe the provisions of the insurance legislation and comply with prescriptions of the insurance supervision body for elimination of breaches of the insurance legislation;

provide, at requests of the insurance supervision body, information as might be required for it to pursue insurance supervision (except for information deemed banking secret).

Article 31. The Suppression of Monopolistic Activity and Unfair Competition in the Insurance Market

The prevention, restriction and suppression of monopolistic activity and unfair competition in the insurance market shall be effected by the federal antimonopoly body in accordance with the antimonopoly legislation of the Russian Federation.

Article 32. Licensing the Activities of Insurance Businesses

1. The licensing of activities of insurance businesses shall be effected on the basis of their applications and documents filed in keeping with the present Law.

An insurance, re-insurance, mutual insurance, insurance brokerage licence (hereinafter also referred to as a "licence") shall be issued to insurance businesses.

The right to pursue activity in the area of insurance is granted only to an insurance business that has obtained a licence.

2. To obtain a voluntary and/or compulsory insurance licence the licence applicant shall file the following with the insurance supervision body:

1) a licence application;

2) the constitutive documents of the licence applicant;

3) a document confirming that the licence applicant has undergone state registration as a juridical person;

4) the minutes of the meeting of founders on the approval of the constitutive documents of the licence applicant and on the approval of the sole executive body, the head (heads) of the collective executive body of the applicant for the licence;

5) information on the composition of shareholders (stakeholders);

6) documents confirming that the charter capital has been paid up in full;

7) documents confirming the state registration of the juridical persons being the founders of the insurance business, an auditor's report on the reliability of their financial reports for the last accounting period, if a compulsory audit is envisaged for them;

8) information on the sole executive body, head (heads) of the collective executive body, chief accountant, head of internal audit commission (internal auditor) of the licence applicant;

9) information on the insurance actuary;

10) insurance rules for the types of insurance envisaged by the present Law, with specimens of the documents being used;

11) calculations of insurance tariffs together with the actuarial calculation methodology being used and an indication of the source of original data as well as the tariff rate structure;

12) the regulations on insurance reserve maintenance;

13) economic feasibility study for the types of insurance pursued.

14) the documents (according to the list established by normative legal acts of the insurance regulation body) which prove the sources of the monetary assets contributed to the charter capital by the founders of the licence applicant who are natural persons.

3. To obtain a licence for the pursuance of additional types of voluntary and/or compulsory insurance envisaged by the classification, the licence applicant shall file the documents specified in Subitems 1, 10 - 13 of Item 2 of the present article with the insurance supervision body.

4. Applicants for re-insurance licences shall not be subject to Subitems 9, 10 (so far as it concerns the presentation of insurance rules for types of insurance), Subitem 11 of Item 2 of the present article (except for specimens of the documents used in re-insurance).

4.1. In order to obtain the licence for pursuance of mutual insurance the licence applicant (a non-profit organisation) shall submit the following to the body in charge of insurance supervision:

1) an application for issuance of the licence;

2) the charter of the mutual insurance society;

3) a document proving state registration of the mutual insurance society as a legal entity;

4) data on the chairman of the board of directors, director, chief accountant, and chairman of the inspection commission (inspector) of the mutual insurance society;

5) regulations on forming insurance reserves;

6) insurance rules for the kinds of insurance established by this Law and for those entered to the articles of the mutual insurance society, except for the kinds of insurance provided for by Subitems 1-5 of Item 1 of Article 32.9 of this Law, with models of documents which are used attached thereto (if the society's articles provide for making a contract of insurance).

4.2. If the articles of a mutual insurance society are amended, as regards supplementing the list of kinds of insurance, the regulations on forming insurance reserves and the insurance rules in respect of such kinds of insurance shall be sent to the body in charge of insurance supervision for coordination. A decision on the coordination or on the refusal to effect such coordination shall be taken on the basis of the results of consideration of the said documents by the body in charge of insurance supervision at the latest in thirty working days as of the date of receiving the said documents by the body in charge of insurance supervision. The body in charge of insurance supervision is obliged to report to a mutual insurance company about the adopted decision within five working days as of the date of rendering the decision. A procedure for coordinating regulations on forming insurance reserves and the insurance rules in respect of supplementary kinds of insurance shall be established by the body in charge of insurance regulation. A mutual insurance society is not entitled to effect supplementary kinds of insurance before receiving a decision on coordination with the body in charge of insurance supervision of the regulations on forming insurance reserves and the insurance rules concerning such kinds of insurance.

5. To obtain an insurance brokerage licence, the licence applicant shall file the following with the insurance supervision body:

1) a licence application;

2) a document confirming that the licence applicant has undergone state registration as a juridical person or individual entrepreneur;

3) the constitutive documents of the licence applicant that is a juridical person;

4) specimens of the contracts required for pursuing insurance brokerage activity;

5) documents confirming the qualifications of the insurance broker's employees and the qualification of an insurance broker who is an individual entrepreneur.

6. The documents cited in Subitems 2, 3, 6 and 7 (as regards the documents

concerning the state registration) of Item 2, in Subitems 2 and 3 of Item 4.1, Subitems 2 and 3 of Item 5 of this article shall be submitted in the from of copies attested and certified by a notary.

Requirements for the application, data and documents cited in Subitems 5, 8, 9 and 13 of Item 2, Subitem 4 of Item 4.1 and Subitem 4 of Item 5 of this article shall be established by the body in charge of insurance regulation.

7. Licences applicants which are affiliated companies of foreign investors (parent organisations) or which have a foreign investor's stake of over 49 per cent in their charter capitals shall file the following in the procedure envisaged by the legislation of the country where the foreign investors are located in addition to the documents specified in Item 2 of the present article: the consent in writing of the appropriate agency charged with supervision over insurance activity of the country of location to the foreign investors' participation in the charter capital of insurance organisations set up in the territory of the Russian Federation or a notice to the insurance supervision body on the absence of a provision requiring such permission in the country where the foreign investors are located.

7.1. The federal law on a specific kind of obligatory insurance may establish additional requirements for applicants for the licence permitting to carry out obligatory insurance.

8. The lists of documents filed by licences applicants for the purposes of obtaining a licence defined by the present article are exhaustive, except when federal laws on specific kinds of obligatory insurance provide for other lists. In order to verify information received the insurance supervision body is entitled to forward written requests to organisation for provision of information (with the scope of their competence) as concerning the documents filed by a licence applicant, in keeping with the legislation of the Russian Federation.

9. If the documents specified in the present article have been filed in appropriate form the insurance supervision body shall issue a written notice to the licence applicant, acknowledging receipt of the documents.

10. Insurers and insurance brokers must provide notification in writing to the insurance supervision body of amendments made to the documents which have served as the basis for issuance of a licence under Subitems 2, 3, 5, 6, 7 (as far as state registration documents are concerned), 8 - 13 of Item 2, Subitems 2 - 6 of Item 4.1, Subitems 3, 4 and 5 of Item 5 of the present article and they must simultaneously file documents confirming such amendments, within 30 days after the date of the amendments.

11. The decision to issue a licence or refuse to issue a licence shall be taken by the insurance supervision body within at most 120 days after the day when the insurance supervision body receives all the documents provided for under the present Article for the purposes of obtaining the licence by the applicant for it.

The decision to issue the licence or refuse to issue the licence for carrying out an additional kind of voluntary and/or obligatory insurance provided for by the classification of the kinds of insurance, as well as for carrying out reinsurance, shall be adopted by the insurance supervision body within at most 60 days after the date when the insurance supervision body receives all the documents provided for under the present Article for the purposes of obtaining the licence by the applicant for it.

The insurance supervision body shall be bound to notify the licence applicant of the adoption of the cited decision within five working days after the date of the decision's adoption.

12. The documents filed by insurance businesses with the insurance supervision body

shall be drawn up in the Russian language.

Article 32.1. Qualification and Other Standards

1. The heads (in particular, the sole executive body) of an insurance business that is a juridical person (except for a mutual insurance association) or an individual entrepreneur engaged in insurance business shall have a higher education in economics or finance confirmed by a document certifying higher education in economics or finance recognised in the Russian Federation and also at least a two-year record of work in the area of insurance and/or finance.

1.1. The heads (including a one-man executive body) of a mutual insurance association must have higher education confirmed by a document about higher education recognised in the Russian Federation and also a length of work at an insurance or reinsurance organisation, or at a mutual insurance association and/or in the sphere of finance of no less than two years.

2. The chief accountant of the insurer (except for a mutual insurance association) or the chief accountant of an insurance broker shall have a higher education in economics or finance confirmed by a document certifying higher education in economics or finance recognised in the Russian Federation and also at least a two-year record of employment in his/her speciality with an insurance/reinsurance organisation and/or a brokerage organisation registered in the territory of the Russian Federation.

2.1. The chief accountant of a mutual insurance association must have higher education confirmed by a document about higher education recognised in the Russian Federation, and also a length of work in an economic speciality or at a post requiring knowledge of bookkeeping of no less than two years at an insurance or reinsurance organisation or at a mutual insurance association and/or at a broker organisation registered on the territory of the Russian Federation.

3. Abolished

4. An insurance actuary shall have a higher education in mathematics (technology) or economics confirmed by a document certifying higher education in mathematics (technology) or economics recognised in the Russian Federation and also a qualification certificate confirming his/her knowledge in the area of actuarial calculations.

5. The heads (in particular, the sole executive body) and the chief accountant of an insurance business that is a juridical person shall permanently reside on the territory of the Russian Federation.

Article 32.2. Abolished

Article 32.3. Grounds for Refusing to Issue of a Licence to a Licence Applicant

1. Below are the grounds for refusing the issuance of a licence to a licence applicant:

1) the use - by a contender for a licence being a legal entity that has applied with a tax supervision body for a licence - of a complete indication that individualises another insurance business about which information has been entered in the comprehensive state register of insurance businesses. This provision does not extend to companies which are affiliated or dependent in respect of the insurance business;

2) the availability of an uneliminated breach of the insurance legislation on the part of the licence applicant as of the date of filing of an application for the pursuance of additional types of voluntary and/or compulsory insurance, mutual insurance.

3) the non-compliance of the documents filed by the licence applicant for the purpose of obtaining a licence with the provisions of the present Law and regulatory legal acts of the insurance regulation body;

4) the non-compliance of the constitutive documents with the provisions of the

legislation of the Russian Federation;

5) the presence of unreliable information in the documents filed by the licence applicant;

6) the heads (in particular, the sole executive body) or the chief accountant of the licence applicant having an unremoved or unexpunged conviction on;

7) the insurers' failure to ensure their financial stability and solvency in keeping with regulatory legal acts of the insurance regulation body;

8) the existence of an undischarged prescription of the insurance supervision body;

9) the insolvency (bankruptcy) (in particular, deliberate or fictitious bankruptcy) of an insurance business that is a juridical person through the fault of a founder of the licence applicant.

2. The decision of the insurance supervision body to refuse the issuance of a licence shall be forwarded in writing to the licence applicant within five working days after the date of the decision complete with an indication of the reasons for the refusal.

The decision refusing to issue a licence shall contain a validation of the refusal and a compulsory reference to the irregularities committed and it shall be made within the term set by the present Law.

The decision refusing issuance of a licence shall be forwarded to the licence applicant together with a notice of delivery thereof.

Article 32.4. Annulling a Licence

A licence shall be annulled or the decision to issue a licence shall be revoked if:

the licence applicant has failed to take measures for collecting the licence within two months after the notice on issuance of the licence;

it is established before the time of issuance of the licence that the licence applicant has provided unreliable information.

Article 32.5. The Effective Term of a Licence

1. The licence shall be issued without a limitation of its effective term, except for the cases specified by the present Law, and shall be in effect from the date of its obtainment by the subject of the insurance business. The licence is not transferable to other persons.

2. A temporary licence may be issued for the term:

specified in the application filed by the licence applicant, but such a term not exceeding three years;

of one year to three years if information is lacking that allows a reliable assessment of the insurance risks envisaged by the insurance rules filed at licensing to be made, and also in the cases established by the insurance legislation.

3. The effective term of a licence may be extended at the application of the licence applicant, except as otherwise envisaged by the insurance legislation.

The prolongation of the effective term of a temporary licence may be refused if it is established that the licence applicant committed violations of the insurance legislation within its effective term and that they have not been eliminated within the established term.

4. The operation of the licence shall be terminated if the subject of insurance business which is an individual businessman terminates its activities, or the subject of insurance business which is a legal entity is liquidated or re-organised, except for re-organisation in the form of affiliation or detachment. The operation of the licence of the subject of the insurance business which is a legal entity whereto another legal entity is affiliated or wherefrom another legal entity is detached shall not be terminated.

5. The operation of the licence of the subject of insurance business which is a legal entity established by way of re-organisation in the form of transformation shall not be

terminated provided that the newly established legal entity complies with the requirements of the legislation of the Russian Federation. The body in charge of insurance supervision is obliged to replace the form of the licence to be issued to the subject of insurance business which is a legal entity established by way of re-organsaition in the form of transformation within ten working days as of the date of receiving the documents stipulated by Article 32 of this Law.

Article 32.6. Restrictions on or Suspension of a Licence

1. In the event of discovery of a breach of the insurance legislation a prescription for elimination of the breach (hereinafter referred to as a "prescription") shall be issued by the insurance supervision body to the insurance business.

2. A prescription shall be issued if:

1) an insurance business pursues an activity prohibited by the legislation and also if it pursues its activity in breach of the terms established for the purposes of issuance of the licence;

2) an insurer fails to observe the insurance legislation in as much as it concerns the maintenance and floatation of insurance reserves, as well as other funds that guarantee insurance disbursements;

3) an insurer fails to observe established requirements for the maintenance of the rated ratio of assets and liabilities assumed, other established requirements for the maintenance of financial stability and solvency;

4) an insurance business violates the established requirements concerning the filing of established reports with the insurance supervision body and/or its territorial body;

5) an insurance business failed to file, within the established term, documents demanded for insurance supervision purposes within the scope of powers of the insurance supervision body;

6) it has been discovered that an insurance business provided the insurance supervision body and/or its territorial body with incomplete and/or unreliable information;

7) an insurance business did not provide information, within the established term, on amendments introduced in the documents specified in Item 10 of Article 32 of the present Law (together with documents confirming such amendments).

3. The prescription shall be forwarded to the insurance business, and if necessary a copy of the prescription shall be forwarded to the appropriate executive governmental bodies.

Within the term set by the prescription the insurance business shall file documents with the insurance supervision body to confirm that the irregularities discovered have been eliminated.

The said documents shall be considered within 30 days after the receipt of all the documents confirming that the prescription has been performed in full.

The filing of documents confirming that the irregularities discovered have been eliminated by the insurance business within the established term shall serve as a ground for deeming the prescription discharged. The insurance business shall be informed of the lifting of the prescription within five working days after the date of the decision to this effect.

If later on it is discovered that the insurance business has filed documents containing unreliable information, this shall serve as a ground for deeming the prescription issued earlier undischarged.

4. If a prescription is not properly performed or is not performed when due and also if an insurance business declines to receive a prescription a restriction shall be put on the licence or the licence shall be suspended in the procedure established by the present Law.

5. A limitation on an insurer's licence means a ban on the conclusion of contracts of insurance for specific types of insurance, contracts of re-insurance, and also amendments

ensuing an increase in insurer's obligations to relevant contracts.

6. Suspension of a licence of a subject of insurance business means a ban on conclusion of contracts of insurance, contracts of reinsurance, contracts of provision of insurance broker's services, and also amendments ensuring an increase in obligations of a subject of insurance business to relevant contracts.

7. A decision of the insurance supervision body on imposing limitations on, or suspending, a licence shall be published in the printed organ designated by the insurance supervision body, within ten working days after such a decision and shall come into force as of the date of publication. A decision of the insurance supervision body on imposing limitations on, or suspending, a licence shall be forwarded in writing to the subject of insurance business within five working days after the entry of the decision into force together with an indication of reasons for the imposition of limitations on, or suspension of, the licence.

8. If necessary, a copy of the decision on imposition of restrictions on or suspension of a licence shall be forwarded to the appropriate executive governmental body.

9. Within the time period while the operation of a licence is restricted or it is suspended, the denomination (company name), location and postal address of an insurance business subject may be only changed, as well as an insurance business subject may be only reorganized, by a preliminary authorization of the insurance supervision body. The refusal of the insurance supervision body to issue the preliminary authorization must be reasoned.

10. Concurrently with suspending a licence (except when the provisional administration has been appointed earlier or one of the bankruptcy procedures is introduced in respect of an insurance organisation as of the date of adoption of the decision on the licence's suspension), the insurance supervision body shall appoint the provisional administration of the insurance organisation on the grounds and in the procedure which are provided for by the Federal Law on Insolvency (Bankruptcy).

11. Insurance business subjects are not entitled to open representative offices and branches thereof within the period while the operation of a licence is restricted or it is suspended without a preliminary authorisation of the insurance supervision body.

Article 32.7. Resuming a Licence

1. The resumption of a licence after is has been subjected to restrictions or suspension means restoration in full of the right of the insurance business to pursue the activity for which the licence was issued.

2. The grounds for lifting the sanctions envisaged by Items 5 and 6 of Article 32.6 of the present Law shall be the elimination in full by the insurance business within the established term of the irregularities discovered.

3. The decision to resume a licence shall enter into force as of the day when it is taken and it shall be brought to the notice of the insurance business and other persons concerned within 15 days after the date of the decision. The decision to resume a licence shall be published in the printed edition designated by the insurance supervision body.

Article 32.8. Terminating Insurance Activity of a Subject of the Insurance Business or Liquidation Thereof in Connection with a Revocation of Licence

1. The insurance activity of a subject of the insurance business is terminated on the below grounds: a decision of a court, and also a decision of the insurance supervision body on revocation of the licence, in particular, a decision taken on the application of the subject of

insurance business.

2. The insurance supervision body takes a decision on revocation of a licence:

1) as it carries out insurance supervision:

if a subject of insurance business does not eliminate within the established term the breach of the insurance legislation that served as a ground for imposing limitations on, or suspension of, the licence;

if within 12 months after receipt of a licence a subject of the insurance business does not proceed to pursue the activity envisaged by the licence or has not been pursuing this activity over the financial year;

in the other cases envisaged by a federal law;

2) on the initiative of a subject of insurance business: on the application in writing thereof whereby the subject refused to pursue the activity envisaged by the licence.

3. A decision of the insurance supervision body on revocation of a licence is subject to publication in the printed organ designated by the insurance supervision body, within ten working days after the decision and it shall enter into force as of the date of its publication, except as otherwise established by a federal law. The insurance supervision body's decision on revocation of the licence shall be forwarded in writing to the subject of insurance business within five working days after the decision takes effect, with the reasons for the revocation of the licence being indicated. A copy of the decision on revocation of the licence shall be forwarded to the relevant executive governmental body in accordance with the legislation of the Russian Federation.

4. Starting from the date of entry into force of the insurance supervision body's decision on revocation of the licence, the subject of insurance business is entitled neither to conclude contracts of insurance, contracts of re-insurance, contracts of provision of insurance broker's services, nor to make amendments to the relevant contract causing an increase in the obligations of the subject of the insurance business.

Concurrently with the withdrawal of a licence (except as provided for by this Article and except if the provisional administration has been appointed earlier or one of bankruptcy procedures is introduced in respect of an insurance organisation as of the date of adoption of the decision on the licence's withdrawal) the insurance supervision body shall appoint the provisional administration of the insurance organisation on the grounds and in the procedure provided for by the Federal Law on Insolvency (Bankruptcy).

In case an insurance organisation renders the decision to abandon the exercise of insurance activities, the provisional administration of the insurance organisation shall not be appointed in connection with the licence's withdrawal, if the insurance organisation, prior to notifying the insurance supervision body of its abandonment of the exercise of insurance activities:

has discharged the obligations resulting from insurance contracts and re-insurance contracts, in particular has made insurance payments in respect of the insured events that have occurred;

has transferred the obligations assumed under insurance contracts (the insurance portfolio) and/or has terminated ahead of time contracts of insurance or re-insurance;

has filed with the insurance supervision body the documents proving the discharge of the cited obligations.

5. Before the expiry of six months after the entry into force of the insurance supervision body's decision on revocation of the licence the subject of insurance business shall:

1) adopt a decision on the termination of insurance activity in accordance with the legislation of the Russian Federation;

2) discharge the obligations arising from contracts of insurance (re-insurance), in particular, effect insurance disbursements for the insured accidents that have occurred;

3) transfer the obligations assumed under contracts of insurance (insurance portfolio) and/or rescind contracts of insurance, contracts of re-insurance, contracts of provision of insurance broker's services.

6. Within one month after the entry into force of the insurance supervision body's decision on revocation of the licence the insurer shall notify the insured people of the revocation of the licence, on the early termination of contracts of insurance, contracts of re-insurance and/or on the transfer of obligations assumed under contracts of insurance (insurance portfolio), with an indication being made of the insurer to which the insurance portfolio can be transferred. In this case, the "notification" in particular means publication of this information in periodical printed publications, each having circulation of at least 10,000 copies, and distributed in the territory where the insurers pursue their activities.

7. Upon the expiry of three months after the entry into force of the insurance supervision body's decision on revocation of the licence, the obligations under contracts of insurances for which the parties' relations have not been settled shall be transferred to another insurer. The transfer of obligations assumed under the said contracts (insurance portfolio) shall be effected on the consent of the insurance supervision body. The insurance supervision body shall forward a decision in writing on its consent for the transfer of the insurance portfolio or on its refusal to grant such consent according to the results of verification of solvency of the insurer that is to receive the insurance portfolio, within 20 working days after the filing of the insurance portfolio transfer application. The insurance supervision body does not grant its consent to the transfer of the insurance portfolio if according to the results of verification of solvency of the insurer that is to receive the insurance portfolio this insurer does not have enough own funds, i.e. does not comply with the solvency requirements, given the newly assumed obligations.

8. Until the execution of the duties specified in Item 5 of the present article the subject of the insurance business shall file financial statements/reports with the insurance supervision body quarterly.

9. Until the expiry of six months after the entry into force of the insurance supervision body's decision on revocation of the licence the subject of insurance business shall file documents with the insurance supervision body to confirm the execution of the duties specified in Item 5 of the present article:

1) a decision on termination of insurance activity adopted by a managerial body of a subject of insurance business deemed a legal entity that is empowered to take such decisions in accordance with the constitutive documents or a subject of insurance business registered as an individual entrepreneur in the procedure established by the legislation of the Russian Federation;

2) documents containing information on the presence or lack in writing of insured people's (beneficiaries') claims for discharge or early termination of obligations arising from contracts of insurance (reinsurance), contracts of provision of insurance broker's services, and also documents confirming the transfer of obligations assumed under contracts of insurance (insurance portfolio);

3) financial statements/reports bearing an annotation by a tax body and an auditor's report as of the accounting date nearest to the date of expiry of a six-month term from the entry into force of the insurance supervision body's decision on revocation of the licence;

4) the original licence.

9.1. The insurance activities of a mutual insurance society shall be terminated or it shall be liquidated in connection with the withdrawal of the licence thereof subject to the specifics provided for by Items 9.2-9.6 of this Article.

9.2. A mutual insurance society engaged in insuring the property interests of its members directly on the basis of the society's articles is not entitled after the entry into force of the decision of the body in charge of insurance supervision on the withdrawal of the licence thereof to admit new members to the mutual insurance company, as well as to make amendments to the insurance rules.

9.3. Upon the expiry of six months as of the date of entry into force of a decision of the body in charge of insurance supervision to withdraw the licence, a mutual insurance company is obliged to do the following:

1) to take, in compliance with the legislation of the Russian Federation, a decision to liquidate the mutual insurance society;

2) to discharge insurance (re-insurance) obligations, in particular to make insurance payments connected with insurance events that have occurred;

3) to dissolve insurance (re-insurance) contracts.

9.4. Before the expiry of six months as of the date of entry into force of a decision of the body in charge of insurance supervision to withdraw the licence, the subject of insurance business is obliged to submit to the body in charge of insurance supervision documents proving the discharge of the duties provided for by Item 9.3 of this Article:

1) the decision to liquidate a mutual insurance society adopted by a general meeting of the mutual insurance society;

2) the documents containing information about the presence or absence of insured persons' (beneficiaries') claims in writing for discharge or preschedule termination of insurance (re-insurance) obligations;

3) accounting reports/statements bearing a note of the tax authority;

4) the original licence.

9.5. Insurance (re-insurance) obligations of a mutual insurance company are not transferable to another insurer.

9.6. Before discharging the duties provided for by Item 9.3 of this Article, a mutual insurance society shall submit accounting reports/statements to the body in charge of insurance supervision on a quarterly basis.

10. In the event of the exercise of insurance activity by subjects of the insurance business (except for discharging the obligations provided for by Subitems 2 and 3 of Item 5 and Subitems 2 and 3 of Item 9.3 of this Article), the body in charge of insurance supervision is obliged to make a claim to court for liquidation of the subject of insurance business being a legal entity or for termination by the subject of the insurance business which is a natural person of his/her activities as an individual businessman.

Article 32.9. Classification of Types of Insurance

1. The following types of insurance shall be indicated in the licence issued to an insurer as envisaged by classification:

1) life insurance in the event of death, survival until a specified age or date or the onset of another event;

2) pension insurance;

3) life insurance on the condition of periodical insurance disbursements (rent, annuity) and/or participation of the insured in the insurer's investment income;

4) accident and disease insurance;

5) medical insurance;

6) surface transport insurance (except for by rail);

7) railway insurance;

8) air transport insurance;

9) water transport insurance;

10) cargo insurance;

11) agricultural insurance (insurance of yield, crop, perennial plants, livestock);

12) insurance of property of juridical persons, except for vehicles and agricultural insurance;

13) insurance of property of citizens, except for vehicles;

14) insurance of the civil liability of owners of motor vehicles;

15) insurance of the civil liability of owners of aircraft;

16) insurance of the civil liability of owners of water vehicles;

17) insurance of the civil liability of owners of railway transport facilities;

18) insurance of the civil liability of organisations operating hazardous facilities;

19) insurance of civil liability for infliction of harm due to defects in goods, works, services;

20) insurance of civil liability for infliction of harm on third persons;

21) insurance of civil liability for default on or improper performance of obligations under a contract;

22) insurance of entrepreneurial risks;

23) insurance of financial risks;

2. For the purpose of obtaining licences insurers shall file with the insurance supervision body insurance rules which can be classified as the types of insurance envisaged by Item 1 of the present article.

3. For the purpose of making more specific some insurance terms and conditions insurers shall be entitled to elaborate additional insurance rules. The said insurance rules shall be forwarded to the insurance supervision body for notification purposes.

Article 33. The Observance of Commercial or Another Legally-Protected Secrets by Officials of the Insurance Supervision Body

The officials of the insurance supervision body shall not be entitled to disclose, in any form whatsoever, information deemed a commercial or another legally-protected secret of an insurance business, except for the cases envisaged by the legislation of the Russian Federation.

Chapter V. Concluding Provisions

Article 34. The Insurance of Foreign Nationals, Stateless Persons and Foreign Legal Persons on the Territory of the Russian Federation

Foreign nationals, stateless persons and foreign legal persons shall enjoy, on the territory of the Russian Federation, the right to protective insurance on a level with that which the citizens and legal persons of the Russian Federation enjoy.

Article 35. Considering Disputes

Disputes relating to insurance, disputes concerning an insurance business' right to use a name (company name) and also disputes relating to actions of an insurance supervision body or officials thereof shall be resolved by a court, arbitration court or an umpire according to the jurisdictions thereof.

Article 36. International Treaties

Where international treaties concluded by the Russian Federation or the former USSR establish rules other than those contained in the legislation of the Russian Federation concerning insurance, the rules of these international treaties shall apply.

President of the Russian Federation Boris Yeltsin

Moscow, the House of Soviets of Russia
No. 4015-1
November 27, 1992

FEDERAL LAW
NO. 395-I OF DECEMBER 2, 1990
ON BANKS AND BANKING ACTIVITIES

Chapter I. General Provisions

Article 1. Main Definitions of the Present Federal Law

Credit organization - a legal entity entitled to carry out banking operations envisaged in the present Federal Law to make profit as the main goal of their activities on the basis of special permission (a license) of the Central Bank of the Russian Federation (Bank of Russia). A credit organization shall be formed as an company on the basis of any form of ownership.

Bank - credit organization that enjoys an exclusive right to carry out in the aggregate the following banking operations: attraction of monetary resources of legal entities and natural persons in the form of deposits, investing the mentioned resources in its own name and for its own benefit on a returnable basis through payments within specified deadlines, opening and keeping of bank accounts of natural persons and legal entities.

Non-banking credit organization - a credit organization that enjoys the right to carry out individual banking operations envisaged in the present Federal Law. Permissible combinations of banking operations for non-banking credit organizations shall be fixed by the Bank of Russia.

Foreign bank - bank acknowledged as such under the legislation of the foreign state on the territory of which it is registered.

Article 2. Banking System of the Russian Federation and Legal Regulation of Banking Activities

The banking system of the Russian Federation shall include the Bank of Russia, credit organizations, and also branches and representative offices of foreign banks.

Legal regulation of banking activities shall be provided under the Constitution of the Russian Federation, the present Federal Law, the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), other federal laws, normative acts of the Bank of Russia.

Article 3. Unions and Associations of Credit Organizations

Credit organizations may create, without pursuing the goal of making profit, unions and associations to protect and represent interests of their members, coordinate their activities, develop interregional and international links, satisfy their scientific, information-exchange, and professional interests, prepare recommendations on carrying out banking activities, and solve other common tasks of credit organizations. The unions and associations of credit organizations shall be prohibited from carrying out banking operations.

Unions and associations of credit organizations shall be created and regulated in compliance with the procedure established in the legislation of the Russian Federation for

non-commercial organizations.

Unions and associations of credit organizations shall inform the Bank of Russia of their creation within one month of their registration.

Article 4. A Banking Group and Banking Holding Company

A “banking group” means an association of credit organisations, such an association not being a legal entity, in which one (head) credit organisation exerts, directly or indirectly (through a third person), significant influence on the decisions made by the managerial bodies of another credit organisation (other credit organisations).

A “banking holding” means an association of legal entities with the participation of a credit organisation (credit organisations), such an association not being a legal entity, in which a legal entity not being a credit organisation (the holding company of the banking holding) is in position to exert, directly or indirectly (through a third person), a significant influence on the decisions made by the managerial bodies of the credit organisation (the credit organisations).

For the purposes of the present Federal Law “significant influence” means an opportunity to control the decisions made by the managerial bodies of a legal entity, the conditions of the entrepreneurial activity pursued by it due to an interest in its authorised capital and/or under a contract concluded between the legal entities incorporated in a banking group and/or banking holding, for appointing the sole executive body and/or more than half of the collective executive body of a legal entity and also an opportunity for controlling the election of more than half of the board of directors (supervisory board) of a legal entity.

The head credit organisation of a banking group, the holding company of a banking holding shall notify the Bank of Russia in compliance with the procedure established by the Bank of Russia about the formation of the banking group, or banking holding.

A commercial organisation that under the present Federal Law may be recognised to be the holding company of a banking holding shall have the right to form a managerial company of the banking holding for the purpose of managing the activities of all the credit organisations incorporated in the banking holding. In such a case the managing company of the banking holding shall perform the duties vested under the present Federal Law in the holding company of a banking holding.

For the purposes of the present Federal Law “the managing company of a banking holding” means a company whose main activity is the management of the activities of the credit organisations incorporated in a banking holding. The managing company of a banking holding shall not have the right to pursue insurance, banking, production and trading activities. A commercial organisation that under the present Federal Law can be recognised to be the holding company of a banking holding shall have the opportunity to control the decisions of the managing company of the banking holding concerning the matters within the competence of the meeting of its founders (stake-holder), in particular its re-organisation and winding up.

Article 5. Banking Operations and Other Transactions of a Credit Organization

Banking operations shall include:

1) attraction of monetary resources of natural persons and legal entities in the form of deposits (demand or fixed-term deposits);

2) investing attracted resources indicated in Item 1 of Part 1 of the present Article in its own name and on its own account;

3) opening and keeping banking accounts for natural persons and legal entities;

4) clearing payments ordered by natural persons and legal entities, including those of correspondent banks, within their bank accounts;

5) collection of cash, bills, payment documents and cash services for natural persons

and legal entities;

6) buying and selling of foreign currencies in cash and non-cash forms;

7) attraction of precious metals in the form of deposits and investing them;

8) providing bank guarantees.

9) the remittance of moneys on the instruction of natural persons without opening bank account (excluding postal remittance).

The opening by credit organisations of bank accounts for individual businessmen and legal entities, with the exception of for state power bodies and local self-management bodies, shall be carried out on the grounds of certificates of state registration of natural persons as individual businessmen, certificates of state registration of legal entities, and also certificates of registration with a tax body.

Besides the banking operations listed in Part 1 of the present Article, a credit organization shall have the right to carry out the following transactions:

1) issue of guarantees for third persons envisaging fulfillment of monetary obligations;

2) purchase of the right to demand fulfillment of monetary obligations from third persons;

3) fiduciary operations for monetary and other property under agreements with natural persons and legal entities;

4) carrying out operations with precious metals and precious stones in compliance with legislation of the Russian Federation;

5) leasing dedicated space and safes in it to natural persons and legal entities for keeping documents and valuables;

6) leasing operations;

7) rendering consulting and information services.

A credit organization shall enjoy the right to carry out other transactions in compliance with legislation of the Russian Federation.

All banking operations and other transactions shall be effected in roubles and, if there is a respective licence of the Bank of Russia, also in foreign currencies. The rules for carrying out banking operations, including those of their material and technical support, shall be determined by the Bank of Russia in compliance with federal laws.

A credit organization shall be prohibited from carrying out production, trade, and insurance activities. The cited restrictions shall not extend to making agreements which are derivative financial documents and provide either for the duty of a party to an agreement to transfer commodities to the other party, or the duty of a party to an agreement under the terms defined while making the agreement, if the other party makes a claim, to purchase or sell commodities, in case the obligation to supply them is terminated without discharging it in kind.

Article 6. Activities of a Credit Organization in the Securities Market

Under a license for banking operations, issued by the Bank of Russia, a bank is entitled to issue, buy, sell, register, keep, and carry out other operations with securities used as payment documents, with securities used to certify the attraction of monetary resources to deposits and bank accounts, with other securities not requiring a special license in compliance with federal laws, as well as entitled to act as grantee for the mentioned securities under an agreement with natural persons and legal entities.

A credit organization shall be entitled to carry out professional activities on the market of securities in compliance with federal laws.

Article 7. Official Name of the Credit Institution

The credit institution shall have the full official name and enjoy the right to have an abridged official name in the Russian language. The credit institution has also the right to have a full official name and (or) an abridged official name in the languages of the peoples of the Russian Federation and (or) in foreign languages.

The official name of the credit institution in the Russian language and in the languages of the peoples of the Russian Federation may contain foreign borrowings in the Russian transcription or in the transcriptions of languages of the peoples of the Russian Federation, with the exception of the terms and abbreviations reflecting the credit institution's organizational-legal form.

The credit institution's official name shall contain an indication of the character of its activity by the use of the words, "bank", or, "non-bank credit institution".

Other demands made on the official name of the credit institution shall be established in the Civil Code of the Russian Federation.

When considering an application for the state registration of the credit institution, the Bank of Russia is obliged to prohibit the use of the credit institution's official name, if the supposed official name is already contained in the Book for the State Registration of Credit Institutions. The use in the credit institution's official name of the words, "Russia", "Russian Federation", "state", "federal", and, "central", as well as of the words and phrases based on them, is admissible in accordance with the procedure established in the federal laws.

Not a single legal entity in the Russian Federation, with the exception of a legal entity which has received from the Bank of Russia a licence for the performance of banking transactions, may use in its official name the words, "bank", or, "credit institution", or in any other way indicate the fact that the given legal entity possesses the right to perform banking transactions.

Article 8. The Provision of Information on the Activities of a Credit Organisation, a Banking Group and a Bank Holding

The credit organisation shall publish the following information about its activities according to the forms and within the terms established by the Bank of Russia:

quarterly: the balance sheet, a statement of profits and losses, information on the sufficiency of capital, on the amount of bad debt reserves and other assets;

annually: the balance sheet and a statement on profits and losses accompanied with an audit firm's (auditor's) report as to the reliability thereof.

If asked by a natural person or a legal entity, the credit organisation shall provide him/it with a copy of its banking transaction license, copies of the other permissions (licenses) issued thereto if the need for receiving the said documents is envisaged by federal laws, and also the monthly balance sheets for the current year.

If it misleads natural persons and legal entities by non-provision of information thereto or by the provision of unreliable or incomplete information the credit organisation shall be answerable under the present Federal Law and other federal laws.

The head credit organisation of a banking group, the holding company of a banking holding (the managing company of a banking holding) shall annually publish their consolidated financial reports and consolidated statements of profits and losses in accordance with the forms, procedure and within the term established by the Bank of Russia after the confirmation of their reliability by an audit firm (auditor).

A credit organisation that has a license of the Central Bank of Russia for the attraction of money of natural persons for deposits shall be obliged to disclose information about interest rates under bank deposit contracts with natural persons (in the credit organisation as a whole without disclosing information about particular natural persons) and information about the indebtedness of the credit organisation on deposits by natural persons. The procedure for

disclosing such information shall be established by the Central Bank of Russia.

Article 9. Relations Between a Credit Organization and the State

A credit organization shall not be responsible for state obligations. The state shall not be responsible for obligations of a credit organization, except for the cases when the state has itself assumed such responsibility.

A credit organization shall not be responsible for obligations of the Bank of Russia. The Bank of Russia shall not be responsible for obligations of a credit organization, except for the cases when the Bank of Russia has itself assumed such responsibility.

Bodies of legislative and executive power and local government bodies have no right to interfere in the activities of credit organizations, except for the cases envisaged in federal laws.

A credit organization may fulfil individual orders of the Government of the Russian Federation, executive authorities of subjects of the Russian Federation, and bodies of local government under state or municipal contracts of rendering services to meet state or municipal needs, carry out operations with resources of the federal budget, budgets of subjects of the Russian Federation, and local budgets and clear payments within them, ensure the proper use of the budget resources allocated for implementation of federal and regional programs. Such contract ought to contain mutual obligations of the parties and envisage their responsibility, terms and forms of control over the use of budget resources.

A credit organization cannot be forced to carry out operations outside the range specified in its constituent documents, except for cases when the credit organization has assumed the respective obligations, or cases envisaged in federal laws.

Article 10. Constituent Documents of a Credit Organization

A credit organization shall have the constituent documents provided for by federal laws for a legal entity of an appropriate organizational and legal form.

The charter of a credit organization shall contain the following:

1) the official name;

2) indication of organizational and legal form thereof;

3) data about the address (location) of management bodies and separate subdivisions thereof;

4) list of effected banking operations and transactions in compliance with Article 5 of this Federal Law;

5) data about the amount of authorized capital stock;

6) data on the systems of management, including executive bodies, and of internal control bodies, on the procedure for their formation and on the authority thereof;

7) other data stipulated by federal laws for charters of legal entities of said organizational and legal form.

A credit organization shall be obliged to register all the amendments introduced into its constituent documents. The documents, provided for by Item 1 of Article 17 of the Federal Law on State Registration of Juridical Persons and Individual Businessmen and by normative acts of the Bank of Russia, shall be submitted by the credit organization to the Bank of Russia in the procedure established by it. The Bank of Russia within one month, as of the date of submitting all properly drawn up documents, shall render a decision on state registration of amendments introduced into the constituent documents of the credit organization and shall send to the federal executive body, authorized under Article 2 of the Federal Law on State Registration of Legal Entities, the data and documents required for the exercising by this body of the functions related to keeping the Unified State Register of Legal Entities.

On the basis of said decision, rendered by the Bank of Russia, and of the required data

and documents submitted by it, the authorized registering body, in five working days at the latest as of the date of receiving the required data and documents, shall make an appropriate entry in the Unified State Register of Legal Entities and shall inform the Bank of Russia about it at the latest in one working day following the date of making the appropriate entry. Interaction of the Bank of Russia with the authorized registering body with regard to state registration of amendments, introduced into the constituent documents of a credit organization, shall be carried out in the procedure agreed by the Bank of Russia with the authorized registering body.

Article 11. Registered Capital of a Credit Organization

The registered capital of a credit organization shall be combined from the amount of contributions of its participants and shall determine the minimum amount of property which can guarantee the interests of its creditors.

The minimum amount of authorised capital of a newly registered bank as of the date of filing of the state registration and licence application for the pursuance of banking transactions is established in the amount of 180 million roubles. The minimum size of the authorised capital of a non-bank credit organisation first being registered and applying for obtaining a licence stipulating the right of making settlements by order of legal entities, including correspondent banks, with regard to their bank accounts on the day of filing the application for state registration and issuance of a licence for performing bank operations, shall be established in the amount of 90 million roubles. The minimum size of the authorised capital of a non-bank credit organisation first being registered and not applying for obtaining such licence on the day of filing the application for state registration and issuance of a licence for performing bank operations, shall be established in the amount of 18 million roubles.

Part three is abrogated.

The Bank of Russia shall establish a maximum limit on the amount of a property (non-monetary) contribution into the authorised capital of a credit organisation, and also a list of the types of property in non-monetary form that may be contributed to authorised capital.

Raised funds may not be used to make up the authorised capital of a credit organisation. It is not permitted to pay for the authorized capital of a credit organisation in case of an increase of the authorized capital thereof by way of setting off claims against the credit organisation. The Bank of Russia shall be entitled to establish a procedure for and criteria of assessing the financial state of a credit organisation's founders (stake-holders).

Resources of the federal budget and state non-budget funds, free monetary resources, and other property objects controlled by federal bodies of state power may not be used to form the registered capital of a credit organization except for the cases envisaged in federal laws.

Resources of budgets of subjects of the Russian Federation, local budgets, free monetary resources and other property objects controlled by state power bodies of subjects of the Russian Federation and local government bodies may be used to form the registered capital of a credit organization on the basis of a legislative act of the subject of the Russian Federation or a decision of a body of local government, respectively, in compliance with procedure envisaged in the present Federal Law and other federal laws.

The purchase and/or receipt on fiduciary management (hereinafter referred to as "acquisition"), as a result of one or several transactions by one legal entity or natural person, or a group of legal entities and/or natural persons under an agreement, or a group of legal entities acting as subsidiaries or dependent on each other, of over 1 per cent of the stocks (share) of a credit organization requires submitting a notification to the Bank of Russia, and if more than 20 per cent, the preliminary consent of the Bank of Russia. The Bank of Russia shall inform the applicant in writing of its decision no later than within 30 days from the

moment of receiving a request - either a consent or a refusal. The refusal ought to be well founded. If the Bank of Russia failed to inform of the adopted decision within specified deadline, the purchase-and-sale deal for the stocks (share) of the credit organization shall be considered done. The procedure for securing the Bank of Russia's permission for the acquisition of more than 20 per cent of the shares (20 per cent stake) of a credit organisation and the procedure for notifying the Bank of Russia of the acquisition of over 1 per cent of the shares (1 per cent stake) of a credit organisation shall be established by federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto.

The Bank of Russia shall be entitled to block a purchase-and-sale transaction for more than 20% of stocks (share) of a credit organization in cases of the unsatisfactory financial standing of the buyers of stocks (share), violation of antimonopoly rules, and in other cases envisaged in federal laws.

The Bank of Russia shall refuse to grant its permission for the acquisition of more than 20 per cent of the shares (20 per cent stake) of a credit organisation if has established earlier that the person who acquires shares (stake) of the credit organisation is guilty of causing a loss to any credit organisation when holding the office of a member of the board of directors (supervisory board) of the credit organisation, the sole executive body, deputy thereof and/or member of the collective executive body (governing body, directorate).

Bank founders have no right to cancel their membership in the bank within the first three years from the day of its registration.

Article 11.1. The Managerial Bodies of a Credit Organisation

Apart from the general meeting of its founders (stake-holders), the managerial bodies of a credit organisation shall be deemed a board of directors (supervisory board), a sole executive body and a collective executive body.

The day-to-day running of the credit organisation shall be done by the sole executive body and the collective executive body.

The sole executive body, the deputies thereof, the members of the collective executive body (hereinafter referred to as "the heads of a credit organisation"), the chief accountant of the credit organisation, the head of its branch shall not hold positions in other organisations being credit or insurance organisations, professional participants in the securities market and also in organisations engaged in leasing activities or being affiliated persons in respect of a credit organisation whereby its head, chief accountant, head of branch are employed except the instance stipulated by this Part. If certain credit organisations are the main and affiliated economic societies with respect to each other, then the one-man executive body of the affiliated credit organisation may hold posts (except the post of the chairman) at the collegial executive body of the credit organisation - main society.

Nominees for the positions of members of a board of directors (supervisory board), the head of a credit organisation, the chief accountant, deputy chief accountants of a credit organisations and also the head, deputy heads, chief accountant, deputy chief accountants of a branch of a credit organisation shall qualify under the criteria established by federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto.

The credit organisation shall notify the Bank of Russia in writing of all forthcoming appointments to the positions of the head of the credit organisation, chief accountant, deputy chief accountants of the credit organisation and also the head, deputy head, chief accountant, deputy chief accountants of a branch of the credit organisation. The notice shall comprise the information specified in Subitem 8 Article 14 of the present Federal Law. The Bank of Russia shall, within one month after the receipt of the notice, approve said appointments or forward its substantiated refusal in writing on the grounds specified in Article 16 of the present Federal Law.

The credit organisation shall notify the Bank of Russia in writing of the removal of the head of the credit organisation, chief accountant, deputy chief accountants of the credit organisation and also the head, deputy heads, chief accountant, deputy chief accountants of a branch of the credit organisation not later than the business day following the date of the decision.

The credit organisation shall notify the Bank of Russia in writing of the election (removal) of a member of the board of directors (supervisory board) within three days after such a decision.

Article 11.2. The Minimum Amount of a Credit Organisation's Equity (Capital)

The minimum amount of equity (capital) is established for a bank in the amount of 180 million roubles, except for the instance stipulated by Part four of this Article.

The amount of internal funds (capital) of a non-bank credit organisation applying for obtaining the status of a bank, on the first day of the month in which the respective application was filed with the Bank of Russia, must be at least 180 million roubles.

The licence for performing bank operations authorising a credit organisation to perform bank operations with means in roubles and foreign currency, attract to deposits monetary means of natural persons and legal entities in roubles and foreign currency (hereinafter, general licence), may be issued to a credit organisation having internal means (capital) of at least 900 million roubles as on the first day of the month in which an application was filed with the Bank of Russia for obtaining a general licence.

A bank which on January 1, 2007 had 180 million roubles of internal funds (capital), may continue its activity on condition that the size of its equity (capital) does not diminish as compared with the level reached by January 1, 2007.

The amount of equity (capital) of a bank meeting the requirements established by Part four of this Article, from January 1, 2010 must be at least 90 million roubles.

The amount of equity (capital) of a bank meeting the requirements established by Parts four and five of this Article, from January 1, 2012 must be at least 180 million roubles.

If the amount of equity (capital) of a bank decreases due to the change by the Bank of Russia of the procedure for determining the size of internal funds (capital) of a bank, then a bank which on January 1, 2007 had internal funds (capital) in the amount of 180 million roubles or more must within 12 months reach the minimum amount of equity (capital) established by this Article and calculated by the new procedure for determining the amount of equity (capital) of a bank determined by the Bank of Russia, and a bank which on January 1, 2007 had internal funds (capital) in a amount less than 180 million roubles - the larger of the two values: the amount of equity (capital) which it had on January 1, 2007 calculated by the new procedure for determining the amount of internal funds (capital) of a bank established by the Bank of Russia, or the amount of equity (capital) established by Parts five and six of this Article as on the respective date.

Chapter II. Procedure for Registration
of Credit Organizations and Licensing of Banking Operations

Article 12. State Registration of Credit Organizations and Issue of Licenses Thereto for Carrying Out Banking Operations

Credit organizations shall be subject to state registration in compliance with the Federal Law on State Registration of Juridical Persons and Individual Businessmen, subject to the special procedure of state registration of credit organizations stipulated by this Federal Law.

A decision on state registration of a credit organization shall be rendered by the Bank of Russia. Entry into the Unified State Register of Legal Entities of data concerning

establishment, reorganization and liquidation of credit organizations, as well as of other data provided for by federal laws, shall be made by the authorized registering body on the basis of a decision of the Bank of Russia on the appropriate state registration. Interaction of the Bank of Russia with the authorized registering body with regard to state registration of credit organizations shall be effected in the procedure agreed by the Bank of Russia with the authorized registering body.

The Bank of Russian, for the purpose of exercising its control and supervisory functions, shall keep the Register of Credit Organizations in the procedure established by federal laws and normative acts of the Bank of Russia adopted in compliance with them.

The state duty for state registration of credit organizations shall be collected in the procedure and in the amount established by the laws of the Russian Federation.

A credit organization shall be obliged to inform the Bank of Russia about changes of the data indicated in Item 1 of Article 5 of the Federal Law on State Registration of Juridical Persons and Individual Businessmen, except for information about obtained licenses, in three working days at the latest, as of the moment of such changes. The Bank of Russia, in one working day at the latest as of the date of receiving appropriate information from a credit organization, shall inform the authorized registering body about it which shall make an entry, concerning the change of the data about the credit organization, into the Unified State Register of Legal Entities.

A license for carrying out banking operations by a credit organization shall be issued after state registration thereof in the procedure established by this Federal Law and by normative acts of the Bank of Russia adopted in compliance with it.

A credit organization shall be empowered to carry out banking operations from the moment of obtaining a license issued by the Bank of Russia.

Article 13. Licensing of Banking Operations

Banking operations may be carried out only on the basis of a license issued by the Bank of Russia in compliance with procedure set forth in the present Federal Law, with the exception of the cases mentioned in Part Nine of this Article and in Article 13.1 of the present Federal Law.

Licenses issued by the Bank of Russia shall be entered in the register of issued licenses for banking operations.

The register of licenses issued to credit organizations is to be published by the Bank of Russia in the official publication of the Bank of Russia (“Herald of the Bank of Russia”) no less than once a year. Changes and amendments to the mentioned register shall be published by the Bank of Russia within one month from the day when they are entered in the register.

The license for banking operations shall indicate the banking operations authorized for the given credit organization, as well as the currency in which these banking operations may be carried out.

The license for banking operations shall be issued without limiting its effective time period.

Banking operations carried out by a legal entity without a license, if the receipt of such licence is obligatory, shall incur an exaction of the whole amount obtained as a result of the given operations from such legal entity, as well as a fine at double this amount to the federal budget. The exaction shall be effected through a court ruling under a lawsuit filed by a procurator, a respective federal body of executive power authorized for this under the Federal Law, or by the Bank of Russia.

The Bank of Russia is entitled to bring a liquidation action in a court of arbitration against a legal entity carrying out banking operations without a license, if the receipt of such

licence is obligatory.

Persons carrying out banking operations illegally shall be liable to civil, administrative, or criminal proceedings in compliance with procedure set forth in the legislation.

The State Corporation Bank of Development and of Foreign Economic Activities (Vneshekonombank)' is entitled to make banking operations in respect of which it is vested with the right of making them on the basis of the Federal Law on Bank of Development.

Article 13.1. Performance of the Individual Banking Transactions by a Organisation Which Is Not a Credit Institution

A credit institution shall be entitled to attract an organization, which is not a credit institution, and an individual businessman (hereinafter referred to as a bank paying agent) for acceptance from natural persons of monetary assets addressed to state power bodies, local authorities and institutions subordinate to them within the framework of exercising by them the functions established by the legislation of the Russian Federation, as well as for the discharge of pecuniary obligations of natural persons involving payment for commodities (works or services) or for entry to their bank accounts (hereinafter referred to as the acceptance of natural persons' payments) for making transactions with the use of payments cards, and also for the transfer to the credit institution, when making transactions with the use of payment cards, natural persons' orders to make settlements on their bank accounts and for drawing up the documents proving appropriate transactions which are not connected with the exercise by natural persons of business activity and private practice.

A bank paying agent for acceptance of natural persons' payments shall make with a credit institution a contract of exercising the activity of acceptance of natural persons payments under which the bank paying agent shall be entitled on own behalf thereof or on behalf of the credit institution and at the expense of the credit institution to accept natural persons' payments and shall be obliged to make subsequent settlements with the credit institution under the legislation of the Russian Federation, including the demands to spend the cash money received by the cash-desk of a legal entity or the cask-desk of an individual businessman.

The activities of an organisation which is not a credit institution or of an individual businessman involving the acceptance of natural persons' payments without making a contract of exercising the activity of acceptance of natural persons' payments satisfying the requirements of this article or of the Federal Law on the Activity of Acceptance of Natural Persons Payments by Paying Agents shall be prohibited.

A bank paying agent shall not be entitled to appoint subagents for acceptance of natural persons' payments.

The credit institution that has made with a bank paying agent a contract of exercising the activity of acceptance of natural persons' payments shall be obliged to exercise control over observance by the bank paying agent of the procedure for acceptance of natural persons' payments in compliance with the rules for making settlements in the Russian Federation which are established by the Bank of Russia, of the requirements of this article and of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism.

A bank paying agent's failure to follow the procedure for acceptance of natural persons payments in compliance with the rules for making settlements in the Russian Federation established by the Bank of Russia, the requirements of this article and of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism shall serve as a ground for dissolution by a credit institution of

the contract of exercising the activity of acceptance of natural persons' payments.

A credit institution shall be obliged to keep a register of the bank paying agents with which it has made contracts of exercising the activity of acceptance of natural persons' payment citing in respect of each bank paying agent the addresses of places where natural persons' payments are accepted.

A natural person's pecuniary obligation to pay for commodities (works or services) shall be deemed discharged in the amount of the monetary assets entered to a bank paying agent, less the reward fixed in compliance with this article, starting from the time when they are transferred to the bank paying agent.

A bank paying agent when accepting natural persons' payments shall be entitled to collect a payer's reward in the amount to be fixed by the agreement made by the bank paying agent and the payer.

The discharge by a bank paying agent of obligations towards a credit institution when making appropriate settlements shall be secured by a forfeit, pledge, enforcement of a lien, suretyship, bank guarantee, advance money, insurance of civil liability for failure to discharge the duty of making settlements with the credit institution or in the other ways provided for by a contract of exercising the activity of acceptance of natural persons payments.

A bank paying agent when accepting natural persons payments shall be obliged:

1) to have the contract of exercising the activity of acceptance of natural persons payments provided for by this article;

2) to observe the procedure for acceptance of natural persons' payments in compliance with the rules for making settlements in the Russian Federation established by the Bank of Russia;

3) to use a separate bank account (accounts) for making settlements involving the acceptance of payments;

4) to deliver to the credit institution the cash money received from payers when accepting payments for their entry in full to a separate bank account (accounts) thereof.

A bank paying agent when accepting natural person's payments shall be obliged to use cash registers with a fiscal memory and a control tape, as well as to satisfy the requirements of the legislation of the Russian Federation on the use of cash registers in making settlements in cash money.

A bank paying agent when accepting natural persons payments shall be obliged to ensure the provision to payers at each place of payments' acceptance the following information:

1) addresses of payments' acceptance places;

2) denomination and location of the credit institution with which the bank paying agent has made the contract of exercising the activity of acceptance of natural persons' payments and its taxpayer's identification number;

3) number of the licence for making bank operations held by the credit institution with which the bank paying agent has made the contract of exercising the activity of acceptance of natural persons' payments;

4) requisite elements of the contract of exercising the activity of acceptance of natural persons' payments made by the bank paying agent and the credit institution;

5) rate of the reward to be paid by a natural person, if a reward is collected, as well as kinds and rates of other expenses of a natural person connected with acceptance of natural persons' payments, performance by natural persons of operations with the use of payment cards and also the transfer to a credit organisation in performing operations with the use of payment cards of orders of natural persons on making settlements on their bank accounts;

6) contact telephone numbers of the bank paying agent and of the credit institution, as

well as information about the ways of forwarding claims;

7) contact telephone numbers of the Bank of Russia, federal executive power bodies authorised by the Government of the Russian Federation to exercise the state control (supervision) over acceptance of natural persons' payments.

The acceptance of natural persons' payments by a bank paying agent shall be proved by issuance of a cashier's check which proves making the appropriate payment.

The cashier's check to be issued by a bank paying agent to a natural person which proves acceptance and making of the appropriate payment shall satisfy the requirements of the legislation of the Russian Federation on the use of control registration machinery when making monetary settlements in cash, as well as shall contain the following obligatory requisite elements:

1) document's denomination - cashier's check;

2) total amount of accepted monetary assets;

3) denomination of payment;

4) rate of the reward to be paid by a natural person, if it is collected, as well as kinds and rates of other expenses of a natural person connected with making appropriate payments;

5) date and time of acceptance of monetary assets, number of the cashier's check and of the cash register;

6) address of the place where monetary assets are accepted;

7) denomination and location of the bank paying agent which has accepted monetary assets and taxpayer's identification number thereof;

8) contact telephone numbers of the bank paying agent and of the credit institution with which the bank paying agent has made a contract of exercising the activity of acceptance of natural persons' payments.

All the requisite elements typed on a cashier's check shall be clear and easily readable within at least six months.

The cashier's check issued by a bank paying agent to a natural person which proves making the appropriate payment may likewise contain other requisite elements, if it is provided for by a contract of exercising the activity of acceptance of natural persons' payments.

A bank paying agent when accepting natural persons' payments shall be entitled to use payment terminals or automated teller machines.

Payment terminals or automated teller machines used by a bank paying agent when accepting natural persons' payments, performing by natural persons of operations with the use of payment cards and also the transfer to a credit organisation in performing operations with the use of payment cards of orders of natural persons on making settlements on their bank accounts, shall contain within them control registration machinery and shall ensure in the automated mode the following:

1) supply to natural persons the information stipulated by Part thirteen of this Article;

2) acceptance from natural persons of information about the denomination of the payment's recipient, payment's denomination, amount of monetary assets entered to the bank paying agent, as well as of other information where it is provided for by a contract of exercising the activity of acceptance of natural persons' payments;

3) acceptance of the monetary assets entered by natural persons;

4) printing of cashier's checks and issuance thereof to natural persons after the acceptance of entered monetary assets.

The automated teller machines used by a bank paying agent when accepting natural persons' payments shall accept in the automated mode from natural persons monetary assets for entry thereof onto their bank accounts, transfer to the credit institution natural persons' orders to make settlements on their bank accounts, as well as draw up the documents proving

appropriate operations.

Payment terminals or automated teller machines used by a bank paying agent when accepting natural persons' payments may likewise ensure in the automated mode the supply of other information and exercise of other functions, if not otherwise established by the legislation of the Russian Federation.

The payment terminals or automated teller machines used by a bank paying agent shall have within the composition thereof control registration machinery, as well as shall ensure printing on a cashier's check of its number and requisite elements provided for by this article in an uncorrectable form so that the information registered on the cashier's check, control tape and in the fiscal memory of cashier's registers was identical.

The control registration machinery forming part of payment terminals and automated teller machines which are used by a bank paying agent shall satisfy the requirements of the legislation of the Russian Federation on the use of control registration machinery in making monetary settlements in cash.

Should the address of the location of a payment terminal or of an automated teller machine be changed, a bank paying agent shall be obliged on the date of such change to forward the appropriate notice to a tax authority citing the new address of the location of the control registration machinery forming part of the payment terminal or automated teller machine.

It shall not be allowed to use devices, other than payment terminals and automated teller machines, for acceptance of natural persons' payments without participation of an authorised person of a bank paying agent.

A bank paying agent shall identify, where it is so established, the natural person making payments in compliance with the requirements of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism.

The Government of the Russian Federation shall be entitled to establish a list of commodities, works and services in respect of which a bank paying agent has not rights to accept natural persons' payments.

Article 14. Documents Required for State Registration of a Credit Organization and Obtaining a Licence for Banking Operations

The following documents shall be presented to the Bank of Russia for state registration of a credit organization and obtaining a license for banking operations in the procedure established by it:

1) an application requesting state registration of the credit organization and issue of a license for banking operations; the address (location) of a permanently functioning executive body of a credit organization, used for contacting the credit organization, shall be likewise indicated in the application;

2) promotion agreement (the original or a copy attested and certified by a notary), if the signing of it is envisaged in the Federal Law;

3) charter (the original or a copy thereof attested and certified by a notary);

4) a business plan endorsed by a meeting of the founders (stakeholders) of the credit organisation, the minutes of a meeting of the founders (stake-holders) comprising the decision whereby the constitution of the credit organisation and also the nominees for the positions of the head of the credit organisation and the chief accountant of the credit organisation have been endorsed. The procedure for compiling the business plan of a credit organisation and the criteria for assessing it shall be established by regulatory acts of the Bank of Russia;

5) documents acknowledging state duty payment for the state registration of a credit organisation and for the issuance of a banking transactions licence at the formation of a credit

organisation;

6) copies of documents of state registration of constituent legal entities, audit statements confirming validity of their financial reports, as well as certificate of the tax bodies confirming fulfillment by the constituent legal entities of their obligations to the Federal Budget, budgets of subjects of the Russian Federation, and local budgets for the most recent three years;

7) documents (according to the list established by regulatory acts of the Bank of Russia) confirming the sources of the funds contributed by the founders being natural persons to the authorised capital of the credit organisation;

8) questionnaires of the nominees for the positions of the head of the credit organisation, the chief accountant, deputy chief accountants of the credit organisations and also the head, deputy heads, chief accountant, deputy chief accountants of a branch of the credit organisation. Said questionnaires shall be filled out by these nominees in person and they shall comprise the information required by regulatory acts of the Bank of Russia and also the following information:

- presence of a higher legal or economic education for such persons (with a copy of a diploma or a document substituting it) and a working experience of no less than one year as a manager of a department or other division of a credit organization engaged in banking operations, and in the absence of a special education, managing experience in such a division of no less than two years;

- presence (absence) of a criminal record.

Article 15. Procedure for State Registration of a Credit Organization and Issue of License for Banking Operations

After presentation of documents listed in Article 14 of the present Federal Law, the Bank of Russia shall issue a written certificate to the founders of the credit organization confirming the receipt of documents from them necessary for state registration of the credit organization and obtaining a license for banking operations.

The decision on state registration of a credit organization and issue of a license for banking operations, or a refusal thereof, shall be made within the term of no more than six months from the date of presenting all documents envisaged in the present Federal Law.

The Bank of Russia upon the adoption of a decision on state registration of a credit organization shall submit to the authorized registering body the data and documents required for the exercising by this body of the functions related to keeping the Unified State Register of Legal Entities.

On the basis of said decision, rendered by the Bank of Russia, and required data and documents, submitted by it, the authorized registering body in five working days at latest as of the date of receiving the required data and documents, shall make an appropriate entry into the Unified State Register of Legal Entities and shall inform the Bank of Russia about it at the latest in one working day following the date of making an appropriate entry.

The Bank of Russia, in three working days at the latest as of the date of receiving information from the authorized registering body on an entry about a credit organization made in the Unified State Register of Legal Entities, shall inform the founders of the credit organization about it with the demand of making within one month a 100 per cent payment of the declared authorized capital of the credit organization and shall issue to the founders thereof a document confirming the fact of making an entry about the credit organization in the Unified State Register of Legal Entities.

Non-payment or incomplete payment of the authorized capital stock within the

established term shall be grounds for the Bank of Russia to bring a claim in court for liquidation of the credit organization.

To accept the payment of the registered capital, the Bank of Russia shall open a correspondent account in the Bank of Russia for the registered bank, and if necessary, for the non-banking credit organization. The requisites of the correspondent account shall be indicated in the notification of the Bank of Russia of the state registration of the credit organization and issue of the license for banking operations.

When the document confirming the payment of 100% of the stated registered capital of the credit organization is presented, the Bank of Russia shall issue the license for banking operations to the credit organization within three days.

Article 16. The Grounds for Refusing the State Registration of a Credit Organisation and the Issuance of a Banking Transaction License Thereto

The state registration of a credit organisation and the issuance of a banking transaction license thereto may be refused only on the following grounds:

1) the failure of the nominees proposed for the positions of the head of the credit organisation, the chief accountant of the credit organisation and deputies thereof to qualify under the criteria set by federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto. The "failure of the nominees proposed for the positions to qualify under the criteria" means the following:

the nominees' lacking a higher law or economic education and experiences in the capacity of the head of a department or other unit of a credit organisation the activities of which are relating to banking transactions or lacking two-year's experience in the capacity of head of such department or unit;

the nominees' having been convicted for a crime in the field of economy;

the nominees' having committed an administrative offence within one year preceding the day when documents were filed with the Bank of Russia for the purposes of the state registration of the credit organisation, as established by a decision (which has become final) of a body authorised to hear administrative offence cases;

the existence within the two years preceding the date when documents were filed with the Bank of Russia for the purposes of the state registration of the credit organisation of cases when a labour contract signed with these persons was rescinded on the initiative of the management on the grounds specified in Item 2 Article 254 of the Code of Labour Laws of the Russian Federation;

the availability of a demand addressed to the credit organisation being the employer of each of the said nominees as the head of the credit organisation and filed within three years preceding the date when documents were filed with the Bank of Russia for the purposes of the state registration of the credit organisation claiming that he be replaced as the head of the credit organisation in compliance with the procedure set out in the Federal Law on the Central Bank of the Russian Federation (Bank of Russia);

the nominee's business reputation failing to comply with the criteria set by federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto;

the availability of other grounds established by federal laws;

2) an unsatisfactory financial position of the founders of the credit organisation or their default on their obligation to pay the federal budget, the budgets of Russian regions and local budgets during the last three years;

3) the non-compliance of the documents filed with the Bank of Russia for the purposes of state registration of the credit organisation and obtaining a banking transaction license with federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto;

4) the failure of the business reputation of the nominees for the positions of members of the board of directors (supervisory board) to qualify under the criteria set by federal laws and the regulatory acts of the Bank of Russia adopted pursuant thereto, the nominees' having been convicted for economic crimes.

A decision to refuse the state registration of a credit organisation and issue a banking transaction license to it shall be made known to the founders of the credit organisation in writing, with the reasons underlying such a decision being provided.

The refusal to grant state registration to a credit organisation and to issue a banking transaction license to it or the Bank of Russia's failure to adopt a relevant decision within the term set shall be subject to arbitration court appeal.

According to the present article "business reputation" means an assessment of the professional and other qualities of a person which allow this person to occupy a specific position in the managerial bodies of a credit organisation.

Article 17. State Registration of a Credit Organization with Foreign Investments and of a Branch of a Foreign Bank And Issue of Licenses for Banking Operations to Them

State registration of a credit organization with foreign investments and of a branch of a foreign bank and obtaining of a license for banking operations by them requires, besides the documents listed in Article 14 of the present Federal Law, submission additionally of the duly drawn up documents listed below.

A foreign legal entity shall present:

1) decision of its participation in the creation of the credit organization on the territory of the Russian Federation or on the opening of the bank branch;

2) document confirming the fact of registration of the legal entity and balance reports for the three most recent years certified with an audit statement;

3) written consent of respective control body of the country of its location for the participation in the creation of the credit organization on the territory of the Russian Federation, or for the opening of a branch of the bank, in cases when such permission is required in compliance with legislation of the country of its location.

A foreign legal entity shall present a confirmation of solvency of this legal entity by a first class foreign bank (in compliance with international practice).

Article 18. Additional Requirements for Creation and Operation of Credit Organizations with Foreign Investments and Branches of Foreign Banks

The amount of participation (quotas) of foreign capital in the banking system of the Russian Federation shall be fixed by federal law at the suggestion of the Government of the Russian Federation coordinated with the Bank of Russia. The mentioned quota is calculated as a ratio of the total capital belonging to non-residents in the registered capitals of credit organizations with foreign investments and the capital of branches of foreign banks to the aggregate registered capital of credit organizations registered on the territory of the Russian Federation.

Upon reaching the fixed quota, the Bank of Russia shall suspend the issue of licenses for banking operations to banks with foreign investments, branches of foreign banks.

The Bank of Russia shall enjoy the right to prohibit an increase of the registered capital of a credit organization from non-resident resources and an alienation of stocks (share) to non-residents if the mentioned operation may result in exceeding the quota of participation of foreign capital in the banking system of the Russian Federation.

The Bank of Russia in coordination with the Government of the Russian Federation shall be entitled to impose restrictions on banking operation for credit organizations with

foreign investments and branches of foreign banks if respective foreign states apply restrictions to banks with Russian investments and branches of Russian banks in their creation and operation.

The Bank of Russia shall be entitled to fix, in compliance with procedure envisaged in the Federal Law on the Central Bank of the Russian Federation (The Bank of Russia), additional requirements for credit organizations with foreign investments and branches of foreign banks pertaining to procedure for providing reports, endorsement of managing personnel, and the list of banking operations carried out.

Article 19. Enforcement Measures of the Bank of Russia Applied in Cases of Violation of Federal Laws and Normative Acts of the Bank of Russia by a Credit Organization

In cases of violation of federal laws, normative acts and dispositions of the Bank of Russia, mandatory normatives imposed by it, failure to present information, presentation of incomplete or incorrect information, failure to provide information to a credit bureau when consent of the credit history agent is obtained, as well as of committing actions producing a threat to the interests of depositors and creditors, the Bank of Russia shall be entitled to take actions against the credit organization, as an enforcement measure, envisaged in the Federal Law on the Central Bank of the Russian Federation (The Bank of Russia).

Article 20. The Grounds for Revoking the Banking Transaction License of a Credit Organisation

The Bank of Russia may revoke a credit organisation's banking transaction license if:

1) the information used when issuing the license has been found to be unreliable;

2) the commencement of the banking transactions stipulated in the license is delayed by over one year after its date of issue;

3) a significant unreliability of reporting data has been discovered;

4) a monthly report (reporting documentation) is filed with a delay exceeding 15 days;

5) banking transactions not included in the license have been accomplished;

6) the organisation did not observe the federal laws regulating banking activities and regulatory acts of the Bank of Russia, if it was several times subjected to the sanctions stipulated by the Federal Law on the Central Bank of the Russian Federation (Bank of Russia) and also repeated violation during one year of the provisions of Articles 6 and 7 (except for Item 3 Article 7) of the Federal Law on Countering the Legalisation of Earnings Received through Crime (Money Laundering);

7) there had been several defaults within one year on the claims for collecting funds from the accounts (deposits) of the credit organisation contained in execution documents of courts and arbitration courts through the organisation's fault, given the availability of cash in the accounts (deposits) of the said persons;

8) the administration has filed a petition if as of the end of the effective term of the said management set by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations there are the grounds for its appointment specified in said federal law.

9) repeated non-submission by a credit organization to the Bank of Russia within the established term of updated information required for introducing changes into the Unified State Register of Legal Entities, safe for the data about obtained licenses.

10) nonfulfilment by a credit organisation that is the manager of mortgage cover of the requirements of the Federal Law on Mortgage Securities and of the normative legal acts of the Russian Federation issued in accordance therewith, and also non-elimination of violations within the established time if during one year the measures stipulated by the Federal Law on the Central Bank of the Russian Federation (Bank of Russia) were repeatedly

applied to the credit organisation.

The Bank of Russia shall revoke the banking transaction license if:

1) the sufficiency of capital of the credit organisation falls below two per cent.

If within the last 12 months preceding the time when the credit organisation's license is to be revoked under the present article the Bank of Russia had changed the methodology of calculating the sufficiency of capital of credit organisations the method whereby the capital sufficiency of the credit organisation can be maximum shall apply;

2) if the amount of the credit organisation's own resources (capital) is below the minimum authorised capital amount set as of the date of the state registration of a credit organisation. The indicated basis for the withdrawal of the licence for the carrying out of banking operations shall not be applicable to credit organisations during the first two years from the day of the issuance of a licence for the carrying out of banking operations;

3) if the credit organisation fails to comply within the term set by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations with the Bank of Russia's demand for bringing into line the authorised capital amount and own resources (capital) amount;

4) if the credit organisation is not capable of meeting the creditors' claims relating to monetary liabilities and/or perform its duty to make compulsory payments within 14 days after their due date. In this case the said claims in their aggregate shall make up at least 1,000-fold the minimum wage rate as established by a federal law;

5) if a bank whose equity (capital) as of January 1, 2007 was equal to, or above, 180 million roubles, has its equity (capital) falling for three months in a row below the rouble equivalent of five million euros, except for a fall due to a change of equity (capital) assessment method, and if it does not file an application with the Bank of Russia asking for its status to be changed to that of a non-banking credit organisation;

6) if a bank whose amount of equity (capital) on January 1, 2007 was less than 180 million roubles does not reach on the respective date the amount of equity (capital) established by Parts five and six of Article 11.2 of this Federal Law, or if this bank during three months running has the amount of equity (capital) diminished (except for the instances of such diminishing due to the application of a changed procedure for determining the amount of equity (capital) of a bank) lower than the larger of the two values: the amount of equity (capital) reached by it on January 1, 2007 or the amount of equity (capital) established by Parts five and six of Article 11.2 of this Federal Law and does not file with the Bank of Russia an application for changing its status for the status of a non-bank credit organisation;

7) if a bank whose equity (capital) as of January 1, 2007 was equal to, or above, 180 million roubles, which had its equity (capital) falling below the minimum amount set by Article 11.2 of the present Federal Law due to a change of equity (capital) assessment method, and which has not reached within 12 months the said minimum amount of equity (capital) and has not filed an application with the Bank of Russia asking for its status to be changed to that of a non-banking credit organisation;

8) if a bank which on January 1, 2007 had internal funds (capital) in an amount less than 180 million roubles and has had the amount of equity (capital) diminished as compared with the level reached by January 1, 2007 or established on the respective date by Parts five and six of Article 11.2 of this Federal Law due to the application of a changed procedure for determining the amount of equity (capital) of a bank, has not during 12 months reached the larger of the two values: the amount of equity (capital) which it had on January 1, 2007 or the

amount of equity (capital) established on the respective date by Parts five and six of Article 11.2 of this Federal Law and has not filed with the Bank of Russia an application for changing its status for the status of a non-bank credit organisation.

In the cases stipulated in Part 2 of the present article the Bank of Russia shall revoke the credit organisation's banking transaction license within 15 days after the receipt by the bodies of the Bank of Russia responsible for the revocation of the license of reliable information on the existence of grounds for revoking the license.

A banking transaction license shall not be revoked on grounds other than those specified in the present Federal Law.

The decision of the Bank of Russia to revoke a credit organisation's banking transaction license shall become final as of the date when a relevant act of the Bank of Russia is adopted and it shall be subject to appeal within 30 days after the date of publication of an announcement about the revocation of the license in the Bulletin of the Bank of Russia. The appeal of said decision of the Bank of Russia and also the application of measures for providing security for claims addressed to the credit organisation shall not suspend said decision of the Bank of Russia.

The announcement of the revocation of a credit organisation's banking transaction license shall be published by the Bank of Russia in its official paper, the Bulletin of the Bank of Russia, within one week after the date of the decision.

After the revocation of its banking transaction license the credit organisation shall be liquidated in compliance with the provisions of Article 23.1 of the present Federal Law, or if it has been recognised as bankrupt, in compliance with the provisions of the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations.

After the revocation of a credit organisation's banking transaction license the Bank of Russia shall:

appoint the credit organisation's administration, not later than the business day following the date of revocation of the said license, in compliance with the provisions of the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations;

act as indicated in Article 23.1 of the present Federal Law.

From the moment of the withdrawal from a credit organisation of the licence for the carrying out of banking operations:

1) there shall be considered due the the obligations of the credit organisation that had arisen prior to the day of the withdrawal of the licence for the carrying out of banking operations. In this case the rate of the monetary obligations and duties in making the obligatory payments of the credit organisation expressed in foreign currency shall be determined in roubles at the rate of exchange established by the Bank of Russia as on the day of the withdrawal from the credit organisation of the licence for the carrying out of banking operations;

2) the charging of interest and financial sanctions stipulated by federal law or by agreement for all types of indebtedness of the credit organisation shall be terminated, except for the financial sanctions for nonfulfilment or improper fulfilment by the credit organisation of its current obligations;

3) the fulfilment of executive documents on property recoveries shall be suspended, compulsory fulfilment of any other documents the recovery on which is carried out indisputably shall not be permitted, except for the fulfilment of executive documents on the exaction of indebtedness on the current obligations of the credit organisation;

4) till the entry into force of a decision of the arbitration court on declaring the credit organisation insolvent (bankrupt) or liquidating the credit organisation it shall be prohibited:

from performing any transactions with the property of the credit organisation, including the fulfilment by the credit organisation of any obligations, except for transactions

associated with the current obligations of the credit organisation determined in accordance with this Article;

from fulfilling the duty in making obligatory payments which duty had arisen prior to the day of the withdrawal from the credit organisation of the licence for the carrying out of banking operations;

from terminating the obligations to the credit organisation by way of setting off similar counter demands;

5) the acceptance and making on the correspondent accounts of the credit organisation of any payments to the accounts of the customers of the credit organisation (of natural and juridical persons) shall be terminated. The credit organisations and the institutions of the Bank of Russia shall return the payments arriving after the day of the withdrawal of the licence for the carrying out of banking operations in favour of the customers of the credit organisation to the accounts of the payers in the sending banks.

The current obligations of a credit organisation shall mean:

1) the obligations in the payment of the expenses associated with the continuation of the carrying out of the activity of the credit organisation (including the communal, lease and operational payments, the expenses on the communications services, the ensuring of the safety of property), the expenses on the performance of the functions of the temporary administration, appointed by the Bank of Russia, for managing the credit organisation, the remuneration of the labour of persons working under an employment agreement, the payment of a severance allowance to such persons in the case of their dismissal, and also of any other expenses associated with the liquidation of the credit organisation after the day of the withdrawal of the licence for the carrying out of banking operations;

2) the duties in making the obligatory payments arising from the day of the withdrawal of the licence for the carrying out of banking operations;

3) the obligations in the transfer of the monetary amounts deducted from wages (alimony, tax on the income of natural persons, trade-union fees, insurance premiums and other payments imposed on the employer in accordance with federal laws) paid to the workers of the credit organisation in accordance with federal laws.

The payment of the expenses associated with the fulfilment of the current obligations of the credit organisation shall be made by the temporary administration, appointed by the Bank of Russia, for managing the credit organisation on the basis of the estimate of expenses approved by the Bank of Russia.

In the period after the day of the withdrawal of the licence for the carrying out banking operations and till the day of the entry into force of the decision of the arbitration court on declaring the credit organisation insolvent (bankrupt) or on its liquidation the credit organisation shall have the right:

1) to exact and receive indebtedness, including on the earlier issued credits, to return of the advance payments earlier made by the credit organisation, to receive the funds from the redemption of securities and the yield on securities belonging to the credit organisation by right of ownership;

2) to return of the property of the credit organisation kept by third persons;

3) to receive income from earlier conducted bank operations and concluded transactions, and also from operations associated with the professional activity of the given credit organisation on the securities market;

4) to return, in agreement with the Bank of Russia, the monetary funds entered by mistake onto the correspondent account or the correspondent subaccount of the credit organisation. The procedure for agreeing the return of erroneously entered monetary funds shall be established by normative acts of the Bank of Russia;

5) to return to the customers of the credit organisation the securities or other property

that were accepted by the credit organisation for custody and/or accounting under agreements of fiduciary management or under other agreements associated with the carrying out by the credit organisation of professional activity on the securities market with the reflection thereof on the relevant accounts or depo accounts;

6) to carry out other activities in the performance of the functions of the temporary administration, appointed by the Bank of Russia, for managing the credit organisation stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations and by the normative acts of the Bank of Russia adopted in accordance therewith.

Article 21. Consideration of Disputes Involving a Credit Organization

Decisions and actions (failure to act) of the Bank of Russia or its officials are liable to appeal filed by the credit organization in a court of law or court of arbitration in compliance with procedure envisaged in federal law.

A credit organization is entitled to address the Bank of Russia with inquiries and applications pertaining to decisions and actions (failure to act) of the Bank of Russia, for which the Bank of Russia ought to provide a reply on the essence of the raised issues within one month.

Disputes between a credit organization and its clients (natural persons and legal entities) shall be resolved in compliance with procedure envisaged in federal laws.

Article 22. Branches, Representations and Internal Structural Units of a Credit Organisation

A branch of a credit organization is assumed to be its isolated division located outside the location of the credit organization and carrying out in its name all or part of the banking operations envisaged in the license of the Bank of Russia issued to the credit organization.

A representative office of a credit organization is assumed to be its isolated division located outside the location of the credit organization representing its interests and protecting them. A representative office of the credit organization have no right to carry out banking operations.

Branches and representative offices of a credit organization are not implied to be legal entities and shall operate on the basis of regulations endorsed by the credit organization that created them.

Managers of the branches and representative offices shall be appointed by the manager of the credit organization that created them and shall act on the basis of a warrant issued to them in compliance with the established procedure.

A credit organization shall open branches and representative offices on the territory of the Russian Federation from the moment of its notification to the Bank of Russia. The notification shall contain the postal address of the branch (representative office), its authority and functions, information on managers, the scale and nature of planned operations, as well as provide the impression of its seal and the specimens of signatures of its managers.

The branches of a credit organization with foreign investments on the territory of the Russian Federation shall be registered by the Bank of Russia in compliance with the established procedure.

An internal structural unit of a credit organisation (of its branch) shall be its unit situated outside the location of the credit organisation (its branch) and performing, in its name, bank operations whose list is established by normative acts of the Bank of Russia, within the framework of the licence of the Bank of Russia issued to the credit organisation (regulations on the branch of the credit organisation).

Credit organisations (their branches) may open internal structural units outside the

location of the credit organisations (their branches) in the form and procedure established by normative acts of the Bank of Russia.

The authority of a branch of a credit organisation for adopting a decision on the opening an internal structural unit must be stipulated by the regulations on the branch of the credit organisation.

Article 23. Liquidation or Reorganisation of a Credit Organisation

The liquidation or reorganisation of a credit organisation shall be carried out in accordance with federal laws taking into account the requirements of this Federal Law. In this case the state registration of a credit organisation in connection with its liquidation and the state registration of a credit organisation created by way of reorganisation shall be carried out in the procedure stipulated by the Federal Law on the State Registration of Juridical Persons and Individual Businessmen taking into account the peculiarities established by this Federal Law and by the normative acts of the Bank of Russia adopted in accordance therewith. The information and documents necessary for the carrying out of the state registration of a credit organisation in connection with its liquidation and of the state registration of a credit organisation created by way of reorganisation shall be submitted to the Bank of Russia. The List of the indicated information and documents, and also the procedure for their submission shall be determined by the Bank of Russia.

After the adoption of the decision on the state registration of a credit organisation in connection with its liquidation or on the state registration of a credit organisation created by way of reorganisation, the Bank of Russia shall send to the authorised registering body the information and documents necessary for the performance by that body of the functions of keeping the combined state register of legal entities.

On the basis of the indicated decision taken by the Bank of Russia and the necessary information and documents submitted by it, the authorised registering body shall, within five working days from the day of the receipt of the necessary information and documents, make the relevant entry in the combined state register of juridical persons and, not later than on the working day following the day of making the relevant entry, inform the Bank of Russia thereof.

The interaction of the Bank of Russia and of the authorised registering body concerning the state registration of a credit organisation in connection with its liquidation or concerning the state registration of a credit organisation created by reorganisation shall be carried out in the procedure agreed upon by the Bank of Russia with the authorised registering body.

A notice in writing about the commencement of the procedure of reorganising the credit organisation together with the decision on reorganisation of the credit organisation shall be sent by the credit organisation to the Bank of Russia within three business days after the date of said decision. If two or more credit organisations are involved in the re-organisation such notice shall be sent by the credit organisation that was the last to take a decision on the reorganisation of the credit organisation or was designated by said decision. The Bank of Russia shall place this notice on its internet website and shall send information, not later than one business day after the receipt of the notice from the credit organisation, to the empowered registration body about the commencement of the procedure of re-organising the credit organisation(s) together with said decision serving as the basis for the body to make an entry in the comprehensive state register of legal entities concerning the credit organisation's (organisations') being re-organised.

The state registration of a credit organisation in connection with its liquidation shall be carried out within 45 days from the day of the submission to the Bank of Russia of all documents drawn up in the established procedure.

The state registration of a credit organisation created by reorganisation, unless it has been decided to refuse such registration, shall be carried out within six months from the day of the submission to the Bank of Russia of all documents drawn up in the established procedure.

The Bank of Russia shall have the right to prohibit the reorganisation of a credit organisation if, as a result of its carrying out, there will arise grounds for the application of measures for preventing insolvency (bankruptcy) stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations.

In the case of termination of the activity of a credit organisation on the basis of a decision of its promoters (participants) the Bank of Russia shall, at the application of the credit organisation, take a decision on the cancellation of the licence for carrying out banking operations. The procedure for the submission by the credit organisation of such application shall be regulated by normative acts of the Bank of Russia.

If after the adoption of a decision by the promoters (participants) of a credit organisation on its liquidation the Bank of Russia, on the basis of Article 20 of this Federal Law, decides to withdraw from it the licence for carrying out banking operations, then the decision of the promoters (participants) of the credit organisation on its liquidation and other decisions associated therewith of the promoters (participants) of the credit organisation or the decisions of the liquidation commission (liquidator) appointed by the promoters (participants) of the credit organisation shall lose its legal force. The credit organisation shall be subject to liquidation in the procedure stipulated by Article 23.1 of this Federal Law.

In the case of cancellation or withdrawal of the licence for carrying out banking operations a credit organisation shall, within 15 days from the day of the adoption of such decision, return the indicated licence to the Bank of Russia.

The promoters (participants) of a credit organisation who have taken the decision on its liquidation shall appoint a liquidation commission (liquidator), approve an intermediate liquidation balance sheet and a balance sheet of the credit organisation in agreement with the Bank of Russia.

The liquidation of a credit organisation shall be considered completed and the credit organisation having terminated its activity after the making by the authorised registering body of the relevant entry in the combined state register of legal entities.

Article 23.1. Liquidation of a Credit Organisation at the Initiative of the Bank of Russia (Compulsory Liquidation)

Within 15 days from the day of the withdrawal from a credit organisation of the licence for carrying out banking operations the Bank of Russia must apply to the arbitration court with a demand for liquidation of the credit organisation (hereinafter, the application of the Bank of Russia for compulsory liquidation of a credit organisation), unless by the day of the withdrawal of said licence a credit organisation has certain indications of insolvency (bankruptcy) stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations.

If by the day of the withdrawal of the licence for carrying out banking operations a credit organisation has any indications of insolvency (bankruptcy) stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations, or if the presence of such indications has been established by the temporary administration, appointed by the Bank of Russia for managing the credit organisation after the day of the withdrawal from the credit organisation of said licence, then the Bank of Russia shall apply to the arbitration court for declaring the credit organisation insolvent (bankrupt) in the procedure established by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations).

The Arbitration Court shall consider the application of the Bank of Russia for compulsory liquidation of the credit organisation in accordance with the rules established by the Code of Arbitration Procedure of the Russian Federation and taking into account the peculiarities established by this Federal Law. The application of the Bank of Russia for compulsory liquidation of the credit organisation shall be considered by the arbitration court within one month from the day of the submission of said application. The arbitration court shall take a decision on the liquidation of the credit organisation and the appointment of a liquidator of the credit organisation unless it is established that the credit organisation has indications of insolvency (bankruptcy) as on the day of the withdrawal therefrom of the licence for carrying out banking operations. When considering the application of the Bank of Russia for compulsory liquidation of the credit organisation, the preliminary judicial session stipulated by the Code of Arbitration Procedure shall not be held.

The arbitration court shall send the decision on the liquidation of the credit organisation to the Bank of Russia and to the authorised registering body, which shall make an entry in the combined state register of legal entities to the effect that the credit organisation is in the process of liquidation.

Article 23.2. Liquidator of a Credit Organisation

The submission of the candidacy of the liquidator of a credit organisation to the arbitration court and the approval of that candidacy by the arbitration court shall be carried out in the procedure stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for the submission and approval of the bankruptcy commissioner of a credit organisation.

The liquidator of a credit organisation that held a licence of the Bank of Russia for attraction of deposits of monetary funds of natural persons shall be the Agency for Insurance of Deposits.

As the liquidator of a credit organisation that did not have a licence of the Bank of Russia for the attraction to deposits of monetary funds of natural persons, the arbitration court shall approve an arbitration manager conforming to the requirements of the Federal Law on Insolvency (Bankruptcy) and accredited with the Bank of Russia as a bankruptcy commissioner for the bankruptcy of credit organisations.

The liquidator of a credit organisation shall start the exercise of his authority from the day of the entry into force of the decision of the arbitration court on the liquidation of the credit organisation and of the appointment of the liquidator of the credit organisation and shall operate till the day of making a entry in the combined state register of legal entities about the liquidation of the credit organisation.

In the process of the liquidation of a credit organisation the liquidator of the credit organisation must act in good faith and reasonably and take into account the rights and legitimate interests of the creditors of the credit organisation, the society and the state. In the process of liquidation of a credit organisation the liquidator of the credit organisation shall have the rights and perform the duties stipulated by this Federal Law, and wherein certain issues are not dealt with, then by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for the bankruptcy commissioner of a credit organisation.

The discharge or removal of the liquidator of a credit organisation from the post shall be carried out in the procedure stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for bankruptcy proceedings.

Article 23.3. Consequences of the Adoption by the Arbitration Court of a Decision on the Liquidation of a Credit Organisation

A decision of the arbitration court on the liquidation of a credit organisation shall

enter into legal force from the day of its adoption. An appeal of a decision of the arbitration court on the liquidation of a credit organisation shall not suspend its execution.

From the day of the entry into legal force of a decision of the arbitration court on the liquidation of a credit organisation there shall ensue the consequences stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for the case of declaring a credit organisation insolvent (bankrupt).

Article 23.4. Regulation of the Procedures for the Liquidation of a Credit Organisation

The liquidation of a credit organisation shall be carried out in the manner and in accordance with the procedures stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for bankruptcy proceedings and with the peculiarities established by this Federal Law.

The creditors of a credit organisation being liquidated shall have the rights stipulated by this Federal Law, and wherein certain issues are not dealt with, then by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations. The liquidator of a credit organisation must conduct the first meeting of creditors of a credit organisation within 60 days after the day of the termination of the period established for recording the demands of creditors.

The control over the activity of the liquidator of a credit organisation, and the procedure for the submission by him of reports to the Bank of Russia, and also of the check by the Bank of Russia of the activity of the liquidator of a credit organisation shall be carried out as stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations for bankruptcy proceedings.

After the termination of the period established for the recording of demands of creditors of a credit organisation, the liquidator of the credit organisation shall draw up an intermediate liquidation balance sheet, which must contain information on the composition of the property of the credit organisation being liquidated, a list of demands of the creditors of the credit organisation, and also the results of their consideration. The intermediate liquidation balance sheet shall be considered at a meeting of creditors and/or a session of the committee of creditors of the credit organisation and after such consideration shall be subject to approval with the Bank of Russia.

The satisfaction of the demands of the creditors of a credit organisation shall be carried out in accordance with the intermediate liquidation balance sheet from the day of its agreeing-upon with the Bank of Russia and in the order of priority stipulated by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations.

The procedure for the performance of operations with the property of a credit organisation not included, in accordance with the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations, in the composition of the bankruptcy assets in the case of insolvency (bankruptcy) of the credit organisation shall be determined by said Federal Law.

If the monetary funds available to a credit organisation are insufficient for satisfying the demands of the creditors of the credit organisation, then the liquidator of the credit organisation shall carry out the realisation of the property of the credit organisation in the procedure established by the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations.

The period of the liquidation of a credit organisation may not exceed 12 months from the day of the entry into force of a decision of the arbitration court on the liquidation of the credit organisation. The indicated period may be prolonged by the arbitration court at a justified application of the liquidator of the credit organisation.

If it is revealed in the course of the conduct of the procedure of the liquidation of a credit organisation that the value of the property of the credit organisation in whose respect a decision on its liquidation has been taken, is insufficient for satisfying the demands of the creditors of the credit organisation, then the liquidator of the credit organisation must send to the arbitration court an application for declaring the credit organisation insolvent (bankrupt).

The report on the results of the liquidation of a credit organisation with the attachment of the liquidation balance sheet shall be heard at a meeting of creditors or a session of the committee of creditors of the credit organisation and approved by the arbitration court in the procedure stipulated by the Federal Law on Insolvency (Bankruptcy).

The ruling of the arbitration court on the approval of the report of the liquidator of a credit organisation on the results of the liquidation and on the completion of the liquidation of the credit organisation must be submitted by the liquidator of the credit organisation to the Bank of Russia with the attachment of the documents stipulated by the normative acts of the Bank of Russia for the carrying out of the state registration of the credit organisation in connection with its liquidation within ten days from the day of the rendering of such ruling.

Article 23.5. The Details of Re-Organisation of a Credit Organisation in the Form of Merger, Accession and Transformation

Within 30 days after the date of a decision on re-organisation of a credit organisation the credit organisation shall place information about it on its internet website and notify its creditors about this decision by one of the following methods:

1) sending a notice in writing to each creditor (by post with a notice of delivery) and publishing an announcement of the decision taken in a printed publication intended for the publication of information on the state registration of legal entities;

2) publishing an announcement of the decision taken in a printed publication intended for the publication of information on the state registration of legal entities and also in one of the printed publications intended for the publication of normative legal acts of the authorities of the subject of the Russian Federation on whose territory a branch (branches) of that credit organisation is/are located.

Said notice (announcement) shall contain information:

1) on the form of the re-organisation and the term for the completion thereof;

2) in the event of a re-organisation in the form of merger and transformation: on the would be organisational legal form, the would-be location of the credit organisation formed as the result of the reorganisation and on a list of the banking transactions it is going to carry out;

3) in the event of a re-organisation in the form of accession: on the organisational legal form, location of the credit organisation to which the accession is effected, and a list of the banking transactions which are being carried out or are going to be carried out by such credit organisation;

4) on the printed publication in which information is going to be published on significant facts (events, actions) affecting the financial and economic activities of the credit organisation.

The procedure for notifying creditors about the decision on reorganisation of the credit organisation shall be defined by a general meeting of stake-holders (shareholders) or by the board of directors (supervisory board) of the credit organisation, if the resolution of this issue falls within the scope of its powers according to the charter of the credit organisation, and it shall be brought to the notice of creditors by means of placing relevant information in places in the credit organisation and in all its units to which they have access. On a request of a person concerned the credit organisation shall provide a copy of said decision thereto. The amount charged by the credit organisation for the provision of such

copy shall not exceed the cost of production thereof.

The state registration of the credit organisation formed as the result of re-organisation and the making of entries in the comprehensive state register of legal entities concerning the termination of activities of the credit organisations re-organised shall be accomplished if there is evidence of creditors' having been notified in the procedure established by the present article.

A creditor of the credit organisation who is a natural person is entitled to claim the following in connection with the re-organisation of the credit organisation: early discharge of the relevant obligation, or if no early discharge is possible, termination of the obligation and a compensation for losses, if such obligation had come into being before the date of:

1) his/her receiving a notice in writing (if the creditor notification method specified in Item 1 of Part 1 of the present Article has been used);

2) the credit organisation's publication of an announcement in a printed publication intended for the publication of information on the state registration of legal entities concerning the decision taken on reorganisation of the credit organisation (if the creditor notification method specified in Item 2 of Part 1 of the present Article has been used).

A creditor of the credit organisation being a legal entity is entitled to claim the following in connection with the re-organisation of the credit organisation: early discharge or termination of the relevant obligation and a compensation for losses, if such right of claim has been granted to the legal entity according to the terms of a contract concluded with the credit organisation.

The aforesaid claims shall be sent by the creditors of the credit organisation in writing within 30 days after the creditor's receiving a notice or within 30 days after the credit organisation's publication of an announcement about the decision taken on re-organisation of the credit organisation in a printed publication intended for the publication of information on the state registration of legal entities.

From the date of the decision on re-organisation of the credit organisation until the date of completion of the re-organisation the credit organisation shall disclose information on significant facts (events, actions) affecting the financial and economic activities of the credit organisation. For the purposes of the present Federal Law such facts (events, actions) mean the following:

1) a re-organisation of the credit organisation or its affiliated and dependent companies;

2) the onset of facts that have caused a one-off increase or decrease in the value of the credit organisation's assets by over ten per cent, facts that have caused a one-off increase in the net profit or net losses of the credit organisation by over ten per cent, the credit organisation's carrying out one-off transactions whose amount or in which the value of property makes up ten and more per cent of the credit organisation's assets as of the date of the transaction;

3) a person's acquiring at least five per cent of ordinary shares of the credit organisation (at least five per cent of stakes in the charter capital of the credit organisation) and also any change resulting an increase or decrease in the amount of such shares (stakes) belonging to that person of more or less than 5, 10, 15, 20, 25, 30, 50 or 75 per cent of floated ordinary shares of the credit organisation (of stakes in the charter capital of the credit organisation);

4) information on decisions of general meetings of shareholders (stake-holders) of the credit organisation;

5) information on accrued and/or paid-out incomes on serial securities of the credit organisation formed as a joint-stock company (on the portion of the net profit of the credit organisation formed as a limited liability company or supplementary liability company

distributed among its stake-holders);

6) the sending of the following to the holders of securities of the credit organisation formed as a public joint-stock company, in accordance with Chapter XI.1 of Federal Law No. 208-FZ of December 26, 1995 on Joint-Stock Companies: a voluntary or compulsory offer (for instance, a competing offer) for acquisition of shares and also of other serial securities convertible into shares or a notice of a right to claim buyback of securities or a claim for buyback of securities.

The disclosure of information on significant facts (events, actions) affecting the financial and economic activities of the credit organisation shall take place in the form of its publication in the printed publication indicated in the credit organisation's announcement about the decision taken on re-organisation of the credit organisation. Such publication shall be completed within five days after the onset of said facts (events, actions). Also the credit organisation shall place information about significant facts (events, actions) on its internet website within three days after the onset of said facts (events, actions).

The provisions of the present article shall also be applied if the credit organisation is re-organised on a demand of the Bank of Russia in the cases established by federal laws.

Chapter III. Ensuring Stability of the Banking System, Protection of Rights, Interests of Depositors and Creditors of Credit Organizations

Article 24. Ensuring Financial Reliability of a Credit Organization

To ensure financial reliability, a credit organization must create reserves (funds), including those for depreciation of securities, the procedure of forming and use of which shall be adopted by the Bank of Russia. The minimum amounts of reserves (funds) shall be determined by the Bank of Russia. The amounts of before-tax deductions to reserves (funds) from profits shall be fixed in the federal laws on taxation.

A credit organization shall be obliged to classify assets by isolating the doubtful and bad debts and to create reserves (funds) to cover possible losses in compliance with procedure established by the Bank of Russia.

A credit organization is obliged to observe the mandatory normatives fixed in compliance with the Federal Law on the Central Bank of the Russian Federation (The Bank of Russia). Numerical values of mandatory normatives shall be fixed by the Bank of Russia in compliance with the mentioned federal law.

A credit organization must arrange internal control providing a proper level of reliability corresponding to the nature and scale of operations carried out.

When dismissed, the one-man executive body of a credit organisation is obliged to transfer the property and documents of the credit organisation to a person from among its top managers. If there is no such person at the time when the one-man executive body is dismissed, he/she is obliged to ensure safekeeping of the credit organisation's property and documents, having notified the Bank of Russia of the measures taken.

Article 25. Standard Rate of Mandatory Reserves of a Bank

A bank shall be obliged to observe the standard rate of mandatory reserves deposited in the Bank of Russia, including the requirements pertaining to deadlines, volumes, and types of attracted monetary resources. The procedure for depositing mandatory reserves shall be determined by the Bank of Russia in compliance with the Federal Law on the Central Bank of the Russian Federation (The Bank of Russia).

A bank shall be obliged to have an account in the Bank of Russia to keep mandatory reserves. The procedure for opening the mentioned account and clearing transactions within it shall be adopted by the Bank of Russia.

Article 26. Privacy in Banking

The Bank of Russia, the organisation that discharges the functions of the obligatory insurance of deposits shall guarantee the secrecy of transactions, of accounts and deposits of their clients and correspondents. All employees of a credit organization shall be obliged to keep secret transactions, accounts, and deposits of its clients and correspondents, as well as any other information specified by the credit organization, if this is not in defiance of federal law.

Certificates for operations and accounts of legal entities and private persons engaged in entrepreneurial activities without forming a legal entity shall be issued by the credit organization to them, courts of law, and courts of arbitration (judges), Accounting Chamber of the Russian Federation, tax bodies, customs bodies of the Russian Federation, the federal executive governmental body in charge of financial market matters, the Pension Fund of the Russian Federation, the Social Insurance Fund of the Russian Federation and to the bodies of the enforcement of judicial acts and acts of other bodies and officials in cases envisaged in legislative acts on their activities, and, when authorized by the head of an investigatory agency, to bodies of preliminary investigation for the cases accepted for investigation by them.

In compliance with laws of the Russian Federation, certificates concerning operations and accounts of legal entities and citizens, engaged in business activities without forming a legal entity, shall be issued by a credit organizations to the internal affairs bodies, while such exercise functions concerning detection, prevention and suppression of tax crimes.

Certificates for accounts and deposits of natural persons shall be issued by a credit organization to the persons themselves, to courts, to the bodies of the enforcement of judicial acts and acts of other bodies and of officials the organisations fulfilling the functions of the obligatory insurance of deposits upon the onset of insured accidents as provided by the federal law on the insurance of the deposits of natural persons in the banks of the Russian Federation, and when authorized by the head of an investigatory agency, to bodies of preliminary investigation for the cases accepted for investigation by them.

Certificates for accounts and deposits in cases of death of their owners shall be issued by a credit organization to persons indicated by the owner of the account or deposit in the testamentary disposition drawn up in the credit organization, to notary’s offices for inheritance cases of the deceased depositors resolved by them, to foreign consular institutions for accounts of foreign citizens.

Information on the transactions of legal entities, citizens pursuing entrepreneurial activities without the formation of a legal entity and natural persons shall be provided by credit organisations to the body authorised to implement measures for countering the legalisation (laundering) of earnings received through crime in the cases, under the procedure and within the scope envisaged by the Federal Law on Countering the Legalisation of Earnings Received through Crime (Money Laundering).

The Bank of Russia, the organisation performing the functions of the obligatory insurance of deposits, has no right to disclose information on accounts, deposits, as well as information on concrete transactions and on transactions registered in reports of credit organizations obtained by it as a result of execution of license, enforcement, and control functions, except for the cases envisaged in federal laws.

Audit organizations have no right to disclose to third persons information on transactions, accounts and deposits of credit organizations, their clients and correspondents obtained in the course of checks carried out by them, except for the cases envisaged in federal laws.

The body authorised to implement measures for countering the legalisation

(laundering) earnings received through crime shall not be entitled to disclose to third persons information received by credit organisations under the Federal Law on Countering the Legalisation of Earnings Received through Crime (Money Laundering) except for the cases specified in the said Federal Law. The federal executive governmental body in charge of financial market matters is not entitled to disclose to third persons the information received from credit organisations in accordance with the Federal Law on Countering the Illegal Use of Insider Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation, except for the cases envisaged by said Federal Law.

Disclosure of a banking secret shall incur responsibility, including indemnification of incurred damage, on the Bank of Russia, the organisation that discharges the functions of the obligatory insurance of deposits, credit, audit, and other organizations, and authorised body performing measures for counteracting legalisasion (laundering) of income received through crime, the foreign exchange control body authorised by the Government of the Russian Federation and foreign exchange control agents, as well as on their officials and their employees in compliance with procedure set forth in the Federal Law.

The organisation that discharges the functions of the obligatory insurance of deposits shall not have the right to disclose to third persons information received in keeping with the federal law on the insurance of the deposits of natural persons in the banks of the Russian Federation.

Information concerning operations of legal entities, citizens engaged in entrepreneurial activity without the formation of a legal entity, and of natural persons by their consent shall be provided by credit organizations to credit bureaus with a view of forming credit histories in the procedure and on conditions stipulated by a contract concluded with the credit bureau according to the Federal Law on Credit Bureaus.

Bank paying agents shall guarantee the secrecy of operations made on accounts and the secrecy of accounts of natural persons whose payments are accepted by them in compliance with Article 13.1 of this Federal Law.

The documents and information connected with making foreign exchange operations, with opening and keeping accounts and provided for by the Federal Law on Currency Regulation and Currency Control shall be provided by credit institutions to the foreign exchange control body authorized by the Government of the Russian Federation, tax bodies and customs authorities as to foreign exchange control agents in the cases, in the procedure and to the extent which are provided for by the cited Federal Law.

Foreign exchange control bodies and foreign exchange control agents are not entitled to disclose to third persons the information received from credit institutions in compliance with the Federal Law on Currency Regulation and Currency Control, except as provided for by federal laws.

Article 27. Arresting and Exacting Monetary Resources and Other Valuables of a Credit Organization

Monetary resources and other valuables of legal entities and natural persons placed on accounts and deposits, or kept in a credit organization may not be arrested other than by a court of law or court of arbitration, by a judge, and also by a decision of bodies of preliminary investigation in the presence of a judicial decision.

When monetary resources on accounts and deposits are placed under arrest, the credit organization shall stop debit operations from the given account (deposit) within the arrested amount immediately after receiving the arrest order.

An exaction of monetary resources and other values of natural persons and legal entities placed on accounts and deposits, or kept in a credit organization may be effected only on the basis of execution documents in compliance with legislation of the Russian

Federation.

A credit organization, the Bank of Russia, may not assume responsibility for the damage incurred as a result of arrest or exaction of the monetary resources and other values of their clients, except for the cases envisaged in legislation.

A confiscation of monetary resources and other values may be done on the basis of a court judgement which has come into legal force.

Chapter IV. Interbank Relations and Services to Clients

Article 28. Interbank Operations

Credit organizations may attract and place with each other on a contractual basis resources in the form of deposits, credits, effect payments through clearing centres arranged in compliance with the established procedure and correspondent accounts opened with each other, and carry out other mutual operations envisaged in the licenses issued by the Bank of Russia.

A credit organization shall report to the Bank of Russia on a monthly basis on the opening of correspondent accounts on the territory of the Russian Federation and abroad.

Credit organizations shall establish correspondent relations with foreign banks registered on the territories of off-shore areas of foreign states, in accordance with the procedure provided by the Bank of Russia.

Correspondent relations between a credit organization and the Bank of Russia shall be arranged on contractual basis.

Deduction of resources from accounts of a credit organization shall be done at its disposition or upon obtaining its consent, except for the cases envisaged in federal law.

In cases of insufficient resources for client crediting and fulfilling assumed obligations, a credit organization may apply for credits to the Bank of Russia on terms determined by it.

Article 29. Interest Rates for Credits, Deposits, and Commission for Operations of a Credit Organization

The interest rates on credits and/or the procedure for determining them, including the determination of the size of the interest rate on a credit depending on the change of the conditions stipulated in the credit agreement, the interest rates on deposits and the commission in operations shall be established by the credit organisation in agreement with the customers unless otherwise stipulated by a federal law.

A credit organisation may not unilaterally change the interest rates on credits and/or the procedure for determining them, the interest on deposits, the commission and the period of effect of such agreements with customers - individual businessmen and legal entities, except for instances stipulated by a federal law or the agreement with a customer.

Under an agreement of bank deposit made by an individual under the terms providing for its paying out upon the expiry of a definite period of time or upon occurrence of the circumstances provided for by the agreement a bank may not unilaterally reduce the validity period of this agreement, to reduce the interest rate, to increase or fix a commission fee in respect of operations, except when it is provided for by a federal law.

Under a credit agreement concluded with a borrower-citizen the credit organisation may not unilaterally reduce the period of effect of this agreement, increase the size of the interest and/or change the procedure for determining it, increase or establish the commission in operations, except for instances stipulated by a federal laws.

A credit organisation possessing a cash dispenser must inform a holder of a payment

card before the moment when he makes settlements with the use of the payment card or transfers orders to the credit organisation about making settlements on his bank accounts with the use of cash dispensers belonging to that credit organisation with a warning inscription reflected on the display of a cash dispenser about the size of the commission collected for the performance of such operations in addition to the remuneration established by the agreement between the credit organisation which has issued a payment card and the holder of such card, and also reflect, by the results of such operations, the information about the commission of the credit organisation possessing the cash dispenser, if such commission is collected, on the cheque of the cash dispenser.

Article 30. Relations Between the Bank of Russia, Credit Organizations, Their Clients and Credit Bureaus

Relations between the Bank of Russia, credit organizations, and their clients shall be maintained on the basis of agreements, if otherwise is not envisaged in federal law.

The agreement must contain interest rates for credits and deposits, cost of banking services and deadlines for their execution, including the deadlines for processing payment documents, liability of parties for violation of the agreement, including liability for violation of obligations in payment deadlines, as well as procedure for its cancellation and other essential terms of the agreement.

Clients shall be entitled to open any number of clearing, deposit, and other accounts they need in any currency in banks upon obtaining their consent, if not otherwise envisaged in federal law.

The procedure for opening, keeping, and closing of client accounts by a bank in roubles and foreign currencies shall be adopted by the Bank of Russia in compliance with federal laws.

Participants of a credit organization may not enjoy any privileges when an issue of granting a credit or providing banking services to them is being considered, if otherwise is not envisaged in federal law.

The credit organization must in the procedure stipulated by the Federal Law on Credit Bureaus provide all available information required to build credit histories with regard to all borrowers who have agreed to provide such, even to a single credit bureau included in the State Register of Credit Bureaus.

Prior to concluding a credit agreement with a natural person borrower and prior to amending the conditions of the credit agreement with the said borrower entailing a change of the full cost of the credit, the credit organisation must furnish the natural person borrower with information about the full cost of the credit and also with a list and amounts of payments of the borrower - natural person connected with non-observance by him of the conditions of the credit agreement.

The credit organisation must determine in the credit agreement the full cost of the credit granted to the natural person borrower and also give a list and amounts of payments of the natural person borrower connected with non-observance by him of the conditions of the credit agreement.

The calculation of the full cost of the credit must include the payments of the natural person borrower under the credit connected with the conclusion and fulfilment of the credit agreement, including the payments of the borrower in favour of third parties in the event that the duty of the borrower on such payments follows from the conditions of the credit agreement determining such third parties.

In the event that the full cost of credit cannot be determined prior to the conclusion of a credit agreement with a natural person borrower and prior to amending the conditions of the credit agreement entailing a change of the full cost of the credit because the credit agreement

stipulates different amounts of payments of the said borrower under the credit depending on his decision, then the credit organisation must bring to the natural person borrower information about the full cost of the credit determined proceeding from the maximum possible amount of the credit and the periods of the crediting.

The calculation of the full cost of a credit shall not include any payments of the natural person borrower under the credit connected with non-observance by him of the conditions of the credit agreement.

The full cost of the credit shall be calculated by the credit organisation and shall be brought by it to the borrower - natural person in the procedure established by the Bank of Russia.

Article 31. Payment Clearing by a Credit Organization

A credit organization shall effect payments in compliance with rules, forms, and standards fixed by the Bank of Russia; if the rules for individual types of payments are not available - as agreed between parties; when clearing international payments - in compliance with procedure adopted in federal laws and rules adopted in international banking practice.

A credit organization, the Bank of Russia, must effect the transfer of client resources and entering these resources to his account no later than the next operative day after the respective payment document is received, if otherwise is not envisaged in federal law, agreement, or the payment document.

In cases of untimely or incorrect entry of monetary resources onto a client account or deducting them, the credit organization, the Bank of Russia shall pay out interest on the amount of these resources at the refunding rate of the Bank of Russia.

Article 32. Antimonopoly Rules

Credit organizations shall be prohibited from concluding agreements and taking coordinated actions aimed at monopolization of the market of banking services, as well as at restricting competition in the banking sphere.

Purchase of stocks (share) of credit organizations, as well as concluding agreements envisaging control over operations of credit organizations (groups of credit organizations) must not defy antimonopoly rules.

Observation of antimonopoly rules in the sphere of banking services shall be monitored by the State Committee for Antimonopoly Policy and Support to New Economic Structures of the Russian Federation jointly with the Bank of Russia.

Article 33. Ensuring Credit Repayment

Credits granted by a bank may be secured with a mortgage in the form of immovable and movable property, including state and other valuable papers, bank guarantees, and in other ways envisaged in federal laws or the agreement.

If the borrower violates contractual obligations, the bank shall be entitled to recover the granted credits and accrued interest on it ahead of schedule, if such is envisaged in the agreement, as well as to exact the pledged property in compliance with procedure envisaged in federal law.

Article 34. Declaring Debtors Insolvent (Bankrupt) and Redemption of the Debt

A credit organization shall be obliged to take all measures envisaged in the legislation of the Russian Federation to recover the debt.

A credit organization shall be entitled to apply to a court of arbitration to file an

insolvency (bankruptcy) suit in compliance with procedure envisaged in federal laws against debtors failing to fulfil their obligations in debt redemption.

Chapter V. Branches, Representative Offices,
and Subsidiary Organizations of a Credit Organization
on the Territory of a Foreign State

Article 35. Branches, Representative Offices, and Subsidiary Organizations of a Credit Organization on the Territory of a Foreign State

A credit organisation holding a general licence may set up on the territory of a foreign state branches having obtained a permission from the Bank of Russia, and representative offices having notified the Bank of Russia.

A credit organisation holding a general licence may have affiliated organisations on the territory of a foreign state on a permission of, and in keeping with the requirements of, the Bank of Russia.

The Bank of Russia shall inform the applicant in writing no later than within three months from the moment of receiving the respective request of its decision - either a consent or a refusal. The refusal must be well-grounded. If the Bank of Russia failed to inform of the adopted decision within specified deadline, the respective permission of the Bank of Russia shall be considered obtained.

Chapter VI. Savings Operations

Article 36. Bank Deposits of Natural Persons

Deposit - monetary resources in the currency of the Russian Federation or a foreign currency placed by natural persons for keeping and obtaining an income. The income from a deposit is paid out as interest in monetary form. The deposit is returned to a depositor at his first demand in compliance with procedure envisaged for the given type of deposit in federal law and respective agreement.

Deposits may be accepted only by banks enjoying this right in compliance with a license issued by the Bank of Russia participating in the system of obligatory insurance of the deposits of natural persons in banks and registered in the organisation discharging the functions of the obligatory insurance of deposits. Banks shall ensure the safety of deposits and timely fulfillment of their obligations to depositors. The attraction of resources to deposits shall be registered by drawing up an agreement in writing in duplicate, with one of the copies handed out to the depositor.

The right to attract monetary resources of natural persons to deposits may be granted to banks with at least two years of operation from the date of state registration. In cases of bank merger, the mentioned term is assumed to be that of the bank with the earlier state registration. In case of bank reorganization, the mentioned term is preserved.

The right to attract in deposits money of natural persons may be granted to a newly-registered bank or to a bank, if less than two years have passed since the date of state registration, when:

1) the amount of the authorised capital of the newly-registered bank or the amount of the internal funds (capital) of the functioning bank comprises not less than 3 billion 600 million roubles;

2) the bank shall observe the duty, established by the regulatory act of the Central Bank of Russia, to reveal to an unlimited range of persons information about the persons exerting the essential (direct or indirect) influence on the decisions taken by the bank’s management bodies.

Article 37. Bank Depositors

Depositors of a bank may be citizens of the Russian Federation, foreign citizens, and stateless persons.

Depositors shall be free to choose a bank for placing the monetary resources belonging to them in deposits and may have deposits in one or several banks.

Depositors are entitled to be in command of their deposits, obtain income from deposits, clear non-cash payments in compliance with the agreement.

Article 38. The System of the Obligatory Insurance of the Deposits of Natural Persons in Banks

To guarantee the return of resources of citizens attracted by banks and compensate for the losses of income from deposited resources, the system of obligatory insurance of the deposits of natural persons in banks exists.

Participants of the organisation for obligatory insurance of deposits shall be any organisation that discharges the functions of the obligatory insurance of deposits and banks attracting resources of citizens.

The procedure for creation, forming, and use of resources of the Federal Fund of Mandatory Insurance of Deposits shall be determined by federal law.

Article 39. Voluntary Deposit Insurance Funds

Banks shall enjoy the right to create voluntary deposit insurance funds to ensure the return of deposits and payment of income from them. Voluntary deposit insurance funds shall be arranged as non-commercial organizations.

The number of constituent banks of a voluntary deposit insurance fund must be no less than five, with the total registered capital being no less than 20 times the minimum amount of registered capital fixed in accordance with the present Federal Law for banks for the date of fund creation.

Procedure for creation, management, and operation of voluntary deposit insurance funds shall be determined by their charters and federal laws.

A bank is obliged to notify its clients of its participation or non-participation in voluntary deposit insurance funds. In the case of its participation in a voluntary deposit insurance fund, the bank must inform the client of the insurance terms.

Chapter VII. Accounting Work in Credit Organizations and Control over Their Activities

Article 40. Rules for Accounting Work in a Credit Organization

Rules for accounting work, presenting financial and statistical reports, drawing up annual reports in credit organizations shall be adopted by the Bank of Russia while taking into account international banking practices.

The Bank of Russia shall establish the specifics of bookkeeping for the State Corporation ‘Bank of Development and of Foreign Economic Activities (Vneshekonombank)’.

Article 41. Control over Activities of a Credit Organization

Control over activities of a credit organization shall be executed by the Bank of Russia in compliance with federal laws.

Article 42. Audit Checks of a Credit Organization, Banking Groups and Banking

Holdings

The statements/reports of the credit organisation shall be examined and verified every year by an audit organisation holding a license for the performance of such check-ups under Russian law. The statements/reports of banking groups and the statements/reports of banking holdings shall be examined and verified every year by an audit organisation holding a license for auditing credit organisations under Russian law and engaged in credit organisation auditing for at least a two-year term. Licenses for credit organisation audit shall be issued under federal laws to audit organisations engaged in auditing activities at least for a two-year term.

An audit check of a credit organization, banking groups and banking holdings shall be done in compliance with legislation of the Russian Federation.

An audit organization must draw up a statement of the results of the audit check containing information on validity of financial reports of the credit organization, fulfillment of mandatory normatives fixed by the Bank of Russia, quality of management in the credit organization, condition of internal control, and other provisions envisaged in federal laws and the charter of the credit organization.

The audit statement shall be sent to the Bank of Russia within three months from the day of presenting the annual report of the credit organization, banking groups and banking holdings to the Bank of Russia.

Article 43. The Statements/Reports of a Credit Organisation, the Statements/Reports of Banking Groups and the Statements/Reports of Banking Holdings

The credit organisation shall file its annual report with the Bank of Russia (including the balance sheet and statement of profits and losses) after its reliability has been confirmed by an audit organisation. If the credit organisation is in a position to exert a significant (direct or indirect) influence on the activities of other legal entities (except for credit organisations) it shall compile and present the said report on a consolidated bases in compliance with the procedure determined by the Bank of Russia.

A credit organization shall publish in the open press its annual report (including accounting balance sheet and report of incomes and losses) in compliance with the form and deadlines fixed by the Bank of Russia, after it is confirmed by the audit organization.

The head credit organisation of a banking group, the head organisation of a banking holding (the managing company of a banking holding) shall draw up and file with the Bank of Russia consolidated reports on the activities of the banking group and consolidated reports on the activities of the banking holding for the purposes of credit organisation activity supervision, each of them including a consolidated financial report, a consolidated statement of profits and losses and also a risk calculation on a consolidated basis.

For the purpose of compilation, presentation and publication of consolidated reports on the activities of a banking group these reports shall include reports by other legal entities if the credit organisations incorporated in the banking group are in a position to exert a significant (direct or indirect) influence on the actions and decisions of the managerial bodies of said legal entities.

For the purpose of compilation, presentation and publication of consolidated reports on the activities of a banking holding the said reports shall include reports by other legal entities if the head organisation of the banking holding (the managing company of the banking holding) and/or the credit organisations incorporated in the banking holding is (are) in position to exert a significant (direct or indirect) influence on the decisions of the managerial bodies of said legal entities.

The legal entities which are under a significant (direct or indirect) influence of the head credit organisation of a banking group, the head organisation of a banking holding (the

managing company of a banking holding) shall provide them with reports on their activities for the purposes of compilation of consolidated reports.

The head credit organisation of a banking group, the head organisation of a banking holding (the managing company of a banking holding) shall not be entitled to disclose the information received from the other legal entities incorporated in this banking group (banking holding), such information concerning their activities, except for the cases specified in the present Federal Law or the cases ensuing from the purposes of publication of consolidated reports.

Chairman
of Supreme Soviet of RSFSR Boris Yeltsin

House of Soviets RSFSR, Moscow
December 2, 1990

FEDERAL LAW
NO. 224-FZ OF JULY 27, 2010
ON COUNTERING THE ILLEGAL USE OF INSIDE INFORMATION AND MARKET MANIPULATION AND ON AMENDING CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Adopted by the State Duma July 2, 2010
Approved by the Federation Council July 14, 2010

Chapter 1. General Provisions

Article 1. The Objective and Applicability of the Present Federal Law

1. The objective of the present Federal Law is to ensure the fair pricing of financial instruments, foreign currencies and/or commodities, the equality of investors and enhancing the confidence of investors by means of setting up a legal mechanism intended for preventing, detecting and stopping abuse in organised trading in the form of the illegal use of inside information and/or market manipulation.

2. The present Federal Law regulates relationships that have to do with the financial instruments, foreign currencies and/or commodities cleared for trading on organised markets on the territory of the Russian Federation and/or financial instruments, foreign currencies and/or goods in respect of which an application for bidding on said markets has been filed, the financial instruments whose price depends on financial instruments, foreign currencies and/or commodities cleared for trading on organised markets and/or the financial instruments whose price depends on financial instruments, foreign currencies and/or goods in respect of which an application for bidding on said markets has been filed.

3. The present Federal Law is not applicable to relationships which have to do with the following:

1) the realisation by the Central Bank of the Russian Federation (the Bank of Russia) (hereinafter referred to as "the Bank of Russia") and other persons acting on its behalf of transactions in financial instruments or foreign currencies for the purposes of the Bank of Russia's carrying out the functions of pursuing a uniform state monetary and credit policy and the protection and ensuring the stability of the rouble;

2) the realisation by the Government of the Russian Federation or the federal executive governmental body empowered by it or the supreme executive governmental bodies of subjects of the Russian Federation or the financial bodies of subjects of the Russian Federation in accordance with laws of the subjects of the Russian Federation of transactions in financial instruments for the purposes of state debt management;

3) the realisation by the executive bodies of municipal formations (local administrations) in accordance with the charters of the municipal formations of transactions in financial instruments for the purposes of municipal debt management.

4. The provisions governing the procedure for the use and protection of the inside information classified as state secret or tax secret and also liabilities for breach of said procedure shall be established in accordance with the legislation of the Russian Federation on state secrets and by the legislation of the Russian Federation on taxes and fees.

Article 2. The Basic Notions Used in the Present Federal Law

The following basic notions are used in the present Federal Law:

1) "inside information" meaning an exact and specific piece of information which has not been disseminated or provided (for instance intelligence deemed a commercial, service or banking secret, communication secret (in as much as it concerns information on postal money remittance) and other law-protected secrets) whose dissemination or provision can substantially affect the prices of financial instruments, foreign currencies and/or commodities (for instance information concerning one or several issuer(s) of serial securities (hereinafter referred to as an "issuer"), one or several managing company (companies) of investment companies, unit investment grant(s) and non-state pension fund(s) (hereinafter referred to as a "managing company), one or several economic agent (s) specified in Item 2 of Article 4 of the present Federal Law or one or several financial instruments, foreign currency (currencies) and/or commodity (commodities)) and which is information included in the relevant list of inside information mentioned in Article 3 of the present Federal Law;

2) "transactions in financial instruments, foreign currencies and/or commodities (hereinafter also referred to as "transactions") meaning making deals and committing other actions aimed at acquisition, alienation or another change of rights to financial instruments, foreign currencies and/or commodities and also actions that have to do with undertaking to commit said actions, for instance to bid (issue instructions);

3) "organiser of trade" meaning a stock, currency or commodity exchange or another organisation which organises trade in financial instruments, foreign currencies and/or commodities according to federal laws;

4) "provision of information" meaning actions aimed at enabling a certain circle of persons to receive information in accordance with the legislation of the Russian Federation on securities;

5) "dissemination of information" meaning actions:

a) aimed at enabling an infinite circle of persons to receive information or at sending information to an indefinite circle of persons, for instance by means of disclosing such information in accordance with the legislation of the Russian Federation on securities;

b) relating to the publication of information in the mass media, for instance electronic media, and in public information telecommunication networks (including the Internet);

c) relating to the dissemination of information via public electronic and information telecommunication networks (including the Internet);

6) "commodities" meaning things, save securities, which are cleared for trading on organised markets on the territory of the Russian Federation or in respect of which an application for bidding on said markets has been filed;

Article 3. The Information Deemed “Inside Information”

1. The inside information of the persons specified in Items 1 - 4, 11 and 12 of Article 4 of the present Federal Law is the information included in an exhaustive list which is confirmed by a normative legal act of the federal executive governmental body in charge of financial market matters. The persons specified in the present part shall confirm their own lists of inside information.

2. The inside information of the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and of the Bank of Russia is as follows:

1) information on the decisions taken by them on the results of trading (tenders);

2) the information they have received in the course of inspections and also information on the results of such inspections;

3) information on the decisions taken by them in respect of the persons specified in Items 1 - 4, 11 and 12 of Article 4 of the present Federal Law, on the issuance, suspension or cancellation (revocation) of licences (permits, accreditations) to pursue specific types of activity and also other permits as well;

4) information on the decisions taken by them on holding the persons specified in Items 1 - 4 and 11 - 13 of Article 4 of the present Federal Law accountable for administrative offences and also imposing other sanctions on said persons;

5) the other inside information defined by their normative acts.

3. The bodies and organisations specified in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall confirm normative acts comprising exhaustive lists of inside information in accordance with the methodological recommendations of the federal executive governmental body in charge of financial market matters.

4. Lists of inside information of the persons mentioned in Items 1 - 4, 11 and 12 of Article 4 of the present Federal Law, of the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and of the Bank of Russia shall be disclosed on their official websites in the Internet.

5. The following are not deemed “inside information”:

1) the information to which access is given to an infinite circle of persons, for instance as the result of dissemination thereof;

2) research, forecasts and assessment carried out on the basis of generally accessible information in respect of financial instruments, foreign currencies and/or commodities and also recommendations and/or proposals concerning the implementation of transactions involving financial instruments, foreign currencies and/or commodities.

Article 4. Insiders

The following persons are deemed insiders:

1) issuers and managing companies;

2) the economic entities included in the register envisaged by Article 23 of Federal Law No. 135-FZ July 26, 2006 on the Protection of Competition and dominating on a market of specific merchandise within the geographic boundaries of the Russian Federation;

3) the organisers of trade, clearing organisations and also depositaries and credit organisations which settle accounts on the results of transactions accomplished through organisers of trade;

4) the professional participants in a securities market and the other persons that carry out in the interests of clients transactions involving financial instruments, foreign currencies and/or commodities and have received inside information from clients;

5) the persons having access to the inside information of the persons mentioned in Items 1 - 4 of this article under contracts concluded with the relevant persons, for instance auditors (audit organisations), appraisers (the legal entities with which appraisers have

concluded labour contracts), professional participants in the securities market, credit organisations and insurance organisations;

6) the persons having at least 25 per cent of votes in the top managerial body of the persons specified in Items 1 - 4 of the present article and also the persons that have access to inside information under federal laws or constitutive documents by virtue of having shares (stakes) in the charter capital of said persons;

7) the members of the board of directors (supervisory board), the members of the collective executive body, the person carrying out the functions of the sole executive body (for instance the managing organisation, manager or temporary sole executive body), the members of the audit commission of the legal entities mentioned in Items 1 - 6, 8, 11 and 12 of the present article and of managing organisations;

8) the persons having access to information concerning a voluntary, compulsory or competitive bid for purchase of shares filed in accordance with the legislation of the Russian Federation on joint-stock companies, for instance the persons that have sent voluntary or competitive bids to a joint-stock company, the credit organisation which has provided a banker's guarantee or an appraiser (the legal entities which appraisers have concluded labour contracts);

9) federal executive governmental bodies, executive governmental bodies of subjects of the Russian Federation, local self-government bodies and the other bodies or organisations carrying out the functions of such bodies, the managerial bodies of the state non-budget funds entitled under federal laws and other normative legal acts of the Russian Federation to invest temporarily free funds into financial instruments (hereinafter referred to as "the managerial bodies of state non-budget funds") and the Bank of Russia;

10) the following having access to inside information: the heads of federal executive governmental bodies, the heads of executive governmental bodies of subjects of the Russian Federation, elected local self-government officials, the state employees and municipal employees of the bodies specified in Item 9 of the present article, employees of the bodies and organisations carrying out the functions of the bodies specified in Item 9 of the present article, employees of the managerial bodies of state non-budget funds, employees (personnel) of the Bank of Russia and members of the National Banking Council;

11) information agencies disclosing or providing the information of the persons specified in Items 1 - 4 of the present article and of the bodies and organisations specified in Item 9 of the present article and of the Bank of Russia;

12) the entities assigning ratings to the persons specified in Items 1 - 4 of the present article and also to securities (hereinafter referred to as "rating agencies");

13) natural persons having access to inside information of the persons specified in Items 1 - 8, 11 and 12 of the present article under labour and/or civil-law contracts concluded with relevant persons/entities.

Article 5. The Actions Deemed "Market Manipulation"

1. The following actions are deemed "market manipulation":

1) the deliberate dissemination of information known to be false through the mass media, for instance electronic media and public information telecommunication networks (including the internet), or in any other manner causing the price, demand or supply of, or the amount of trading in, a financial instrument to diverge from a level or to be maintained on a level substantially different from the level which would have prevailed if no such information were disseminated;

2) the realisation of transactions in a financial instrument, foreign currency and/or commodity by a preliminary agreement between participants in trading and/or their employees and/or the persons at the expense of which or in the interests of which said

transactions are accomplished causing the price of, a demand for, the supply of, or the amount of trading in, the financial instrument, foreign currency and/or commodity to diverge from the level or to be maintained at a level substantially different from the level which would have prevailed if there were no such transactions. This item is applicable to organised trading in which transactions are accomplished on the basis of bids addressed to all participants in the trading if information on the persons that have made the bids and also on the persons in whose interests the bids have been made is not disclosed to the other participants in the trading;

3) the making of deals in which parties' undertakings are performed at the expense or in the interests of one person as causing the price of, a demand for, the supply of, or the amount of trading in, a financial instrument, foreign currency and/or commodity to diverge from the level or to be maintained at a level substantially different from the level that would have prevailed if there were no such deals. The present item is applicable to organised trading in which deals are concluded on the basis of bids addressed to all participants in the trading if information on the persons that have made the bids and also on the persons in whose interests the bids have been made is not disclosed to other participants in the trading;

4) the making of bids at the expense and in the interests of one person causing the appearance in organised trading of two and more bids of opposite sense in which the purchasing price of a financial instrument, foreign currency and/or commodity is above or equal to the selling price of the same financial instrument, foreign currency and/or commodity if said bids have served as basis for transactions in which the price of, a demand for, the supply of, or the amount of trading in, the financial instrument, foreign currency and/or commodity has diverged from the level or was maintained at a level substantially different from the level which would have prevailed if there were no such transactions. The present item is applicable to organised trading in which transactions are accomplished on the basis of bids addressed to all participants in the trading if information on the persons that have made such bids and also the persons in whose interests such bids have been made is not disclosed to the other participants in the trading;

5) the repeated conclusion of deals during a trading day on an organised market at the expense of or in the interests of one person on the basis of bids having the highest purchasing price as of the time when the bids are made or the least selling price of a financial instrument, foreign currency and/or commodity as causing a substantial divergence of the price thereof from the level which would have prevailed if there were no such deals, for the purpose of concluding opposite deals at such prices at the expense or in the interests of the same person or of another person, and the subsequent conclusion of such opposite deals;

6) the repeated conclusion of deals during a trading day on an organised market at the expense or in the interests of one person for the purpose of misleading as to the price of a financial instrument, foreign currency and/or commodity causing the price of the financial instrument, foreign currency and/or commodity to be maintained at a level substantially different from the one which would have prevailed if there were no such deals;

7) repeated default on undertakings in transactions concluded in organised trading without an intent to perform them involving one and the same financial instrument, foreign currency and/or commodity causing the price of, demand for, the supply of, or the amount of trading in, the financial instrument, foreign currency and/or commodity to diverge from the level or to be maintained at a level substantially different from the level which would have prevailed if there were no such transactions. Said actions shall not be deemed "market manipulation" if undertakings under said transactions were terminated on the grounds envisaged by the rules of the organiser of trade and/or of the clearing organisation.

2. The criteria of the "substantial divergence" of the price of, a demand for, the supply of, or the amount of trading in, a financial instrument, foreign currency and/or commodity in

comparison with the level of the price of, a demand for, the supply of, or the amount of trading in, a financial instrument, foreign currency and/or commodity which would have prevailed without account being taken of the actions envisaged by the present article shall be established depending on the type, liquidity and/or market value of the financial instrument, foreign currency and/or commodity by the organiser of trade on the basis of the methodological recommendations of the federal executive governmental body in charge of financial market matters.

3. The actions defined by Items 2 - 6 of Part 1 of the present article shall not be deemed "market manipulation" which are aimed at:

1) maintaining the prices of serial securities in connection with the floatation and trading of the securities and are committed by participants in trading in accordance with a contract with the issuer;

2) maintaining prices in connection with the buy-back or purchase of shares, the redemption of investment units of a closed-end unit investment companies in the cases established by federal laws;

3) maintaining the prices of, a demand for, the supply of, or the amount of trading in, a financial instrument, foreign currency and/or commodity, and are committed by participants in trading in accordance with a contract to which an organiser of trade is a party.

4. The procedure and terms for the maintenance of the prices of, a demand for, the supply of, or the amount of trading in, a financial instrument, foreign currency and/or commodity in accordance with Part 3 of the present article shall be established by normative legal acts of the federal executive governmental body in charge of financial market matters.

Chapter 2. Measures for Preventing, Detecting and Stopping the Illegal Use of Inside Information and/or Market Manipulation. The Disclosure or Provision of Inside Information

Article 6. Restrictions on the Use of Inside Information and/or Market Manipulation

1. It is hereby prohibited to use inside information:

1) for the purpose of accomplishing transactions in the financial instruments, foreign currencies and/or commodities which are covered by the inside information, at one's own expense or at the expense of a third person, except for transactions within the framework of performance of an undertaking to purchase or sell financial instruments, foreign currencies and/or commodities which has become due, if such undertaking came into being as the result of a transaction that had been concluded before the person acquired the inside information;

2) by means of handing it over to another person, except for cases when this information is handed over to a person included in the list of insiders, in connection with the execution of the duties established by a federal law or in connection with the execution of labour duties or performance of a contract;

3) by means of giving recommendations to third persons or otherwise obligating or urging them to purchase or sell financial instruments, foreign currencies and/or commodities.

2. It is hereby prohibited to commit the actions deemed "market manipulation" according to the present Federal Law.

3. The provision of inside information for publication to the editorial board of a mass medium, its editor-in-chief, a journalist or another employee thereof and also the publication thereof if a mass medium are not deemed breach of the prohibition established by Item 2 of Part 1 of the present article. In this case, the provision of such information for its publication shall not relieve from accountability for the illegal receipt, use and disclosure of the information deemed a state, tax, commercial, service or banking secret, communication secret (in as much as it concerns information about postal money remittance) and another law-protected secret and from the duty to disclose or provide inside information.

Article 7. The Consequences of the Use of Inside Information and/or Market Manipulation

1. Any person that has illegally used inside information and/or has committed market manipulation shall be held accountable in accordance with the legislation of the Russian Federation with due regard to the provisions of the present article.

2. Any person who has illegally used inside information or disseminated information known to be false shall not be held accountable for the illegal use of inside information and/or market manipulation if that person did not know or was not to know that such information is inside information and the information disseminated was known to be false.

3. The editorial board of the mass media through which information known to be false has been disseminated, and also its editor-in-chief, journalists and other employees may not be held accountable for market manipulation if at least one of the below conditions exists:

1) if said information is a word-to-word reproduction of speeches, interviews or statements of natural persons, announcements or statements of legal entities and such persons can be identified from the content of the mass media's products;

2) if said information is a word-for-word reproduction of the information contained in products of another mass medium which have been already distributed, provided such mass medium can be identified from the content of the information so disseminated.

4. In any of the below cases the legal entities producing, issuing or distributing the products of a mass medium shall be held accountable under administrative and/or civil-law for the actions envisaged by Item 1 of Part 1 of Article 5 of the present Federal Law:

1) if the legal entities mentioned in Paragraph 1 of the present part have received an income or evaded a loss as the result of accomplishing transactions in a financial instrument, foreign currency and/or commodity on the basis of said information;

2) if the legal entities mentioned in Paragraph 1 of the present part disseminated information that was known to be false for a consideration in terms of money or another property gain;

3) if the legal entities mentioned in Paragraph 1 of the present part have refused to provide the federal executive governmental body in charge of financial market matters with information about the source of deliberate spread of false information.

5. The professional participants in a securities market and the other persons who have accomplished transactions accompanied by the illegal use of inside information and/or deemed "market manipulation" shall not be held accountable if said transactions were concluded on the orders (instructions) of another person. In this case the person that has given the orders (instructions) is liable.

6. The suspension of an action or the cancellation (revocation) of a dealership or brokerage licence, a securities management licence, a licence to manage investment companies, unit investment companies and non-state pension funds, a banking transactions licence, an exchange trader's or exchange broker's licence to conclude contracts in exchange trading which are derivatives underlied by a commodity for transactions in financial instruments, foreign currencies and/or commodities concluded on behalf of the legal entities holding said licences, their employees if such transactions have been accompanied by the illegal use of inside information and/or are deemed "market manipulation" is applicable only unless said legal entities manage to prove that they have taken all the necessary measures for preventing relevant wrongdoing.

7. Persons that have sustained losses as the result of illegal use of inside information and/or market manipulation are entitled to claim compensation from the person whose actions have caused such losses.

8. The accomplishment of transactions accompanied by the use of inside information

and/or deemed “market manipulation” shall not serve as grounds for deeming them invalid.

Article 8. Disclosing or Providing Inside Information

1. The procedure and term for disclosure or provision of inside information shall be established by normative legal acts of the federal executive governmental body in charge of financial market matters.

2. The bodies and organisations specified in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall disclose or provide inside information on their official internet websites no later than on the next working day after the time when it appeared (occurred), except if another procedure and term are established by federal laws for the disclosure or provision of such information.

3. If after the disclosure or provision of inside information a change has occurred in the details contained therein information about it shall be disclosed or provided in the same procedure not later than on the next working day after the time when such change occurred or when the change became known.

GARANT system comment
Article 9 of this Federal Law shall enter into force upon the expiry of one year from the date of official publication of this Federal Law

Article 9. The Requirements Applicable to the Keeping and Handover of a List of Insiders

1. The legal entities specified in Items 1 - 8, 11 and 12 of Article 4 of the present Federal Law, the bodies and organisations specified in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall:

1) keep a list of insiders;

2) notify in the procedure established by a normative legal act of the federal executive governmental body in charge of financial market matters the persons included in the list of insiders of their inclusion in such list and removal from it and notify said persons of the provisions of the present Federal Law;

3) hand over the list of insiders in the procedure established by a normative legal act of the federal executive governmental body in charge of financial market matters to the organisers of trade through which transactions in financial instruments, foreign currencies and/or commodities are accomplished. The present item does not extend to the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and the Bank of Russia;

4) hand over the list of insiders to the federal executive governmental body in charge of financial market matters if requested by it.

2. The list of insiders of the legal entities mentioned in Items 1 - 4 of Article 4 of the present Federal Law shall comprise the persons specified in Items 5, 7 and 11 - 13 of Article 4 of the present federal Law.

3. The list of insiders of the legal entities mentioned in Items 5 - 8, 11 and 12 of Article 4 of the present Federal Law shall comprise the persons specified in Items 7 and 13 of Article 4 of the present Federal Law.

4. The list of insiders of the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and of the Bank of Russia shall comprise the persons specified in Items 10 - 12 of Article 4 of the present Federal Law.

Article 10. Notification by Insiders of the Transactions Carried out by Them

1. The insiders included in the list of insiders of an issuer or of a managing company

shall notify said organisations and also the federal executive governmental body in charge of financial market matters of the transactions carried out by them involving the securities of the issuer or of the managing company and of the conclusion of contracts deemed derivatives whose price depends on such securities.

2. The insiders included in the list of insiders of an economic agent mentioned in Item 2 of Article 4 of the present Federal Law shall notify said economic agent and also the federal executive governmental body in charge of financial market matters of the transactions they have carried out involving the commodities of that economic agent and of the conclusion of contracts deemed derivatives whose price depends on such commodities.

3. The insiders included in the list of insiders of organisers of trade and clearing organisations and also of the depositaries and credit organisations settling accounts according to the results of transactions concluded through the organisers of trade shall notify said organisations and also the federal executive governmental body in charge of financial market matters of the transactions they have carried out involving the financial instruments cleared for the organised trading of these organisers of trade.

4. The insiders included in the list of insiders of the legal entities mentioned in Item 5 of Article 4 of the present Federal Law shall notify said legal entities and also the federal executive governmental body in charge of financial market matters of the transactions they have carried out involving the financial instruments, foreign currencies and/or commodities being the subject matter of the inside information to which they have access.

5. Information about the transactions in financial instruments, foreign currencies and/or commodities accomplished by insiders shall be disclosed by the organiser of trade at which these financial instruments, foreign currencies and/or commodities are being traded if said insiders so request.

6. The procedure and term for sending the notices specified in Parts 1 - 4 of the present article shall be defined by a normative legal act of the federal executive governmental body in charge of financial market maters.

Article 11. Measures for Preventing, Detecting and Stopping the Illegal Use of Inside Information and/or Market Manipulation

The legal entities mentioned in Items 1 - 8, 11 and 12 of Article 4 of the present Federal Law and the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall:

1) elaborate and endorse a procedure for getting access to insider information, the rules for protecting its non-disclosure status and monitoring the observance of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto;

2) form (designate or appoint) a structural unit (official) as responsible for monitoring the observance of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereof and as reporting to the board of directors (supervisory board) or if it is not available, to the paramount managerial body of the legal entity;

3) foster conditions allowing the structural unit (official) specified in Item 2 of the present article to carry out its/his/her functions without obstruction and effectively.

Article 12. Control over Transactions in Financial Instruments, Foreign Currencies and/or Commodities on Organised Markets

1. For the purpose of preventing, detecting and stopping the illegal use of inside information and/or market manipulation an organiser of trade shall monitor the transactions involving financial instruments, foreign currencies and/or commodities taking place in organised trading. While exercising such control the organiser of trade shall:

1) establish rules for preventing, detecting and stopping cases of illegal use of inside

information and/or market manipulation, including inter alia criteria of deals (bids) having the features of illegal use of inside information and/or market manipulation (hereinafter referred to as “non-standard deals (bids)”);

2) check non-standard deals (bids) for illegal use of insider information and/or market manipulation. By agreement with the self-regulating organisation incorporating participants in trading the organiser of trade is entitled is entitled to entrust such self-regulating organisation with verification of the non-standard deals (bids) taking place with the participation of its members to look for illegal use of inside information and/or market manipulation;

3) send notices to the federal executive governmental body in charge of financial market matters concerning all non-standard deals (bids) discovered during each trading day and the results of the verification completed. The requirements applicable to the content of the notice and also the procedure and term for filing it with the federal executive governmental body in charge of financial market matters shall be defined by normative legal acts of said federal executive governmental body.

2. While exercising the control envisaged by the present article the organiser of trade or the self-regulating organisation acting on the instructions thereof are entitled to:

1) demand from participants in trading and their employees the provision of the necessary documents (for instance those received by a participant in trading from its client), explanations and information in written and oral forms respectively;

2) commit the other actions envisaged by internal documents of the organiser of trade as aimed at preventing, detecting and stopping breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto.

3. Participants in organised trading shall designate an official as responsible for exercising control over the observance of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto and also shall establish a procedure for him/her to carry out his/her functions.

4. The participants in organised trading having a good reason for believing that a transaction carried out in their name but at the expense of a client or in the name and on instructions of a client is being accomplished through the illegal use of inside information and/or is market manipulation shall notify the federal executive governmental body in charge of financial market matters accordingly. The procedure and term for serving the notice and the content of the notice shall be defined by the federal executive governmental body in charge of financial market maters.

5. The federal executive governmental body in charge of financial market matters shall ensure the non-disclosure status of information about the name of the person which has sent the notice, except for cases when that person has given a consent in writing to dissemination or provision of such information.

Chapter 3. The Functions and Powers of the Federal Executive Governmental Body in Charge of Financial Market Matters

Article 13. The Functions of the Federal Executive Governmental Body in Charge of Financial Market Matters

The federal executive governmental body in charge of financial market matters shall carry out the following functions:

1) ensuring state control over the observance of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto, by the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law, the Bank of Russia, legal entities and natural persons, for instance individual entrepreneurs;

2) discovering breaches of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto, taking measures for stopping such breaches and holding persons accountable for the commission thereof in the cases and the procedure established by the legislation of the Russian Federation;

3) taking measures for preventing the illegal use of insider information and/or market manipulation by the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law, the Bank of Russia, legal entities and natural persons, for instance individual entrepreneurs;

4) issuing normative legal acts in accordance with the present Federal Law.

Article 14. The Powers of the Federal Executive Governmental Body in Charge of Financial Market Matters

1. The federal executive governmental body in charge of financial market matters shall execute the following powers:

1) checking the observance of the present Federal Law by the Bank of Russia, legal entities and natural persons, for instance individual entrepreneurs, of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto by the bodies and organisations mentioned in Item 9 of Article 4 on the basis of complaints (applications or representations), the information contained in mass media, the information provided in accordance with the present Federal Law and other federal laws, and also if the signs of a breach of the provisions of the present Federal Law are discovered by the federal executive governmental body in charge of financial market matters. Checking in accordance with the present item shall be carried out in the procedure established by normative legal acts of the federal executive governmental body in charge of financial market matters on the basis of a decision of the head of the federal executive governmental body in charge of financial market matters. If inside information and/or market manipulation concern a foreign currency and contracts deemed the derivatives on which a variation in exchange rates of foreign currencies and in credit rates depend the checking shall be carried out by the federal executive governmental body in charge of financial market matters jointly with the Bank of Russian in the procedure established by a joint normative legal act of the federal executive governmental body in charge of financial market matters and the Bank of Russia;

2) demanding the provision of the documents needed for the check from the bodies and organisations specified in Item 9 of Article 4 of the present Federal Law, the Bank of Russia, and also Russian and foreign legal entities, foreign organisations not being legal entities and from natural persons (including foreign citizens), for instance individual entrepreneurs;

3) demanding in the course of the check the provision of the information needed for preventing, detecting and stopping a breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto from any person which for good reason is believed to have the necessary information and also summoning such person for the purpose of providing the necessary information and explanations in a written and/or oral form. If said person is a person included in the list of the persons mentioned in Item 10 of Article 4 of the present Federal Law and if this information concerns the matters put within the competence of the relevant body and organisation specified in Item 9 of Article 4 of the present Federal Law and the Bank of Russia such information and/or explanations shall be provided by said body and organisation and the Bank of Russia to the federal executive governmental body in charge of financial market matters if demanded (requested) in writing by its head (deputy head);

4) demanding the following in the course of the check from legal entities and natural persons: the information exchange records made in accordance with the internal documents

of the relevant organisation and needed for preventing, detecting and stopping breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto;

5) issuing binding orders for legal entities and natural persons to eliminate their breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto, and also orders for elimination of the consequences of such breach and/or for avoiding similar breach in the future and also for suspending trading in financial instruments, foreign currencies and/or commodities;

6) sending proposals to the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and the Bank of Russia for eliminating breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto, and also for bringing the rules, regulations (rules of procedure) and other acts they have adopted pursuant to the present Federal Law in line with the provisions of the present Federal Law and the normative legal acts adopted pursuant thereto;

7) taking decisions on suspending or cancelling a licence to pursue professional activities on the securities market or a licence to pursue another type of activity licensed by the federal executive governmental body in charge of financial market matters in the event of breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto;

8) filing a proposal with the Bank of Russia and/or a licensor (a body in charge of supervision or accreditation) for the imposition of the sanctions established by federal laws, including the suspension or cancellation (revocation) of a licence to pursue relevant types of activity in the event of breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto. The Bank of Russia and/or the licensor (the body in charge of supervision or accreditation) shall send information to the federal executive governmental body in charge of financial market matters about the results of consideration of said proposal;

9) taking part in an arbitration court's consideration of cases relating to the application of norms and/or breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto;

10) issuing clarifications concerning the practical application of the legislation of the Russian Federation on countering the illegal use of inside information and market manipulation;

11) summarising and analysing the experiences of application of the present Federal Law, elaborating methodological recommendations for its application, for instance for the calculation of the sum of income or the sum of losses a person has avoided as the result of illegal use of inside information and/or market manipulation and also the amount of compensation for losses inflicted as the result of illegal use of inside information and/or market manipulation;

12) adopting normative legal acts on countering the illegal use of inside information and/or market manipulation—in the cases established by the present Federal Law.

2. If for the purpose of exercising control over the observance by the persons specified in Item 10 of Article 4 of the present Federal Law of provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto a relevant check is needed the federal executive governmental body in charge of financial market matters is entitled to send a demand in writing to the relevant bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and to the Bank of Russia for such check to be carried out and information on the results thereof to be provided thereto.

3. the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall:

1) verify the facts set out in the demand of the federal executive governmental body in charge of financial market matters, within two months. Said term may be extended by agreement with the federal executive governmental body in charge of financial market matters by up to one month;

2) not disclose information about the realisation of the check mentioned in Part 2 of the present article and also the information obtained as the result of such check, except for cases when it is provided to the federal executive governmental body in charge of financial market matters;

3) provide information to the federal executive governmental body in charge of financial market matters about the results of the check mentioned in Part 2 of the present article as comprising full and substantiated answers to the questions put in the demand of said federal executive governmental body, and also shall provide the materials of such check, for instance documents, explanations and information, within five days after the termination of such check.

4. During the check mentioned in Part 2 of the present article the persons specified in Item 10 of Article 4 of the present Federal Law shall provide the necessary information and explanations.

5. The bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law and the Bank of Russia shall establish their own procedure for the realisation of the check which are specified in Part 2 of the present article and are carried out under a demand in writing of the federal executive governmental body in charge of financial market matters. The federal executive governmental body in charge of financial market matters is entitled to elaborate methodological recommendations for the implementation of the check described in Part 2 of the present article.

6. The federal executive governmental body in charge of financial market matters shall store, process and use the information which is provided thereto in accordance with the present Federal Law and to which access is restricted by federal laws, exclusively for the purpose of preventing, detecting and stopping offences that have to do with the illegal use of inside information and/or market manipulation, provided its non-disclosure status is observed.

7. If operative search measures are required for the purpose of preventing, detecting and stopping the illegal use of inside information and/or market manipulation the federal executive governmental body in charge of financial market matters shall apply to internal affairs bodies in the procedure established by the legislation of the Russian Federation. The procedure for the interaction of the federal executive governmental body in charge of financial market matters and internal affairs bodies shall be defined by a joint normative legal act of the federal executive governmental body in charge of financial market matters and the federal executive governmental body in charge of the functions of state policy elaboration and normative legal regulation in the area of internal affairs.

8. Appeal may be taken from a decision or order of the federal executive governmental body in charge of financial market matters concerning the results of the check to an arbitration court within three months after the date of issue of the decision or the date on which the order was handed out.

9. The federal executive governmental body in charge of financial market matters is entitled to exchange the information which is required for preventing, detecting and stopping the illegal use of insider information and/or market manipulation and to which access is restricted by federal laws, for instance personal data, the information deemed a commercial, service or banking secret, a communication secret (in as much as information about postal money remittance is concerned) and another law-protected secret (except for a state and tax secret), with a relevant body (organisation) of a foreign state under an agreement with such

body (organisation) envisaging mutual exchange of said information on the condition that according to the legislation of that foreign state the level of protection (non-disclosure) of the provided information is not below the level of protection (non-disclosure) of the provided information envisaged by the legislation of the Russian Federation, and if information-exchange relationships are regulated by international agreements of the Russian Federation, in accordance with the terms of such agreements.

Article 15. The Disclosure of Information by the Federal Executive Governmental Body in Charge of Financial Market Matters

1. In the procedure established by it the federal executive governmental body in charge of financial market matters shall compulsorily disclose information:

1) on the suspension or cancellation of a licence to pursue professional activities on the securities market or a licence to pursue another type of activity licensed by the federal executive governmental body in charge of financial market matters if the ground for the relevant decision is breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto and also on courts' judgements in cases of appeal against said decisions of the federal executive governmental body in charge of financial market matters;

2) on the administrative penalties imposed on them for the illegal use of inside information and/or market manipulation;

3) on the sending of an order for elimination of breach of the provisions of the present Federal Law and of the normative legal acts adopted pursuant thereto, on the elimination of the consequences of such breach and/or the prevention of similar wrongdoing in the future and also on the suspension of trading in financial instruments, foreign currencies and/or commodities.

2. The federal executive governmental body in charge of financial market matters shall notify the Bank of Russia of the measures taken in respect of a credit organisation which are specified in Part 1.

3. Only under a court's decision the federal executive governmental body in charge of financial market matters is entitled to disclose or hand over to any person information on the check which it has carried out and whose results did not show breach of the provisions of the present Federal Law and of other normative legal acts adopted pursuant thereto and also on the administrative investigation resulting in the issuance of a ruling on termination of a case of administrative offence in the area of the legislation of the Russian Federation on countering the illegal use of inside information and market manipulation.

Article 16. Procedure for the Provision of Information to the Federal Executive Governmental Body in Charge of Financial Market Matters

1. The bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law, legal entities, their officials and employees and natural persons, for instance individual entrepreneurs, shall do the following on a substantiated (well-grounded) demand (request) in writing of the federal executive governmental body in charge of financial market matters within the term specified in the demand (request): the documents, explanations and information in a written and oral form respectively, for instance information deemed a commercial, service or banking secret, or a communication secret (in as much as it concerns information on postal money remittance) and another law-protected secret (except for a state and tax secret) which are needed for preventing, detecting and stopping the cases of illegal use of inside information and/or market manipulation. The term set in the demand (request) of the federal executive governmental body in charge of financial market matters shall allow said bodies, organisations, legal and natural persons to prepare the documents, explanations

and information.

2. The provision of the documents, explanations and information specified in Part 1 of the present article on a demand (request) of the federal executive governmental body in charge of financial market matters by the bodies and organisations mentioned in Item 9 of Article 4 of the present Federal Law or the Bank of Russia, legal entities, their officials and employees and natural persons, for instance individual entrepreneurs, for the purposes and in the procedure envisaged by the present Federal Law is not deemed breach of a secret concerning the source of information in the case envisaged by Part 3 of the present article, a commercial, service or banking secret, or a communication secret (in as much as it concerns information on postal money remittance) and another law-protected secret (except for a state and tax secret).

3. The editorial board of a mass medium, its editor-in-chief, a journalist and other employees shall provide information to the federal executive governmental body in charge of financial market matters about the source of the information they have published only if the substantiated (well-grounded) demand (request) in writing of said federal executive governmental body is about the provision of information on the source of the published deliberately false information that has caused the consequences described in Item 1 of Part 1 of Article 5 of the present Federal Law. In all other cases information about said source shall be provided in the procedure and on the terms envisaged by the legislation of the Russian Federation on the mass media.

4. The persons who avoid performing at the demands of the federal executive governmental body in charge of financial market matters as they are executing the powers envisaged by the present Federal Law and also which have provided the federal executive governmental body in charge of financial market matters with the deliberately false and/or misleading documents, explanations or information mentioned in Part 1 of the present article or which have concealed such documents, explanations and information are accountable in accordance with the legislation of the Russian Federation.

5. The form of a written demand (request) for the provision of the documents, explanations and information specified in Part 1 of the present article addressed to the bodies, legal entities and natural persons mentioned in Part 1 of the present article (except for credit organisations) shall be defined by the federal executive governmental body in charge of financial market matters, and of those addressed to credit organisations, by the federal executive governmental body in charge of financial market matters in agreement with the Bank of Russia. Such demand (request) may be sent by the head of the federal executive governmental body in charge of financial market matters.

6. The federal executive governmental body in charge of financial market matters is entitled to disclose and hand over the documents, explanations and information received from the bodies, organisations and natural persons mentioned in Part 1 of the present article only under a court's decision.

Article 17. The Powers of Self-Regulating Organisations

The self-regulating organisations recognised as such in accordance with federal laws are entitled to:

1) elaborate in accordance with the present Federal Law and normative legal acts of the federal executive governmental body in charge of financial market matters the requirements (rules) applicable to its members, allowing to prevent, detect and stop the illegal use of insider information and/or market manipulation;

2) monitor the observance by its members of the requirements established by the present Federal Law and the normative legal acts adopted pursuant thereto and also the rules of the self-regulating organisation, and to establish sanctions for breach of these rules;

3) verify on instructions of an organiser of trade the non-standard deals (bids) concluded (made) with the participation of its members to check if inside information and/or market manipulation has been illegally used.

Chapter 4. On Amending Some Legislative Acts of the Russian Federation

Article 18. On Amending the Federal Law on Banks and Banking Activities

The following amendments are hereby made to the Federal Law on Banks and Banking Activities (in the wording of Federal Law No. 17-FZ of February 3, 1996 (Vedomosti S'ezda Narodnykh Deputatov RSFSR i Verkhovnogo Soveta RSFSR, item 357, No. 27, 1990; Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 492, No. 6, 1996; item 3829, No. 31, 1998; item 2586, No. 26; item 3424, No. 33, 2001; item 1093, No. 12, 2002; item 2700, No. 27; item 5033, No. 52, 2003; item 2711, No. 27, 2004; items 18 and 45, No. 1, 2005; item 2061, No. 19, 2006; item 4011, No. 31; item 4845, No. 41, 2007; item 1043, No. 9; item 2776, No. 23; item 3739, No. 30, 2009):

1) Part 1 of Article 20 shall be supplemented with Item 11 of the following wording:

"11) the repeated breach during one year of the provisions of the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation and of the normative legal acts adopted pursuant thereto with due regard to the details established by said Federal Law.";

2) in Article 26:

a) in Part 2 the words "the federal executive governmental body in charge of financial market matters," shall be included after the words "the customs bodies of the Russian Federation,";

b) Part 9 shall be supplemented with the following sentence: "The federal executive governmental body in charge of financial market matters is not entitled to disclose to third persons the information received from credit organisations in accordance with the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation, except for the cases envisaged by said Federal Law.".

Article 19. On Amending the Law of the Russian Federation on Commodity Exchanges and Exchange Trading

In Item 2 of Article 32 of Law of the Russian Federation No. 2383-I of February 20, 1992 on Commodity Exchanges and Exchange Trading (Vedomosti S'ezda Narodnykh Deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, item 961, No. 18, 1992) the words "internal information" shall be replaced with the words "inside information".

Article 20. On Amending the Federal Law on the Securities Market

The following amendments are hereby made to Federal Law No. 39-FZ of April 22, 1996 on the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1918, No. 17, 1996; item 3424, No. 33, 2001; item 5141, No. 52, 2002; item 3225, No. 31, 2004; item 900, No. 11; item 2426, No. 25, 2005; item 5, No. 1; item 172, No. 2; item 1780, No. 17; item 3437, No. 31; item 4412, No. 43, 2006; item 45, No. 1; item 4845, No. 41, 2007; item 777, No. 7; item 2154, No. 18; item 3642, No. 29; item 5731, No. 48, 2009; item 1988, No. 17, 2010):

1) Article 2 shall be supplemented with Part 30 of the following wording:

"The terms "inside information" and "market manipulation" are used in the present Federal Law in the sense defined by the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation.";

2) in Paragraph 7 of Part 3 of Article 9 the words “price manipulation” shall be replaced with the words “market manipulation”;

3) in Article 13:

a) in Paragraph 3 of Item 1 the words “price manipulation and the use of internal information” shall be replaced with the words “the use of inside information and/or market manipulation”;

b) in Paragraph 1 of Item 2 the words “internal information, price manipulation” shall be replaced with the words “inside information and/or market manipulation”;

4) Chapter 8 shall be deemed no longer effective;

5) in Article 44:

a) Item 4 shall be supplemented with the following paragraph:

“if during one year the professional participant in the securities market has repeatedly violated the provisions of the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation and of the normative legal acts adopted pursuant thereto—to take a decision on suspension or cancellation of the licence to pursue professional activities on the securities market with due regard to the details established by said Federal Law;”;

b) in Item 12 the word “contracts;” shall be replaced with the words “contracts. The information received in accordance with said agreements may be provided to state bodies, for instance law-enforcement ones, only on the consent of the relevant body (relevant organisation) of the foreign state which as provided such information or under a court’s judgement,”;

6) in Item 3 of Part 4 of Article 50 the words “price manipulation” shall be replaced with the words “market manipulation”;

7) Items 2 and 2.1 of Article 51 shall be deemed no longer effective.

Article 21. On Amending the Criminal Code of the Russian Federation

The following amendments are hereby made to the Criminal Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2954, No. 25, 1996; item 3012, No. 26, 1998; item 3491, No. 28, 1999; item 3424, No. 33; item 4404, No. 47, 2001; item 966, No. 10; item 1795, No. 19; item 2518, No. 26, 2002; item 954, No. 11; items 4848 and 4855, No. 50, 2003; item 3091, No. 30, 2004; item 5574, No. 52, 2005; item 46, No. 1; item 1822, No. 16; item 6248, No. 50, 2007; item 2251, No. 20, 2008; item 2146, No. 18; item 3922, No. 31; item 5170, No. 44; item 6453, No. 52, 2009; item 4, No. 1; item 1756, No. 15; item 2289, No. 19; items 2525 and 2530, No. 21; item 3071, No. 25, 2010):

1) in the note to Article 169 the figures “185 - 185.4” shall be replaced with the figures “185 - 185.6”;

2) in the note to Article 185 the figures “185 - 185.4” shall be replaced with the figures “185, 185.1, 185.2 and 185.4”;

3) Article 185.3 shall be set out as follows:

“Article 185.3. Market Manipulation

1. Market manipulation, i.e. the deliberate dissemination of information known to be false through mass media, including public electronic and information telecommunication networks (for instance the internet) or the realisation of transactions in financial instruments, foreign currencies and/or commodities or the other deliberate actions prohibited by the legislation of the Russian Federation on countering the illegal use of inside information and market manipulation if such illegal actions have caused the price of, a demand for, the supply of, or the amount of trading in, financial instruments, foreign currencies and/or commodities to diverge from the level or have been maintained at a level substantially different from the

level which would have prevailed without account being taken of aforesaid illegal actions, and also if such actions have inflicted a large-scale actual loss to citizens, organisations or the state or are associated with the receiving of an excessive income or with the avoidance of losses on a large scale—

shall be punished with a fine in an amount from 300,000 to 500,000 roubles or an the amount of the wage or another income of the convict for a period from one year to three years or imprisonment for a term of up to four years with a fine in an amount of up to 50,000 roubles or in the amount of the wage or another income of the convict for a period of up to three months or without it with deprivation of the right to occupy certain positions or pursue certain activities for a term of up to three years or without it.

2. The wrongdoings which are envisaged by Part 1 of the present article and have been committed by an organised group or have caused especially large-scale actual losses to citizens, organisations or the state or are associated with the receiving of an excessive income or avoidance of especially large scale losses—

shall be punished with a fine in an amount from 500,000 roubles to 1,000,000 roubles or the amount of the wage or another income of the convict for a period from two to five years or imprisonment for a term from two to seven years with a fine in an amount of up to 100,000 roubles or the amount of the wage or another income of the convict for a period of up to two years or without it with deprivation of the right to occupy certain positions or pursue certain activities for a term of up to five years or without it.

Notes.

1. In the present article the “large-scale actual losses”, “excessive income”, “large-scale losses” mean actual losses, an excessive income or losses in an amount exceeding 2,500,000 roubles and “especially large-scale” ones, in an amount exceeding 10,000,000 roubles.

2. In the present article the “excessive income” means an income assessed as the difference between an income which was received as the result of illegal actions and the income which would have been formed without account being taken of the illegal actions envisaged by the present article.

3. In the present article and Article 185.6 of the present Code the “avoidance of losses” means the losses which have been avoided by a person as the result of illegal use of inside information and/or market manipulation.”;

4) Article 185.6 of the following wording shall be added:

“Article 185.6. The Illegal Use of Inside Information

1. The deliberate use of inside information for the purpose of carrying out transactions in the financial instruments, foreign currencies and/or commodities which are covered by such information, at one’s own expense or at the expense of a third person, and equally the deliberate use of inside information by means of giving recommendations to third persons, obligating or otherwise urging them to purchase or sell financial instruments, foreign currencies and/or commodities if such use have caused large-scale actual losses to citizens, organisations or the state or is associated with the receiving of an income or the avoidance of large-scale losses—

shall be punished with a fine in an amount from 300,000 to 500,000 roubles or in the amount of the wage or another income of the convict for a period from one year to three years or imprisonment for a term from two to four years with a fine in an amount of up to 50,000 roubles or in the amount of the wage or another income of the convict for a period of up to three months or without it with deprivation of the right to occupy certain positions or pursue certain activities for a term of up to three years or without it.

2. The deliberate use of inside information by means of its being illegally provided to

another person, if such act has caused the appearance of the consequences envisaged by Part 1 of the present article—

shall be punished with a fine in an amount from 500,000 to 1,000,000 roubles or in the amount of the wage or another income of the convict for a period from two to four years or imprisonment for a term from two to six years with a fine in an amount of up to 100,000 roubles or in the amount of the wage or another income of the convict for a period of up to two years or without it with deprivation of the right to occupy certain positions or pursue certain activities for a term of up to four years or without it.

Note. In the present article the "large-scale actual losses", "income" and "large-scale losses" mean an actual loss, income and losses in an amount exceeding 2,500,000 roubles.".

Article 22. On Amending the Federal Law on Investment Companies

Item 1 of Article 61.2 of Federal Law No. 156-FZ of November 29, 2001 on Investment Companies (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4562, No. 49, 2001; item 6247, No. 50, 2007; item 1988, No. 17, 2010) shall be supplemented with Subitem 17 of the following wording:

"17) the repeated breach during one year of the provisions of the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation and of the normative legal acts adopted pursuant thereto. In this case, a decision on cancellation of the relevant licence shall be taken with due regard to the details established by said Federal Law.".

Article 23. On Amending the Criminal Procedural Code of the Russian Federation

In Subitem (a) of Item 1 of Part 2 of Article 151 of the Criminal Procedural Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4921, No. 52, 2001; item 2027, No. 22; items 3020 and 3029, No. 30; item 4298, No. 44, 2002; items 2700 and 2706, No. 27; item 4847, No. 50, 2003; item 2711, No. 27, 2004; item 13, No. 1, 2005; items 2975 and 2976, No. 28; item 3452, No. 31, 2006; item 46, No. 1; items 2830 and 2833, No. 24; item 6033, No. 49; item 6248, No. 50, 2007; item 1267, No. 11; item 5170, No. 44, 2009; item 4, No. 1; item 1756, No. 15; item 2525, No. 21, 2010) the figures "185 - 185.5," shall be replaced with the figures "185 - 185.6,".

Article 24. On Amending the Code of Administrative Offences of the Russian Federation

The following amendments are hereby made to the Code of Administrative Offences of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1, No. 1; item 3029, No. 30; item 4295, No. 44, 2002; items 2700, 2708 and 2717, No. 27; item 4434, No. 46; items 4847 and 4855, No. 50; item 5037, No. 52, 2003; item 3229, No. 31; items 3529 and 3533, No. 34; item 4266, No. 44, 2004; items 13, 40 and 45, No. 1; items 1075 and 1077, No. 13; item 1752, No. 19; items 2719 and 2721, No. 27; items 3104 and 3131, No. 30; item 5247, No. 50; item 5574, No. 52, 2005; items 4 and 10, No. 1; items 172 and 175, No. 2; item 636, No. 6; item 1776, No. 17; item 1907, No. 18; item 2066, No. 19; items 3433 and 3438, No. 31; item 4641, No. 45; item 5281, No. 50; item 5498, No. 52, 2006; items 25 and 33, No. 1; item 840, No. 7; item 1825, No. 16; item 3089, No. 26; item 3755, No. 30; items 4007 and 4008, No. 31; item 4845, No. 41; item 5553, No. 46, 2007; items 2251 and 2259, No. 20; items 3582 and 3604, No. 30; item 5745, No. 49; items 6235 and 6236, No. 52, 2008; item 17, No. 1; item 777, No. 7; items 2759 and 2767, No. 23; items 3120 and 3131, No. 26; items 3597 and 3642, No. 29; item 3739, No. 30; items 5711 and 5724, No. 48; item 6412, No. 52, 2009; item 1, No. 1; item 2145, No. 18; item 2291, No. 19; item 2525, No. 21; item

2790, No. 23, 2010):

1) Part 1 of Article 3.5 shall be supplemented with Item 6 of the following wording:

"6) the sum of excessive income or the sum of the losses which have been evaded by the person as the result of illegal use of insider information and/or market manipulation.";

2) in Part 1 of Article 4.5 the words "non-state pension funds, the legislation on countering the illegal use of inside information and market manipulation," shall be added after the words "investment companies,";

3) Article 15.21 shall be set out as follows:

"Article 15.21. The Illegal use of Inside Information

The illegal use of inside information, unless this action contains an act punishable under the criminal law—

shall cause the imposition of an administrative fine on citizens in an amount from 3,000 to 5,000 roubles; on officials from 30,000 to 50,000 roubles or disqualification for a term from one year to two years; on legal entities in the amount of the sum of excessive income or the sum of the losses which have been avoided by the citizen, official or legal entity as the result of illegal use of the inside information but in any case not below 700,000 roubles.

Note. In the present article and in Article 15.30 of the present Code the "excessive income" means an income assessed as the difference between the income received as the result of illegal actions and the income which would have been formed without account being taken of the illegal actions envisaged by the present article.";

4) Article 15.30 shall be set out as follows:

"Article 15.30. Market Manipulation

Market manipulation, unless this action contains an act punishable under the criminal law—

shall cause the imposition of an administrative fine on citizens in an amount from 3,000 to 5,000 roubles; on officials from 30,000 to 50,000 roubles or disqualification for a term from one year to two years; on legal entities in the amount of the sum of excessive income or the sum of the losses avoided by the citizen, official or legal entity as the result of the market manipulation but in any case not below 700,000.";

5) Chapter 15 shall be supplemented with Article 15.35 of the following wording:

"Article 15.35. Breach of Legislative Provisions on Countering the Illegal Use of Inside Information and Market Manipulation

1. A default on, or the improper execution of, the duty to disclose inside information by a person which is obligated to disclose the inside information, except for the cases envisaged by Article 15.19 of the present Code—

shall cause the imposition of an administrative fine on officials in an amount from 20,000 to 30,000 roubles or disqualification for a term of up to one year; on legal entities from 500,000 to 700,000 roubles.

2. A default on, or the improper execution of, the duty to keep a list of insiders and to notify the persons included in the list of insiders by persons which are obligated to keep the list of insiders—

shall cause the imposition of an administrative fine on officials in an amount from 20,000 to 30,000 roubles; on legal entities from 300,000 to 500,000 roubles.

3. Insiders' default on, or improper execution of, the duty to notify the federal executive governmental body in charge of financial market matters of the transactions in financial instruments, foreign currencies and/or commodities they have concluded—

shall cause the imposition of an administrative fine on citizens in an amount from 3,000 to 5,000 roubles; on officials from 20,000 to 30,000 roubles; on legal entities from

300,000 to 500,000 roubles.

4. A person's default on, or improper execution of, the duty to take the measures which are established by the legislation and are aimed at preventing, detecting and stopping abuse on financial and commodity markets—

shall cause the imposition of an administrative fine on officials in an amount from 20,000 to 30,000 or disqualification for a term of up to one year; on legal entities from 300,000 to 700,000 roubles.";

6) in Paragraph 1 of Article 19.7.3 the words "and needed for this body's (official's) carrying out its legal activities" shall be added after the words "envisaged by the legislation";

7) in Part 2 of Article 23.1 the words "Parts 1 and 4 of Article 15.35," shall be added after the figures "15.30,";

8) in Part 1 of Article 23.47 the figures "15.35," shall be added after the figures "15.28 - 15.31";

9) in Part 1 of Article 28.7 the words "the legislation on countering the illegal use of inside information and market manipulation," shall be added after the words "the financing of terrorism".

Article 25. On Amending the Federal Law on the Protection of Legal Entities' and Individual Entrepreneurs' Rights in the Course of State Control (Supervision) and Municipal Control

In Part 3 of Article 1 of Federal Law No. 294-FZ of December 26, 2008 on the Protection of Legal Entities' and Individual Entrepreneurs' Rights in the Course of State Control (Supervision) and Municipal Control (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 6249, No. 52, 2008; item 2140, No. 18; item 3601, No. 29; item 6441, No. 52, 2009; item 1988, No. 17, 2010) the words "the legislation of the Russian Federation on countering the illegal use of inside information and market manipulation," shall be added after the words "the financing of terrorism".

Article 26. On Deeming as No Longer Effective Some Provisions of Legislative Acts of the Russian Federation

The following shall be deemed no longer effective:

1) Item 30 of Article 1 of Federal Law No. 185-FZ of December 28, 2002 on Amending the Federal Law on the Securities Market and on Amending the Federal Law on Not-for-Profit Organisations (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5141, No. 52, 2002);

2) Item 3 of Article 2 of Federal Law No. 7-FZ of January 5, 2006 on Amending the Federal Law on Joint-Stock Companies and Some Other Legislative Acts of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 172, No. 2, 2006);

3) Article 2 of Federal Law No. 9-FZ of February 9, 2009 on Amending the Code of Administrative Offences in as Much as It Concerns the Enhancement of Administrative Accountability for Breach of the Legislation of the Russian Federation on Joint-Stock Companies, Limited-Liability Companies, the Securities Market and Investment Companies and the Federal Law on the Securities Market in as Much as It Concerns Making More Specific the Definition and Signs of Price Manipulation on the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 777, No. 7, 2009).

Chapter 5. Conclusive Provisions

Article 27. The Entry into Force of the Present Federal Law

1. This Federal Law shall enter into force upon the expiry of 180 days from the date of its official publication, except for Articles , 9, 12, Item 1 of Article 18, Item 4 of Article 21 and Items 5, 7 and 8 of Article 24 of this Federal Law.

2. Articles 3, 9 and 12, Items 5, 7 and 8 of Article 24 of this Federal Law shall enter into force upon the expiry of one year after the date of official publication of this Federal Law.

3. Item 1 of Article 18 and Item 4 of Article 21 of this Federal Law shall enter into force upon the expiry of three years after the date of official publication of this Federal Law.

President of the Russian Federation D. Medvedev

The Kremlin, Moscow
July 27, 2010
No. 224-FZ

FEDERAL LAW
NO. 176-FZ OF JULY 23, 2010
ON AMENDING THE FEDERAL LAW ON COUNTERING THE LEGALISATION OF INCOMES RECEIVED THROUGH CRIME AND THE FINANCING OF TERRORISM AND THE CODE OF ADMINISTRATIVE OFFENCES OF THE RUSSIAN FEDERATION

Adopted by the State Duma July 9, 2010
Approved by the Federation Council July 14, 2010

Article 1

The following amendments are hereby made to Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Incomes Received through Crime and the Financing of Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3418, No. 33, 2001; item 3029, No. 30; item 4296, No. 44, 2002; item 3224, No. 31, 2004; item 4828, No. 47, 2005; items 3446 and 3452, No. 31, 2006; item 1831, No. 16; , items 3993 and 4011, No. 31; item 6036, No. 49, 2007; item 2776, No. 23, 2009):

1) in Article 2:

a) new Part 2 of the following wording shall be added:

"The present Federal Law extends to the branches and representative offices and also to affiliates of the organisations which carry out transactions in amounts of money or other property and are located outside the Russian Federation, unless it conflicts the legislation of the state where they are located.";

b) Part 2 shall be deemed Part 3;

c) Article 3 shall be supplemented with the following paragraphs:

""organisation of internal control" means the entirety of measures which are taken by the organisations carrying out transactions in amounts of money or other property and include the approval of internal control rules and internal control programmes, the appointment of special officials who are responsible for the observance of said rules and the implementation of said programmes;

"exercise of internal control" means the implementation of internal control rules and internal control programmes by the organisations carrying out transactions in amounts of money or other property and also the observance of the legislation provisions governing the identification of clients, their representatives and beneficiaries, the documenting of data

(information) and the provision thereof to an empowered body, the storage of documents and information and the training and education of personnel;

"client" means a natural person or legal entity receiving the services of an organisation that carries out transactions in amounts of money or other property;

"beneficiary – a person whose benefit the customer acts for, in particular under a brokerage, agency, commission and grant agreement, when carrying out transactions with funds or other assets;

"identification" means the entirety of measures whereby the information about clients, their representatives and beneficiaries defined by the present Federal Law is established and the reliability of such information is confirmed by means of original documents and/or appropriately attested copies;

"recording data (information" means receiving and fixing data (information) on paper and/or other media for the purpose of implementing the present Federal Law.";

3) in Article 4:

a) Paragraph 2 shall be set out as follows:

"organising and exercising internal control;";

b) paragraph 4 shall be supplemented with the words ", except for informing clients of suspension of a transaction, refusal to perform a client's instructions on implementation of transactions, refusal to conclude a contract of bank account (deposit), the need for the provision of documents on the grounds set out in the present Federal Law";

4) Subitem 2 of Item 1 of Article 6 shall be set out as follows:

"2) crediting or remitting an amount of money to an account, providing or receiving a credit (loan), accomplishing transactions in securities if at least one of the parties is a natural person or a legal entity which is registered, resides or is located in a state (on a territory) that fails to comply with the recommendations of the Financial Activity Task Force (FATF) or if said transactions involve the use of an account in a bank registered in said state (on said territory). The list of such states (territories) shall be drawn up in the procedure established by the Government of the Russian Federation with due regard to the documents issued by the Financial Activity Task Force (FATF) and it is subject to publication;";

5) in Article 7:

a) in Item 1:

in Subitem 1:

in Paragraph 1 the words "a person receiving services from an organisation that carries out transaction in amounts of money or other property (client)," shall be replaced with the words "a client, a representative of a client and/or a beneficiary,";

in Paragraph 2 the words "the date of birth," shall be added after the word "citizenship";

Subitem 2 shall be set out as follows:

"2) take measures—substantiated and available in prevailing circumstances—for identifying beneficiaries, save the cases established by Items 1.1 and 1.2 of the present article, including inter alia measures for establishing the details envisaged by Subitem 1 of Item 1 of the present article in respect thereof;";

b) Item 5 shall be supplemented with the following paragraph:

"to conclude a contract of bank account (deposit) with a client if the client or a representative of the client has defaulted on the provision of the documents required to identify the client or the representative thereof in the cases established by the present Federal Law.";

c) Items 5.3 - 5.5 of the following wording shall be added:

"5.3. If the state (territory) being the location of branches and representative offices and also affiliates of the organisations carrying out transactions in amounts of money or other

property is impeding the implementation of the present Federal Law or specific provisions thereof by said branches, representative offices and affiliates the organisations carrying out transactions in amounts of money or other property shall send information about such facts to the empowered body and also to the body in charge of supervision in the relevant area of activity.

5.4. In the course of identification of a client, a representative of a client or a beneficiary or of the updating of information about them the organisations carrying out transaction in amounts of money or other property are entitled to demand and receive from the client or the representative of the client personal identification documents, constitutive documents and documents on the state registration of the legal entity (individual entrepreneur).

5.5. The organisations carrying out transaction in amounts of money or other property shall pay enhanced attention to any transactions in amounts of money or other property which are carried out by the natural persons or legal entities specified in Subitem 2 of Item 1 of Article 6 of the present Federal Law or with their participation or in their names or in their interests, and equally through the use of the bank account specified in Subitem 2 of Item 1 of Article 6 of the present Federal Law.";

d) Item 6 shall be set out as follows:

"6. The organisations providing relevant information to the empowered body and also the heads and employees of the organisations providing relevant information to the empowered body are not entitled to inform about it the clients of these organisations or other persons.";

e) Item 8 shall be set out as follows:

"8. The provision of information and documents to the empowered body by the organisations carrying out transactions in amounts of money or other property or by their heads and employees in respect of transactions and for the purposes and in the procedure envisaged by the present Federal Law is not deemed breach of service, banking, tax, commercial or communication secrets (in as much as it concerns information on postal money remittance).";

f) in Paragraph 1 of Item 9 the words "and implementation" shall be added after the words "and also the organisation";

6) Article 7.2 shall be supplemented with Item 1.1 of the following wording:

"1.1. If the bank in which a bank account of a beneficiary has been opened or the bank which provides services to a beneficiary in case when an amount of money is remitted for the benefit thereof without the opening of a bank account or the bank involved in money remittance is a foreign bank then information on the payer being a natural person, individual entrepreneur or a natural person engaged in private practices in the procedure established by the legislation of the Russian Federation shall include surname, first name and patronymic (except as otherwise ensues a law or national custom) and residential (registration) address or whereabouts address and information on the payer being a legal entity shall include its name and location.".

Article 2

The following amendments are hereby made to the Code of Administrative Offences of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1, No. 1; item 1721, No. 18; item 3029, No. 30; item 4295, No. 44, 2002; item 2700, 2708 and 2717, No. 27; items 4434 and 4440, No. 46; items 4847 and 4855, No. 50, 2003; item 3095, No. 30; item 3229, No. 31; items 3529 and 3533, No. 34, 2004; items 9, 13, 40 and 45, No. 1; item 763, No. 10; items 1075 and 1077, No. 13; item 1752, No. 19; items 2719 and 2721, No. 27; items 3104 and 3131, No. 30; item 5247, No. 50; item 5596, No. 52, 2005; item 10, No. 1;

item 172, No. 2; item 636, No. 6; item 1067, No. 10; item 1234, No. 12; item 1776, No. 17; item 1907, No. 18; item 2066, No. 19; item 2380, No. 23; item 2975, No. 28; item 3287, No. 30; items 3420, 3432, 3438 and 3452, No. 31; item 4641, No. 45; item 5279, No. 50; item 5498, No. 52, 2006; items 21 and 29, No. 1; item 1825, No. 16; item 3089, No. 26; item 3755, No. 30; items 4007, 4008, 4009 and 4015, No. 31; item 4845, No. 41; item 5084, No. 43; item 5553, No. 46; item 6246, No. 50, 2007; item 1941, No. 18; item 2251, No. 20; item 3418, No. 29; item 3604, No. 30; item 5745, No. 49; items 6227, 6235 and 6236, No. 522008; item 17, No. 1; item 777, No. 7; items 2759 and 2776, No. 23; items 3120, 3122 and 3132, No. 26; items 3597, 3635 and 3642, No. 29; item 3739, No. 30; items 5711 and 5724, No. 48; items 6406 and 6412, No. 52, 2009; item 1, No. 1; item 1176, No. 11; item 1751, No. 15; item 2291, No. 19; item 2525, No. 21; item 2790, No. 23, 2010; Rossiyskaya Gazeta, July 7, 2010):

1) Article 15.27 shall be set out as follows:

"Article 15.27. Failure to Observe the Provisions of the Legislation on Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism

1. Breach of the term for filing an application for registration with the empowered body and/or the term for sending internal control rules to the empowered (supervisory) body for approval -

shall cause a warning or the imposition of an administrative fine on officials in an amount from 10,000 to 15,000 roubles; on legal entities from 20,000 to 50,000 roubles.

2. Failure to observe the legislation in as much as it concerns the organisation and/or exercise of internal control, save the cases envisaged by Part 3 of the present article -

shall cause a warning or the imposition of an administrative fine on officials in an amount from 10,000 to 20,000 roubles; on legal entities from 50,000 to 100,000 roubles.

3. The actions (omissions) envisaged by Part 2 of the present article which have caused default on provision of information within the term set by a law to the empowered body concerning the transactions subject to compulsory control or concerning the transactions suspected to be accomplished for the purpose of legalising (laundering) incomes received through crime or financing terrorism -

shall cause the imposition of an administrative fine on officials in an amount from 20,000 to 50,000 roubles or disqualification for a term of up to one year; on legal entities from 100,000 to 300,000 roubles or administrative suspension of activities for a term of up to 60 days.

4. Failure to provide information to the empowered body on the transactions subject to compulsory control -

shall cause the imposition of an administrative fine on officials in an amount from 40,000 to 50,000 roubles or disqualification for a term of up to one year; on legal entities from 200,000 to 400,000 roubles or administrative suspension of activities for a term of up to 60 days.

5. Failure by an organisation carrying out transactions in amounts of money or other property to observe the legislation on countering the legalisation of incomes received through crime and the financing of terrorism that has caused the legalisation of incomes received through crime or the financing of terrorism as established by a court's judgement that has become final, unless these actions (omissions) contain a criminally punishable act -

shall cause the imposition of an administrative fine on officials in an amount from 30,000 to 50,000 roubles or disqualification for a term from one year to three years; on legal entities from 500,000 to 1,000,000 roubles or administrative suspension of activities for a term of up to 90 days.";

2) in Article 23.1:

a) in Part 1 the words “Articles 15.26,” shall be replaced with the words “Article 15.26, Part 5 of Article 15.27, Articles”;

b) in Part 2 the words “Articles 15.24.1, 15.27” shall be replaced with the words “Article 15.24.1, Parts 3 and 4 of Article 15.27”;

3) in Part 1 of Article 23.44 the words “, Parts 1-4 of Article 15.27 (within the scope of powers thereof)” shall be added after the figures “13.18”;

4) in Part 1 of Article 23.47 the words “Articles 15.24.1,” shall be replaced with the words “Article 15.24.1, Parts 1-4 of Article 15.27 (within the scope of powers thereof), Articles”;

5) in Part 1 of Article 23.54 the words “Parts 1-4 of Article 15.27 (within the scope of powers thereof),” shall be added after the words “envisaged”;

6) in Part 1 of Article 23.62 the words “Article 15.27” shall be replaced with the words “Parts 1-4 of Article 15.27”;

7) Chapter 23 shall be supplemented with Articles 23.72, 23.73 and 23.74 of the following wording:

“Article 23.72. The Body in Charge of Control and Supervision in the Area of Insurance Activities

1. The federal executive governmental body carrying out the functions of control and supervision in the area of insurance activities (insurance business) shall consider cases of the administrative offences envisaged by Parts 1-4 of Article 15.27 (within the scope of powers thereof) of the present Code.

2. The following are entitled to consider cases of administrative offences on behalf of the body specified in Part 1 of the present article:

1) the head of the federal executive governmental body carrying out the functions of control and supervision in the area of insurance activities (insurance business) and deputies thereof;

2) the heads of the territorial bodies of federal executive governmental body carrying out the functions of control and supervision in the area of insurance activities (insurance business) and deputies thereof.

Article 23.73. The Body in Charge of Control and Supervision in the Area of Credit Cooperation

1. The federal executive governmental body empowered to carry out the functions of control and supervision in the area of credit cooperation shall consider cases of the administrative offences envisaged by Parts 1-4 of Article 15.27 (within the scope of powers thereof) of the present Code.

2. The following are entitled to consider cases of administrative offences on behalf of the body specified in Part 1 of the present article:

1) the head of the federal executive governmental body empowered to carry out the functions of control and supervision in the area of credit cooperation and deputies thereof;

2) the heads of the territorial bodies of the federal executive governmental body empowered to carry out the functions of control and supervision in the area of credit cooperation and deputies thereof.

Article 23.74. The Banking Supervision Body

1. The banking supervision body shall consider cases of the administrative offences envisaged by Parts 1-4 of Article 15.27 of the present Code, within the scope of powers thereof.

2. On behalf of the body specified in Part 1 of the present article cases of administrative offences may be considered by the Chairman of the Central Bank of the

Russian Federation, his/her deputies, the head of a territorial institution of the Central Bank of the Russian Federation and their deputies.";

8) in Item 81 of Part 2 of Article 28.3 the words ", Parts 1-4 of Article 15.27" shall be added after the words "Article 15.26";

9) in Part 1 of Article 28.4 the words "Part 5 of Article 15.27" shall be added after the words "Part 1 of Article 15.10,".

Article 3

The present Federal Law shall enter into force upon the expiry of 180 days after its official publication.

President of the Russian Federation D.Medvedev

The Kremlin, Moscow
July 23, 2010
N 176-FZ

FEDERAL LAW
NO. 197-FZ OF JULY 27, 2010
ON AMENDING CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION IN THE SPHERE OF COUNTERACTING THE LEGALISATION (LAUNDERING) OF CRIMINALLY OBTAINED INCOMES AND THE FINANCING OF TERRORISM

Adopted by the State Duma on July 7, 2010
Approved by the Federation Council on July 14, 2010

Article 1

Item 1 of the Notes to Article 205.1 of the Criminal Code of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 25, item 2954; 2002, No. 30, item 3020; 2003, No. 50, item 4848; 2006, No. 31, item 3452; 2009, No. 52, item 6453) after the figures "211", shall be supplemented with the figures "220, 221,".

Article 2

Federal Law No. 115-FZ of August 7, 2001 on Counteracting the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 33, item 3418; 2002, No. 30, item 3029; No. 44, item 4296; 2004, No. 31, item 3224; 2006, No. 31, item 3452; 2007, No. 31, items 3993, 4011) shall be amended as follows:

1) paragraph four of Article 3 after the figures "211", shall be supplemented with the figures "220, 221,";

2) in Article 6:

a) Item 2 shall be set forth in the following wording:

"2. An operation with monetary means or other property shall be subject to obligatory control if at least one of the parties is an organisation or a natural person in whose respect there is information obtained in the procedure established in accordance with this Federal

Law about their complicity in extremist activity or terrorism, or a legal entity directly or indirectly owned or controlled by such organisation or person, or a natural person or legal entity acting in the name or under direction of such organisation or person.

The procedure for determining and bringing to the notice of organisations performing operations with monetary means or with other property of the list of such organisations or persons, shall be established by the Government of the Russian Federation. In this case, the information about organisations and persons included in the said list on the grounds stipulated by Subitems 1, 2, 3, 6 and 7 of Item 2.1 of this Article and removed from the said list on the grounds stipulated by Subitems 1, 2, 3, 5, 6 and 7 of item 2.2 of this Article, shall be subject to placing on the Internet on the official site of the authorised body and to publishing in the official periodic publications determined by the Government of the Russian Federation.";

b) Item 2.1 shall added reading as follows:

"2.1. The grounds for including an organisation or a natural person in the list of organisations and natural persons in whose respect there is information about their complicity in extremist activity or terrorism, shall be:

1) a decision in legal force of a court of the Russian Federation on liquidation or prohibition of activity of an organisation in connection with its complicity in extremist activity or terrorism;

2) a sentence in legal force of a court of the Russian Federation on finding a person guilty of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

3) a decision of the Procurator General of the Russian Federation, his subordinate procurator or of the federal body of executive power in the field of state registration (its respective territorial body) on suspending the activity of an organisation in connection with their application to a court for bringing the organisation to responsibility for extremist activity;

4) a procedural decision on finding a person suspected of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

5) a ruling of an investigator on accusing a person of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

6) lists, made by international organisations struggling against terrorism or by bodies authorised by them and recognised by the Russian Federation, of organisations and natural persons connected with terrorist organisations or with terrorists;

7) sentences or court decisions and decisions of other competent bodies of foreign states recognised in the Russian Federation in accordance with international treaties of the Russian Federation and federal laws with respect to organisations or natural persons carrying out terrorist activity.";

c) Item 2.2 shall be added reading as follows:

"2.2. The grounds for removing an organisation or a natural person from the list of organisations in whose respect there is information about their complicity in extremist activity or terrorism, shall be:

1) repeal of a decision in legal force of a court of the Russian Federation on liquidation or prohibition of activity of an organisation in connection with its complicity in extremist activity or terrorism and termination of the proceedings;

2) repeal of a sentence in legal force of a court of the Russian Federation on finding a person guilty of committing at least one of the crimes stipulated by Articles 205, 205.1,

205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation and termination of the proceedings in the criminal case with respect to the given person on grounds giving the right to rehabilitation;

3) repeal of a decision of the Procurator General of the Russian Federation, his subordinate procurator or of the federal body of executive power in the field of state registration (its respective territorial body) on suspending the activity of an organisation in connection with their application to a court for bringing the organisation to responsibility for extremist activity;

4) termination of a criminal case or a criminal prosecution with respect to a person suspected or accused of committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation;

5) removal of an organisation or a natural person from lists, made by international organisations struggling against terrorism or by bodies authorised by them and recognised by the Russian Federation, of organisations and natural persons connected with terrorist organisations or with terrorists;

6) repeal sentences or court decisions and decisions of other competent bodies of foreign states recognised in the Russian Federation in accordance with international treaties of the Russian Federation and federal laws with respect to organisations or natural persons carrying out terrorist activity;

7) presence of documentarily confirmed data about the death of a person included in the list of organisations and natural persons in whose respect there is information about their complicity in extremist activity or terrorism;

8) presence of documentarily confirmed data about the quashing or expunging of the record of conviction from a person sentenced for committing at least one of the crimes stipulated by Articles 205, 205.1, 205.2, 206, 208, 211, 220 221, 277, 278, 279, 280, 282, 282.1, 282.2 and 360 of the Criminal Code of the Russian Federation.".

Article 3

Article 24 of Federal Law No. 35-FZ of March 6, 2006 on Counteracting Terrorism (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2006, No. 11, item 1146) shall be amended as follows:

1) Part 1 after the figures "211," shall be supplemented with the figures "220, 221,";

2) Part 2 after the figures "211," shall be supplemented with the figures "220, 221,".

Article 4

This Federal Law shall enter into force upon the expiry of 90 days after the day of its official publication.

President
of the Russian Federation Dmitry Medvedev

The Kremlin, Moscow
No. 197-FZ
July 27, 2010

CODE OF ADMINISTRATIVE OFFENCES OF THE RUSSIAN FEDERATION NO. 195-

Section II. Special Part (Articles 5.1 - 21.7)
Chapter 15. Administrative Offences in Respect of Finance, Taxes and Fees, Insurance and the Securities Market (Articles 15.1. - 15.31)

Article 15.27. Failure to Observe the Provisions of the Legislation on Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism

1. Breach of the term for filing an application for registration with the empowered body and/or the term for sending internal control rules to the empowered (supervisory) body for approval -

shall cause a warning or the imposition of an administrative fine on officials in an amount from 10,000 to 15,000 roubles; on legal entities from 20,000 to 50,000 roubles.

2. Failure to observe the legislation in as much as it concerns the organisation and/or exercise of internal control, save the cases envisaged by Part 3 of the present article -

shall cause a warning or the imposition of an administrative fine on officials in an amount from 10,000 to 20,000 roubles; on legal entities from 50,000 to 100,000 roubles.

3. The actions (omissions) envisaged by Part 2 of the present article which have caused default on provision of information within the term set by a law to the empowered body concerning the transactions subject to compulsory control or concerning the transactions suspected to be accomplished for the purpose of legalising (laundering) incomes received through crime or financing terrorism -

shall cause the imposition of an administrative fine on officials in an amount from 20,000 to 50,000 roubles or disqualification for a term of up to one year; on legal entities from 100,000 to 300,000 roubles or administrative suspension of activities for a term of up to 60 days.

4. Failure to provide information to the empowered body on the transactions subject to compulsory control -

shall cause the imposition of an administrative fine on officials in an amount from 40,000 to 50,000 roubles or disqualification for a term of up to one year; on legal entities from 200,000 to 400,000 roubles or administrative suspension of activities for a term of up to 60 days.

5. Failure by an organisation carrying out transactions in amounts of money or other property to observe the legislation on countering the legalisation of incomes received through crime and the financing of terrorism that has caused the legalisation of incomes received through crime or the financing of terrorism as established by a court's judgement that has become final, unless these actions (omissions) contain a criminally punishable act -

shall cause the imposition of an administrative fine on officials in an amount from 30,000 to 50,000 roubles or disqualification for a term from one year to three years; on legal entities from 500,000 to 1,000,000 roubles or administrative suspension of activities for a term of up to 90 days.

June 27, 2011 N 162-FZ

RUSSIAN FEDERATION

FEDERAL LAW

ON AMENDMENTS
TO CERTAIN LEGAL ACTS OF THE RUSSIAN FEDERATION
IN CONNECTIONS WITH THE PASSAGE OF THE FEDERAL LAW
ON THE NATIONAL PAYMENT SYSTEM

Passed by
the State Duma
on June 14, 2011

Approved
by the Federation Council
on June 22, 2011

(as amended by Federal Law N 242-FZ dated July 18, 2011)

Article 1

Federal Law "On Banks and Banking Activities" (as amended by Federal Law N 17-FZ dated February 3, 1996) (Minutes of Congress of People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, 1990, N 27, art. 357; Collection of Legislative Acts of the Russian Federation, 1996, N 6, art. 492; 1998, N 31, art. 3829; 1999, N 28, art. 3459, 3469; 2001, N 26, art. 2586; N 33, art. 3424; 2002, N 12, art. 1093; 2003, N 27, art. 2700; N 52, art. 5033, 5037; 2004, N 27, art. 2711; 2005, N 1, art. 45; 2006, N 19, art. 2061; N 31, art. 3439; 2007, N 1, art. 9; N 22, art. 2563; N 31, art. 4011; N 41, art. 4845; N 45, art. 5425; 2009, N 9, art. 1043; N 23, art. 2776; N 30, art. 3739; N 48, art. 5731; N 52, art. 6428; 2010, N 8, art. 775; N 19, art. 2291; N 27, art. 3432; N 30, art. 4012; N 31, art. 4193; N 47, art. 6028; 2011, N 7, art. 905) shall be amended as follows:
1) Article 1, part 3 shall be amended as follows:
"A non-bank credit institution shall mean:
1) a credit institution that is entitled to perform only the banking operations specified in the first part of article 5, clauses 3 and 4 (as related to bank accounts of legal entities in connection with money transfer without opening a bank account) as well as clause 5 (only as related to money transfer without opening a bank account) and clause 9 of this Federal Law (hereinafter referred to as a non-bank credit institution entitled to perform money transfers without opening a banking account and other related banking operations),
2) A credit institution that is entitled to perform certain banking operations specified in this Federal Law. Admissible combinations of banking operations for such a non-bank credit institution shall be determined by the Bank of Russia."
2) Article 5:
a) Part 1:
In clause 4 the word "settlements" shall be replaced with the words "money transfers".

The third paragraph of article 1, clause 2, subclause "a" shall become effective on expiry of 180 days since the date of official publication (article 23, clause 2 of this document).

Clause 9 shall be amended as follows:

The fourth paragraph of article 1, clause 2, subclause “a” shall become effective on expiry of 180 days since the date of official publication (article 23, clause 2 of this document).

“9) Money transfers without opening a bank account including but not limited to electronic money transfers (except for postal transfers).”
b) Part 7 shall be added to the following effect:
“Money transfers without opening a bank account except for electronic money transfers shall be performed on the instructions of physical persons.”
3) The third sentence in article 11, part 2 shall be amended as follows: “The minimum authorized capital of a new non-bank credit institution that is applying for a license of a non-bank credit institution entitled to perform money transfers without opening banking accounts and other related banking operations as of the date of submitting an application for state registration and a license for performance of banking operations shall be determined as 18 million rubles” shall be added with the following sentence: “The minimum authorized capital of a new non-bank credit institution that is not applying for the abovementioned licenses as of the date of submitting an application for state registration and a license for performance of banking operations shall be determined as 18 million rubles”;
4) In the first part of article 13 the words “in Article 13.1 of this Federal Law” shall be replaced with the words “in the Federal Law ‘On the National Payment System’”;
5) Article 13.1 shall be deemed as inoperative;
6) Article 14:
a) Subclause 9 shall be added to the following effect:
“9) Questionnaires of candidates for the position of a sole executive body and chief accountant of a non-bank credit institution entitled to perform money transfers without opening banking accounts and other related banking operations. Such questionnaires shall be filled in by the candidates with their own hands and contain all the information required by the statutory regulations of the Bank of Russia as well as the following information:
Higher professional education (including a copy of their diplomas and/or equivalent documents;
Record of conviction or clean record”;
b) Part 2 shall be added to the following effect:
“Provisions of part 1, subclause 8 of this article shall not apply to submission of state registration documents for a non-bank credit institution entitled to perform money transfers without opening banking accounts and other related banking operations and/or to obtaining a license for performance of banking operations by such institutions”;
7) The second part of article 15 shall be amended as follows:
“A decision on state registration of a credit institution and issue of a license for performance of banking operations or refusal thereof shall be made within six months (and for non-bank credit institution entitled to perform money transfers without opening banking accounts and other related banking operations—within three months) since the day of submission of all the documents required by this Federal Law.”
8) The second paragraph of article 16, part 1, subclause 1 shall be added with the following text: “(for candidates for the position of a sole executive body and chief accountant of a non-bank credit institution entitled to perform money transfers without opening banking accounts and other related banking operations—lack of higher professional education)”;
9) Article 26:

Article 1, clause 9, subclause “a” shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

a) Part 13 shall be amended as follows:
“Payment system operators shall not have a right to disclose information on operations and/or accounts of the participants of their payment systems and their clients to any third parties except for the cases provided for by the federal laws”;

Article 1, clause 9, subclause “b” shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

b) Part 18 shall be added to the following effect:
“Operating centers and payment clearing centers shall not have a right to disclose information on operations and/or accounts of the participants of the payment systems and their clients received in the process of provision of operating and clearing services to the participants of the payment systems to any third parties except for information transfer within the payment system and the cases provided for by the federal laws”;
c) Part 19 shall be added to the following effect:
“Provisions of this article shall extend to the information on operations by of credit institutions performed by banking payment agents (subagents).”;
d) Part 20 shall be added to the following effect:
“Provisions of this article shall also apply to the information on electronic money balances of the clients of credit institutions as well as to information on electronic money transfers by credit institutions on instructions of their clients”.
10) Article 27:
a) The first part after the words “on deposit in the credit institution” shall be added with the words “as well as on the electronic money balance”;
b) The second part shall be amended as follows:
“Shall the money on accounts and deposits or electronic money balances be arrested, the credit institution shall stop any expense operations with that account or deposit as well as any electronic money transfers within the amount of the arrested electronic money balance immediately after receipt of the arrest decision”.
a) The third part after the words “on deposit in the credit institution” shall be added with the words “as well as on the electronic money balance”;

Article 1, clause 11 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

11) Article 28:
a) In the first part the words “payment centers created in accordance with the established procedure and” shall be excluded;
b) Part 7 shall be added to the following effect:
“Credit institutions shall have a right to perform money transfers within the payment systems corresponding to the requirements of the Federal Law “On the National Payment System”;
12) The fifth part of article 29 after the words “by the holder of that card” shall be added with the words “or on the absence of such compensation”.

Article 2

Article 7, clause 1 of Russian Federal Law “On Tax Authorities of the Russian Federation” N 943-1 dated March 21, 1991 (Minutes of Congress of People’s Deputies of the RSFSR and the Supreme Soviet of the RSFSR, 1991, N 15, art. 492; Minutes of Congress of People’s Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, 1992,

N 34, art. 1966; N 33, art. 1912; 1993, N 12, art. 429; Collection of Legislative Acts of the Russian Federation, 1999, N 28, art. 3484; 2002, N 1, art. 2; 2003, N 21, art. 1957; 2004, N 27, art. 2711; 2005, N 30, art. 3101; 2006, N 31, art. 3436; 2009, N 29, art. 3599) shall be added with the following paragraph:
"Control if the payment agents operating in accordance with Federal Law "On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents" N 103-FZ dated June 3, 2009, banking payment agents and banking payment subagents operating in accordance with Federal Law "On the National Payment System" perform their obligations on depositing the money received from the payers as cash payments to be placed at their special bank accounts to the credit institution, on usage of special bank accounts for settlements with the bank payment systems, suppliers, bank payment agents and bank payment subagents and on imposing penalties on organizations and individual entrepreneurs for violation of these requirements".

Article 3

Article 37, part of Russian Federal Law "On Protection of Consumer Rights" N 2300-1 dated February 7, 1992 (as amended by Federal Law N 2-FZ dated January 9, 1996) (Minutes of Congress of People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, 1992, N 15, art. 766; Collection of Legislative Acts of the Russian Federation, 1996, N 3, art. 140; 1999, N 51, art. 6287; 2004, N 52, art. 5275; 2006, N 31, art. 3439; 2009, N 23, art. 2776) after the words "banking payment agent" shall be added with the word "(subagent)".

Article 4 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

Article 4

Article 42 of Federal Law "On Securities Market" N 39-FZ dated April 22, 1996 (Collection of Legislative Acts of the Russian Federation, 1996, N 17, art. 1918; 2001, N 33, art. 3424; 2002, N 52, art. 5141; 2006, N 1, art. 5; N 17, art. 1780; N 31, art. 3437) shall be added with clause 24 to the following effect:
"24) Assists the Bank of Russia in surveillance and monitoring of payment systems used to perform money transfers for settlements under securities transactions and/or transactions made at organized auctions in cases specified by the Federal Law 'On the National Payment System'."

Article 5

The first part of the Tax Code of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 1998, N 31, art. 3824; 1999, N 28, art. 3487; 2000, N 2, art. 134; 2003, N 27, art. 2700; N 52, art. 5037; 2004, N 27, art. 2711; N 31, art. 3231; 2005, N 45, art. 4585; 2006, N 31, art. 3436; 2007, N 1, art. 28; 31; N 18, art. 2118; 2008, N 26, art. 3022; N 48, art. 5500, 5519; 2009, N 52, art. 6450; 2010, N 31, art. 4198; N 45, art. 5752; N 48, art. 6247; N 49, art. 6420; 2011, N 1, art. 16) shall be amended as follows:

Article 5, clause 1 shall become effective on expiry of three months since the date of official publication (Article 23, Clause 3 of this document).

1) Article 23, clause 2 shall be added with subclause 1.1 to the following effect:
“1.1.) On creation or termination of the right to use corporate electronic payment facilities for electronic money transfer—within seven days since the day of creation/termination of that right)”;

Article 5, clause 2 shall become effective on expiry of three months since the date of official publication (article 23, clause 3 of this document).

2) Article 45, clause 3 shall be added with subclause 1.1 to the following effect:
“1.1) As soon as a physical person submits the bank with the instruction to transfer his or her money to the corresponding account of the Federal Treasury in the budget system of the Russian Federation without opening a bank account provided the amount of the money deposited is sufficient to perform the transfer”.

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 3 of this document).

3) Article 46:
a) The title shall be added with the words “as well as out of its electronic funds”;
b) Clause 1 shall be added with the words “and its electronic funds”;
c) The second paragraph of clause 2 after the words “individual entrepreneur” shall be added with the words “as well as the tax authority instruction for transfer of electronic funds of the taxpayer (tax agent)—organization or individual entrepreneur”;
d) Section 6.1 shall be added to the following effect:
“6.1. In case of insufficiency or lack of funds on the accounts of the taxpayer (tax agent)—organization or individual entrepreneur, the tax authority shall have a right to recover the tax amount out of electronic funds.
Tax collection out of electronic funds of the taxpayer (tax agent)—organization or individual entrepreneur shall be performed by submission of the bank that the electronic funds are located in with an instruction on transfer of the electronic funds to the account of the taxpayer (tax agent)—organization or individual entrepreneur in that bank.
The instruction of the tax authority on transfer of the electronic funds shall include banking details of the corporate electronic payment facility of the taxpayer (tax agent)—organization or individual entrepreneur to be used for electronic money transfer, the amount of transfer and information on the account of the appropriate taxpayer (tax agent)—organization or individual entrepreneur.
Taxes may be collected out of electronic money balances in rubles and, if the balances are not sufficient, out of electronic money balances in a foreign currency. In case of tax collection out of electronic money balances in a foreign currency and indication of a foreign currency account of the taxpayer (tax agent)—organization or individual entrepreneur in the transfer instruction of the tax authority the bank shall transfer electronic funds to the indicated account.
In case of tax collection out of electronic money balances in a foreign currency and indication of a ruble account of the taxpayer (tax agent)—organization or individual entrepreneur in the transfer instruction of the tax authority the chief manager (deputy director) of the tax authority shall accompany the instruction for transfer of electronic funds with an instruction on selling of the currency of the taxpayer (tax agent)—organization or individual entrepreneur on or before the next day. Selling of the foreign currency shall be performed at the expense of the taxpayer (tax agent). The bank shall transfer the electronic funds to the

ruble account of the taxpayer (tax agent)—organization or individual entrepreneur in the amount equivalent to the payment amount at the official rate declared by the Central Bank of the Russian Federation as of the date of the electronic money transfer.
If the taxpayer (tax agent)—organization or individual entrepreneur has insufficient or no electronic funds at the day of receipt of electronic money transfer instruction from the tax authority that transfer instruction shall be performed as soon as the taxpayer (tax agent) receives electronic funds.
Electronic money transfer instruction from the tax authority shall be performed by the bank within one transaction day after the day of the instruction receipt is the tax is collected out of electronic money balances in rubles or within two transaction days if tax is collected out of electronic money balances in a foreign currency";
e) Clause 7 shall be amended as follows:
"7. In case of insufficiency or lack of funds on the accounts of the taxpayer (tax agent)—organization or individual entrepreneur and/or electronic funds of that taxpayer (tax agent) or lack of information on the accounts of that taxpayer (tax agent)—organization or individual entrepreneur or banking details of its corporate electronic payment facility used for electronic money transfers, the tax authority shall have a right to collect the tax out of other property of the taxpayer (tax agent)—organization or individual entrepreneur in accordance with Article 47 of this Code."
f) Clause 8 shall be added with the words "or suspension of electronic money transfers";

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 4 of this document).

4) Article 48:
a) The first paragraph of clause 1 after the words "funds on the banking accounts" shall be added with the words "electronic funds that shall be transferred with the use of personified electronic payment facilities";
b) Clause 5, subclause 1 shall be added with the words "and electronic funds that shall be transferred with the use of personified electronic payment facilities";

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 5 of this document).

5) Article 60, clause 3 after the words "on the account of the taxpayer" shall be added with the words "or the balance of its electronic funds";

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 6 of this document).

6) Article 76:
a) The title after the words "in banks" shall be added with the words "as well as electronic money transfers";
b) Clause 1:
The first paragraph after the words "in the bank" shall be added with the words "as well as electronic money transfers";
The following paragraph shall be added:
"Suspension of electronic money transfers shall mean that the bank shall stop any transactions resulting in decrease of the electronic money balance unless otherwise is provided by clause 2 of this Article";

c) Clause 2:
The first paragraph after the words “in the bank” shall be added with the words “as well as its electronic money transfers”;
The second paragraph after the words “in the bank” shall be added with the words “as well as its electronic money transfers”;
The fourth paragraph shall be added to the following extent:
“Suspension of electronic money transfers of the taxpayer organization under the provisions of this clause shall mean that the bank shall stop any transactions resulting in decrease of the electronic money balance within the amount indicated in the resolution of the tax authority”;
The fourth paragraph shall be deemed as the fifth paragraph;
The following paragraph shall be added:
“Suspension of electronic money transfers of the taxpayer organization in the foreign currency under the provisions of this clause shall mean that the bank shall stop any transactions resulting in decrease of the electronic money balance within the ruble equivalent of the foreign currency amount indicated in the resolution of the tax authority at the official rate declared by the Central Bank of the Russian Federation as of the first day of suspension of electronic money transfers of that taxpayer in the foreign currency”.
d) Clause 3:
The first paragraph after the words “in the bank” shall be added with the words “as well as its electronic money transfers”;
The second paragraph after the words “on accounts” shall be added with the words “and electronic money transfers”;
e) Clause 4:
The first paragraph after the words “in the bank” shall be added with the words “as well as its electronic money transfers”;
The second paragraph after the words “taxpayer organization” shall be added with the words “and its electronic money transfers”;
The third paragraph shall be amended as follows:
“The procedure for submission of the bank with the electronic version of the tax authority resolution on suspension of operations in the bank accounts of the taxpayer organization and its electronic money transfers or on cancellation of suspension of operations in the bank accounts of the taxpayer organization and its electronic money transfers shall be determined by the Central Bank of the Russian Federation in agreement with the federal executive authority that is authorized for surveillance and control of tax collection”;
The forth paragraph after the words “in the bank” shall be added with the words “and its electronic money transfers”;
The fifth paragraph after the words “in the bank” shall be added with the words “and its electronic money transfers”;
f) Clause 5 after the words “operations on which have been suspended” shall be added with the words “as well as the electronic money balances the transfer of which has been suspended” and with the words “and on its electronic money transfers”;
g) Clause 6 after the words “in the bank” shall be added with the words “its electronic money transfers”;
h) Clause 7:
The first paragraph after the words “in the bank” shall be added with the words “and its electronic money transfers”, after the words “such operations” shall be added with the words “, such transfers” and “, tax authority resolutions on cancellation of suspension of electronic money transfers”;
The second paragraph after the words “in the bank” shall be added with the words “and its electronic money transfers”;

The following paragraph shall be added:
“If a resolution is made on suspension of electronic money transfers by a taxpayer organization and after that there is a change in the name of the taxpayer organization and/or banking details of its corporate electronic payment facility used for performance of the suspended electronic money transfers under that resolution, the resolution shall be performed by the bank in relation to the taxpayer organization with the new name and to the electronic money transfers with the use of the corporate electronic payment facility with the changed payment details”;
i) Clause 8 after the words “in the bank” shall be added with the words “and its electronic money transfers”;
j) Section 9.3 shall be added to the following effect:
“9.3. Provisions of clauses 9, 9.1 and 9.2 of this article shall also apply in case of suspension of electronic money transfers of the taxpayer organization”;
k) Clause 10 after the words “in the bank” shall be added with the words “and its electronic money transfers”;
l) In clause 11 the words “as well as” shall be excluded and added with the words “as well as in relation to suspension of the electronic money transfers of the specified persons”;
m) Clause 12 after the words “in the bank accounts of the taxpayer organization” shall be added with the words “and its electronic money transfers” and “and empower the organization to use new corporate electronic payment facilities for electronic money transfers”.

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 7 of this document).

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7) Article 86:
a) Clause 1:
The first paragraph after the words “individual entrepreneurs” shall be added with the words “and empower them to use corporate electronic payment facilities for electronic money transfers”;
The second paragraph after the words “(individual entrepreneur)” shall be added with the words “on enabling or disabling of an organization (individual entrepreneur) to use corporate electronic payment facilities for electronic money transfers, on changes in the banking details of the corporate electronic payment facility”, and the words “opening, termination or changing details of such an account” shall be changes for the word “events”;
The third paragraph after the words “account details” shall be added with the words “on enabling or disabling of an organization (individual entrepreneur) to use corporate electronic payment facilities for electronic money transfers, on changes in the banking details of the corporate electronic payment facility”;
The fourth paragraph after the words “account details” shall be added with the words “on enabling or disabling of an organization (individual entrepreneur) to use corporate electronic payment facilities for electronic money transfers, on changes in the banking details of the corporate electronic payment facility”;
b) Clause 2:
The first paragraph after the words “(individual entrepreneur)” shall be added with the words “as well as the statements on electronic money balances and electronic money transfers”;
In the second paragraph the words “as well as” shall be excluded and the words “in the banks” shall be added with the words “as well as the statements on electronic money balances and electronic money transfers”;
The third paragraph shall be amended as follows:

“The information specified in this clause may be requested by a tax authority after making a resolution on tax collection as well as in case of making a resolution on suspension of operations in the bank accounts of an organization (individual entrepreneur), suspension of electronic money transfers or cancellation of suspension of operations in the bank accounts of an organization (individual entrepreneur) and suspension of electronic money transfers”;
c) Clause 4 shall be added with the words “as well as in relation to corporate electronic payment facilities of the specified persons to be used for electronic money transfers”;

Article 5, clause 8 shall become effective since January 1, 2013 (article 23, clause 5 of this document).

8) Article 102, clause 1 shall be added with subclause 6 to the following effect:
“6) Submitted to the State Information System of Federal and Municipal Payments in accordance with Federal Law “On Organization of Provisions of the Federal and Municipal Services” N 210-FZ dated July 27, 2010”;

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 9 of this document).

9) Article 135.2 shall be added to the following extent:

“Article 135.2. Violation of the bank’s obligations related to electronic funds

1. Enabling of an organization, individual entrepreneur, private notary or a layer having a legal practice to use a corporate electronic payment facility for electronic money transfers if such a person fails to submit a certificate (notification) on registration in tax authorities or the bank has received a tax authority resolution on suspension of electronic money transfers of that person
shall involve a penalty to the amount of 20 thousand rubles.
2. Failure of the bank to notify the tax authority on enabling (disabling) of an organization, individual entrepreneur, private notary or a lawyer having a legal practice to use a corporate electronic payment facility for electronic money transfers and/or changes in the banking details of that corporate electronic payment facility at a stated time
shall involve a penalty to the amount of 40 thousand rubles.
3. Shall a bank have a tax authority resolution on suspension of electronic money transfers of a taxpayer, duty payer or tax agent execute an electronic funds transfer instruction of such a taxpayer, duty payer or tax agent that is not related to performance of tax (advance payment), duty, penalty or fine liability
shall involve a penalty to the amount of 20 percent of the amount transferred under the tax payer’s, duty payer’s or tax agent’s instruction but not more than the outstanding amount or, shall there be no outstanding amount, to the amount of 20 thousand rubles.
4. Failure of the bank to perform the electronic funds transfer instruction of the tax authority at the time stated in this Code
shall involve a penalty to the amount of one hundred fiftieth of the refinance rate of the Central Bank of the Russian Federation but not more than 0,2 percent for each day in arrears.
5. Any actions of the bank that are taken to create a situation with a zero electronic money balance of the taxpayer, duty payer or tax agent with respect to which the bank has a tax authority resolution
shall involve a penalty to the amount of 30 percent of the amount that has not been received as a result of those actions.

6. Failure of the bank to submit statements on electronic money balances and electronic money transfers to the tax authority in accordance with article 86, clause 2 of this Code and/or inform on electronic money balances the transfers of which have been suspended in accordance with article 76, clause 5 of this Code as well as contravention of the established periods or submission of statements with unreliable information
shall involve a penalty to the amount of 10 thousand rubles."

Article 5, clause 3 shall become effective on expiry of three months since the date of official publication (article 23, clause 10 of this document).

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10) Clause 136 shall be amended as follows:

"Article 136. Procedure of penalty and fine collection from banks

The penalties specified in Articles 132 to 135.2 shall be collected in accordance with the procedure similar to the procedure for collection of penalties for tax violations in accordance with this Code."

Article 6

The Budget Code of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 1998, N 31, art. 3823; 2005, N 1, art. 8; 2007, N 18, art. 2117; 2010, N 19, art. 2291) shall be amended as follows:
1) Article 160.1, clause 2:
a) Paragraph 7 shall be added to the following extent:
"provide information required for cash disbursement by persons and entities for state and municipal services as well as other payments that serve as the source of fiscal revenues for the budget system of the Russian Federation to the State Information System of Federal and Municipal Payments in accordance with the procedure established by Federal Law "On Organization of Provisions of the Federal and Municipal Services" N 210-FZ dated July 27, 2010";
b) Paragraph 7 shall be deemed as the paragraph 8;
2) Article 166.1, clause 1:
a) Paragraph 22 shall be added to the following extent:
"performs establishment, maintenance, development and operation of the State Information System of Federal and Municipal Payments";
a) Paragraph 23 shall be added to the following extent:
"establishes a maintenance procedure for the State Information System of Federal and Municipal Payments together with the Central Bank of the Russian Federation in accordance with Federal Law "On Organization of Provisions of the Federal and Municipal Services" N 210-FZ dated July 27, 2010";
c) Paragraph 22 shall be deemed as paragraph 24.

Article 7 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

Article 7

Article 28 of Federal Law “On Insolvency (Bankruptcy) of Credit Institutions” N 40-FZ dated February 25, 1999 (Collection of Legislative Acts of the Russian Federation, 1999, N 9, art. 1097; 2001, N 26, art. 2590; 2004, N 34, art. 3536; 2009, N 18, art. 2153) shall be added with Clause 3 to the following effect:
“3. A transaction made by a credit institution—participant of a payment system, central payment clearing counteragent or financial settlements centre of a payment system that the credit institution has liabilities for as a result of determination of payment clearing positions on the basis of net amount within the framework of the payment system and provided that the transaction corresponds to the requirements of Federal Law “On the National Payment System” shall not be hold invalid due to the reasons specifies in this Article.”

Article 8 shall become effective since January 1, 2013 (article 23, clause 5 of this document).

Article 8

Article 333.18, clause 3 in the second part of the Tax Code of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 2000, N 32, art. 3340; 2004, N 45, art. 4377; 2005, N 52, art. 5581; 2006, N 1, art. 12; 2007, N 31, art. 4013; 2009, N 52, art. 6450) shall be added with the following paragraph:
“Shall the authorities and/or officials specified in Article 333.16, clause 1 of this Code except for consular institutions have information on payment of the national duty from the State Information System of Federal and Municipal Payments in accordance with Federal Law “On Organization of Provisions of the Federal and Municipal Services” N 210-FZ dated July 27, 2010, no other confirmation shall be required that the national duty was paid by the payer.”

Article 9

Federal Law “On Anti-Money Laundering and Combating of the Financing of Terrorism” N 115-FZ dated August 7, 2001 (Collection of Legislative Acts of the Russian Federation, 2001, N 33, art. 3418; 2002, N 44, art. 4296; 2004, N 31, art. 3224; 2006, N 31, art. 3446; 2007, N 16, art. 1831; N 49, art. 6036; 2009, N 23, art. 2776; 2010, N 30, art. 4007) shall be amended as follows:
1) Article 7:
a) In clause 1.1 the words “beneficiary determination and identification” shall be replaced by the words “a representative of the client and/or beneficiary”;
b) In clause 1.2 the words “beneficiary determination and identification” shall be replaced by the words “a representative of the client and/or beneficiary”;
c) Clause 1.4 shall be added to the following effect:
“1.4. Identification of the client—physical person, representative of the client and/or beneficiary shall not be required if credit institutions perform (with or without participation of banking payment agents) money transfers without opening a bank account including but not limited to electronic funds provided that transfer amount does not exceed 15,000 rubles or equivalent foreign currency amount unless the employees of the credit institution and/or banking payment agents have a suspicion that such a transaction may be performed for the purpose of criminal money laundering or financing of terrorism”;
d) Section 1.5 shall be added to the following effect:
“1.5. By virtue of the treaty a credit institution shall have a right to authorize another credit

institution, federal postal service organization or banking payment agent to perform identification of a client—physical person, representative of the client and/or beneficiary for the purpose of performance of money transfer without opening of a bank account including but not limited to electronic money transfer";
e) Clause 1.6 shall be added to the following effect:
"1.6. In cases specified by clause 1.5 of this article, the credit institution that authorizes performance of identification shall be responsible for compliance with the established identification requirements of this Federal Law and related regulations";
f) Clause 1.7 shall be added to the following effect:
"1.7. Credit institutions and/or federal postal service organizations authorized to perform identification shall be responsible for noncompliance with the established identification requirements of this Federal Law. Banking payment agents shall be responsible for noncompliance with the established identification requirements of the contract concluded with the appropriate credit institution";
g) Clause 1.8 shall be added to the following effect:
"1.8. In case of incompliance with the established identification requirements, the person authorized by a credit institution to perform such identification in accordance with clause 1.5 of this article shall incur liabilities under the contract with the credit institution including but not limited to payment of forfeit, penalty or fine. Violation of the established identification requirements may also serve as a basis for unilateral invalidation of the agreement between the credit institution and that person".
h) Clause 1.9 shall be added to the following effect:
"1.9. The persons authorized by a credit institution to perform identification in accordance with clause 1.5 of this article shall submit the credit institution with the full scope of information received in the process of identification in accordance with the terms and conditions of the contract and within the terms prescribed by the Bank of Russia and agreed upon with the authorized agent agency";
i) Clause 1.10 shall be added to the following effect:
"1.10. The credit institution shall inform the Bank of Russia in accordance with the established procedure on the persons authorized to perform identification";
j) In the ninth paragraph of clause 2 the word "recommendations" shall be replaced by the word "requirements";
2) Article 8:
a) In the third part the words "up to five business days" shall be replaced by the words "up to 30 days";
b) Part 4 shall be added to the following effect:
"Upon the court order made on the plea of the authorized agent, any bank account (deposit) transactions as well as any other transactions with cash and/or other property of the persons and organizations information on whose involvement in extremist activity or terrorism has been received in accordance with this Federal Law or of legal persons that are owned and/or controlled directly or indirectly by such persons and organizations or physical/legal persons shall be suspended until the decision is terminated in accordance with the law of the Russian Federation";
c) The forth and the fifth parts shall be deemed as the fifth and the sixth sections respectively;
3) The second part of Article 10 shall be added with the words "or on the basis of reciprocity principle".

Article 10

The Administrative Code of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 2002, N 1, art. 1; N 30, art. 3029; N 44, art. 4295; 2003, N 27, art. 2700, 2708; 2717, N 46, art. 4434; N 50, art. 4847; 4855; N 52, art. 5037; 2004, N 31, art. 3229; N 34, art. 3529, 3533; 2005, N 1, art. 9, 13; 45, N 10, art. 763; N 13, art. 1075; 1077; N 19, art. 1752; N 27, art. 2719; 2721; N 30, art. 3104; 3131; N 50, art. 5247; 2006, N 1, art. 10; N 2, art. 172; N 10, art. 1067; N 12, art. 1234; N 17, art. 1776; N 18, art. 1907; N 19, art. 2066; N 23, art. 2380; N 31, art. 3420, 3433, 3438, 3452; N 45, art. 4641; N 50, art. 5279; N 52, art. 5498; 2007, N 1, art. 21, 29; 33, N 16, art. 1825; N 26, art. 3089; N 30, art. 3755; N 31, art. 4007; 4008; N 41, art. 4845; N 43, art. 5084; N 46, art. 5553; 2008, N 18, art. 1941; N 20, art. 2251; N 30, art. 3604; N 49, art. 5745; N 52, art. 6235, 6236; 2009, N 7, art. 777; N 23, art. 2759; 2776; N 26, art. 3120; 3122; N 29, art. 3597; 3642; N 30, art. 3739; N 45, art. 5267; N 48, art. 5711; 5724; N 52, art. 6412; 2010, N 1, art. 1; N 21, art. 2525; N 23, art. 2790; N 27, art. 3416; N 28, art. 3553; N 30, art. 4002, 4005, 4006, 4007; N 31, art. 4158, 4164, 4193, 4195, 4206, 4207, 4208; N 41, art. 5192, 5193; N 49, art. 6409; 2011, N 1, art. 10, 23; 54, N 7, art. 901, 905; N 15, art. 2039; N 17, art. 2310; N 19, art. 2715) shall be amended as follows:

1) Article 15.1:

a) The title shall be amended as follows:

“Article 15.1. Incompliance with the procedure for cash handling and cash transactions and violation of the requirements on application of special bank accounts”;

b) In the first paragraph the word “Violation” shall be replaced by the words “1. Violation”;

c) Part 2 shall be added to the following effect:

“2. “Violation by payment agents operating in accordance with Federal Law “On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents” N 103-FZ dated June 3, 2009, banking payment agents and banking payment subagents operating in accordance with the Federal Law “On the National Payment System” of their obligations on depositing the money received from the payers as cash payments to be placed at their special bank accounts to the credit institution as well as a failure of the payment agent, supplier, bank payment agents and bank payment subagents of special accounts for corresponding settlements –

shall involve setting an administrative penalty to the amount of four to five thousand rubles for officials or forty to fifty thousand rubles for legal entities”;

Article 10, clause 2 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

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2) Article 15.36 shall be added to chapter 15 to the following extent:

“Article 15.36. Noncompliance with the directive of the Bank of Russia that was forwarded in the process of the surveillance of the national payment system

Repeated noncompliance of the payment system operator, operating center or payment clearing center with the directive of the Bank of Russia that was forwarded in the process of the surveillance of the national payment system within a year –

shall involve setting an administrative penalty to the amount of thirty to fifty thousand rubles for officials or one to five hundred thousand rubles for legal entities”;

Article 10, clause 3 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

3) Article 23.1, part 1 after the numbers “15.33” shall be added with the words “15.36 (except for administrative actions of the credit institution)”;
4) Article 28.3:

Article 10, clause 4, subclause “a” shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

a) Clause 81, part 2 shall be amended as follows:
“81) Officials of the Bank of Russia—on administrative actions specified in article 15.26, parts 1 to 4 of article 15.27 and article 15.27 (except for administrative actions of the credit institution) of this Code”;
b) In the first paragraph of part 4 the words “and authorized executive bodies of the constituents of the Russian Federation” shall be replaced with the words “, authorized executive bodies of the constituents of the Russian Federation and the Bank of Russia”;
5) Article 32.2:
a) Part 3 shall be amended as follows:
“3. The amount of administrative penalty shall be paid or transferred to the credit institutions by the person responsible for administrative offense with or without participation of a banking payment agent or a banking payment subagent operating in accordance with Federal Law “On the National Payment System”, a federal postal service organization or a paying agent operating in accordance with Federal Law “On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents” N 103-FZ dated June 3, 2009”;

Article 10, clause 10, subclause “b” shall become effective since January 1, 2013 (article 23, clause 5 of this document).

b) Part 5 after the words “testifying the fact of payment of the administrative penalty” shall be added with the words “and information on payment of the administrative penalty in the State Information System of Federal and Municipal Payments”.

Article 10, clause 3, subclause “c” shall become effective since January 1, 2013 (article 23, clause 5 of this document).

c) Part 8 shall be added to the following effect:
“8. Immediately after the payment of an administrative penalty by the person responsible for administrative offense, the bank or any other credit institution, federal postal service organization or paying agent engages in accepting payments from physical persons, or the banking paying agent (subagent) in accordance with Federal Law “On the National Payment System” that is responsible for payment of the administrative penalty shall submit information on payment of the administrative penalty to the State Information System of Federal and Municipal Payments in accordance with Federal Law “On Organization of Provisions of the Federal and Municipal Services” N 210-FZ dated July 27, 2010.”

Article 11

Federal Law “On the Central Bank of the Russian Federation (the Bank of Russia)” N 86-FZ dated July 10, 2002 (Collection of Legislative Acts of the Russian Federation, 2002, N 28,

art. 2790; 2003, N 2, art. 157; N 52, art. 5032; 2004, N 27, art. 2711; N 31, art. 3233; 2005, N 25, art. 2426; N 30, art. 3101; 2006, N 19, art. 2061; N 25, art. 2648; 2007, N 1, art. 9; 10; N 10, art. 1151; N 18, art. 2117; 2008, N 42, art. 4696; 4699; N 44, art. 4982; N 52, art. 6229, 6231; 2009, N 1, art. 25; N 29, art. 3629; N 48, art. 5731; 2010, N 45, art. 5756; 2011, N 7, art. 907) shall be amended as follows:

Article 1, clause 11 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

1) The forth paragraph article 3, part 1 shall be amended as follows:
"Assurance of consistency and development of the national payment system";

Article 11, clause 2 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

2) Article 4 shall be added with clause 4.1 to the following effect:
"4.1) perform supervision and monitoring of the national payment system";

Article 11, clause 3 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

3) The fifth paragraph of Article 13, clause 8 shall be amended as follows:
"Assurance of consistency and development of the national payment system";
4) Article 62.1 shall be added to the following extent:

"Article 62.1. The Bank of Russia establishes the following normative standards for non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations specifies in article 1, part 3, clause 1 of the Federal Law "On Banks and Banking Activities":

1) Normative standard of capital adequacy determined as the ratio of the capital base to the value of liabilities to the clients at the most recent quarterly reporting date. Normative standard of capital adequacy shall be established at the amount of 2 percent.
2) Normative standard of liquidity determined as the ratio of the total volume of liquid assets with maturity terms within the next 30 consecutive days to the value of liabilities to the clients at the most recent quarterly reporting date. Normative standard of liquidity shall be established at the amount of 100 percent.
Non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations shall control operating risk and ensure continuity of money transfer transactions in accordance with the requirements of the established statutory regulations of the Bank of Russia.
Non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations with an average value of monthly liabilities to the clients on money transfers without opening banking accounts exceeding 2 billion rubles shall report to the Bank of Russia every quarter.
Non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations with an average value of monthly liabilities to the clients on money transfers without opening banking accounts not exceeding 2 billion rubles shall report to the Bank of Russia every six months.
The procedure and form for report of the non-bank credit institutions entitled to perform

money transfers without opening banking accounts and other related banking operations shall be determined by the statutory regulations of the Bank of Russia.
Non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations shall allocate the funds provided by their clients for transfer without opening a bank account only to:
1) a correspondent account in the Bank of Russia;
2) a deposit in the Bank of Russia;
3) correspondent accounts in credit institutions.
Non-bank credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations shall publicly disclose information on the persons having significant (direct or indirect) influence on the decisions made by their management bodies in accordance with the procedure established by the Bank of Russia for the banks registered in the system of compulsory insurance for the deposits of physical persons in the banks of the Russian Federation";

5) The first part of article 73 shall be amended as follows:
"Article 73. In order to perform its functions of banking regulation and supervision, the Bank of Russia shall make inspections of credit institutions (their subsidiaries), forward compulsory directives on elimination of the violations revealed in their activities of the federal laws and related statutory regulations of the Bank of Russia and apply the measures specified in this Federal Law to the violators";
6) The forth part of article 74 shall be amended as follows:
"The Bank of Russia may not apply the measures specified in the first and the second parts of this article to the credit institution after five years since the date of the violation. The measures specifies in this articles may not be applied by the Bank of Russia if a credit institution (or its subsidiary) fails to comply with the provisions of the others documents (regulations) of the Bank of Russia except for the statutory regulations or directives of the Bank of Russia";

Article 11, clause 7 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

7) Chapter XII shall be deemed as inoperative;

Article 11, clause 8 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

8) Chapter XII.1 shall be added to the following extent:

"Chapter XII.1. ASSURANCE OF CONSISTENCY AND DEVELOPMENT OF THE NATIONAL PAYMENT SYSTEM

Article 82.1. Assurance of consistency and development of the national payment system shall be performed by the Bank of Russia in accordance with the Federal Law "On the National Payment System".
Directions of the national payment system development shall be determined in accordance with the national payment system development strategy established by the Bank of Russia.

Article 82.2. The Bank of Russia shall arrange and assure efficient and smooth operation and perform monitoring of the payment system of the Bank of Russia.

Article 82.3. The Bank of Russia shall determine cash payments rules including but not limited to restrictions on cash settlements between legal entities as well as on settlements with physical persons in relation to their entrepreneurial activities.
The Bank of Russia shall establish the rules, forms and standards for non-cash transactions."

Article 12

Federal Law "On Usage of Cash Registers in Performance of Cash Transactions and/or Transactions with Payment Cards" N 54-FZ dated May 22, 2003 (Collection of Legislative Acts of the Russian Federation, 2003, N 21, art. 1957; 2009, N 23, art. 2776; N 29, art. 3599; 2010, N 31, art. 4161) shall be amended as follows:
1) The ninth paragraph of article 1 after the words "banking paying agent," shall be added with the word "subagent,";
2) Article 2, clause 4 after the words "banking paying agents," shall be added with the word "subagents,";
3) Article 4:
a) The second paragraph of clause 1 after the words "banking paying agents," shall be added with the word "subagents,";
b) The first paragraph of clause 1.1 after the words "banking paying agent," shall be added with the word "subagent," and after the words "banking paying agents," shall be added with the word "subagents,";
4) The first paragraph of article 5, clause 1 after the words "banking paying agents," shall be added with the word "subagents,".

Article 13

Article 54 of Federal Law "On Communication" N 126-FZ dated July 7, 2003 (Collection of Legislative Acts of the Russian Federation, 2003, N 28, art. 2895; 2004, N 35, art. 3607; 2006, N 10, art. 1069) shall be added with Clause 4 to the following effect:
"4. The monetary funds constituting an advance payment of a subscriber—physical body for communication services may be used for increase of the electronic money balance of that subscriber in accordance with the Federal Law "On the National Payment System"."

Article 14

Federal Law "On Currency Regulation and Currency Control" N 173-FZ dated December 10, 2003 (Collection of Legislative Acts of the Russian Federation, 2003, N 50, art. 4859; 2005, N 30, art. 3101; 2006, N 31, art. 3430; 2007, N 1, art. 30; 2008, N 30, art. 3606) shall be amended as follows:
1) Article 10:
a) Part 1.1 shall be added to the following effect:
"1.1. Nonresidents shall have a right for unrestricted transfers between each other in foreign currencies or the currency of the Russian Federation without opening a banking account as well as for transfers from and to the territory of the Russian Federation in foreign currencies or the currency of the Russian Federation without opening a banking account.";
b) Part 3 shall be added with the words "except for the cases specifies in part 1.1 of this article";

2) Article 14:
a) The first paragraph of part 2 shall be added with the words “as well as electronic money transfers”;
b) Clause 9 shall be added to part 3 to the following extent:
“9) transfer from a resident physical person to a nonresident on the territory of the Russian Federation without opening of a bank account and transfer receipt by a resident physical person from a nonresident without opening of a bank account on the territory of the Russian Federation performed in accordance with the procedure established by the Central Bank of the Russian Federation that may restrict only the transfer amount and the transfer receipt amount.”

Article 15

Article 5, part 2 of Federal Law “On Insurance of Personal Deposits in the Banks of the Russian Federation” N 177-FZ dated December 23, 2003 (Collection of Legislative Acts of the Russian Federation, 2003, N 52, art. 5029; 2008, N 52, art. 6225) shall be added with Clause 5 to the following effect:
“5) being electronic funds”.

Article 16 shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

Article 16

Article 40, part 3 of Federal Law “On Protection of Competition” N 135-FZ dated July 26, 2006 (Collection of Legislative Acts of the Russian Federation, 2006, N 31, art. 3434) after the word “services” shall be added with the words “as well as organizations—operators of payments systems and operators of payment infrastructure services in the process of their activities in accordance with the Federal Law ‘On the National Payment System’”.

Article 17

Federal Law “On Enforcement Proceedings” N 229-FZ dated October 2, 2007 (Collection of Legislative Acts of the Russian Federation, 2007, N 41, art. 4849) shall be amended as follows:
1) Article 70:
a) Part 12 shall be added to the following effect:
“12. Provisions of this article shall be also applied in case a recourse is taken upon electronic funds of the debtor being transferred with the use of personifies electronic payment facilities or corporate electronic payment facilities”;

Article 1, clause 1, subclause “b” shall become effective on expiry of a year since the date of official publication (article 23, clause 4 of this document).

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b) Part 13 shall be added to the following effect:
“13. Monetary funds on an account in the guaranty fund of the payment system that was opened in accordance with the Federal Law “On the National Payment System” may not be subject to levy on the obligations of a payment system operator, central payment clearing

counteragent or payment system participant.”
2) Article 71 shall be added with part 7 to the following effect:
“7. Provisions of this article shall be also applied in case a recourse is taken upon electronic funds of the debtor being transferred with the use of personifies electronic payment facilities or corporate electronic payment facilities”;
3) Article 72 shall be added with part 10 to the following effect:
“10. Provisions of this article shall be also applied in case a recourse is taken upon electronic funds of the debtor being transferred with the use of personifies electronic payment facilities or corporate electronic payment facilities”;

Article 18 shall be excluded since August 1, 2011. — Federal Law N 242-FZ dated July 18, 2011.

Article 19

Federal Law “On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents” N 103-FZ dated June 3, 2009 (Collection of Legislative Acts of the Russian Federation, 2009, N 23, art. 2758; N 48, art. 5739; 2010, N 19, art. 2291) shall be amended as follows:
1) Article 1 shall be added with part 3 to the following effect:
“3. Relationships regulated by this Federal Law shall be subject to the provisions of the Federal Law “On the National Payment System” only as related to monitoring to be performed by the Bank pf Russia in accordance with article 35, part 1, clause 1 of that Federal Law.”
2) Article 2, clause 3 after the words “legal entity” shall be added with the words “except for the credit institution”;
3) Article 4:
a) Part 3 shall be amended as follows:
“3. On request of the payer, the supplier shall provide information on paying agents that accept payments on its behalf and payment acceptance points; on request of the tax authorities the supplier shall provide the list of paying agents that accept payments on its behalf and information on its payment acceptance points.”;
b) Part 7 shall be added with a new second sentence to the following extent: “In this case the corresponding authorities of the paying subagent require no notarization”;
c) In part 14 the word “separate” shall be replaced with the word “special”;
d) In part 15 the word “separate” shall be replaced with the word “special”;
e) Part 16 shall be added to the following effect:
“16. The following transactions may be performed on the special account of a paying agent:
1) Credit of monetary funds accepted from physical persons;
2) Credit of monetary funds debited from another special bank account of the paying agent;
3) Debit of monetary funds to a special bank account of the paying agent or a supplier;
4) Debit of monetary funds to bank accounts”;
f) Part 17 shall be added to the following effect:
“17. No other transactions may be performed on the special bank account of the paying agent.”;
g) Part 18 shall be added to the following effect:
“18. In the process of settlements with a paying agent related to acceptance of payments the supplier shall use a special bank account. The supplier shall not have a right to get the monetary funds accepted by the paying agent as payments to other bank accounts except for the special bank accounts.”;

h) Part 19 shall be added to the following effect:
“19. The following transactions may be performed on the special account of the supplier:
1) Credit of monetary funds debited from the special bank account of the paying agent;
2) Debit of monetary funds to bank accounts.”;
i) Part 20 shall be added to the following effect:
“20. No other transactions may be performed on the special bank account of the supplier.”;
j) Part 21 shall be added to the following effect:
“21. Credit institutions may not act as payment acceptance operators or paying subagents and/or enter into agreements with suppliers or payment acceptance operators on payment acceptance from physical persons.”;
4) Article 7:
a) Part 4 shall be added to the following effect:
“4. Control of compliance of paying agents with their commitments on depositing the money received from the payers as cash payments to be placed at their special bank accounts to the credit institution as well as on usage of special bank accounts for settlements with the payment agents and suppliers shall be performed by the tax authorities of the Russian Federation.”;
b) Part 5 shall be added to the following effect:
“5. Banks shall provide tax authorities with the statements on availability of special bank accounts in the bank and/or on cash balances on the special bank accounts, statements of special bank accounts of organizations (individual entrepreneurs) within three days since the date of receipt of a reasoned inquiry from the tax authority. Statements on availability of special bank accounts in the bank and/or on cash balances on the special bank accounts, statements of special bank accounts of organizations (individual entrepreneurs) in the bank may be requested by tax authorities in case of auditing of such organizations (individual entrepreneurs) in accordance with part 4 of this article.”;
c) Part 6 shall be added to the following effect:
“6. The form (format) and procedure for directing inquiries of tax authorities to the bank shall be determined by the federal executive authority that is authorized for surveillance and control of tax collection. The form and procedure to be used by the banks for provision of information on inquiries from tax authorities shall be determined by the federal executive authority that is authorized for surveillance and control of tax collection in agreement with the Central Bank of the Russian Federation. The formats for provision of electronic information on inquiries from tax authorities shall be approved by the Central Bank of the Russian Federation in agreement with the federal executive authority that is authorized for surveillance and control of tax collection.”;
d) Part 7 shall be added to the following effect:
“7. Payment acceptance operators shall provide tax authorities with information on performed transactions within three days since to moment of a reasoned inquiry from a tax authority. Information on the performed transactions may be requested by tax authorities in case of auditing in accordance with part 4 of this article.”;
e) Part 8 shall be added to the following effect:
“8. The form (format) and procedure for directing inquiries of tax authorities to the payment acceptance operator shall be determined by the federal executive authority that is authorized for surveillance and control of tax collection. The form and procedure for provision of information by the payment acceptance operator on inquiries from tax authorities shall be determined by the federal executive authority that is authorized for surveillance and control of tax collection. The format for provision of electronic information by the payment acceptance operator on inquiries from tax authorities shall be approved by the federal executive authority that is authorized for surveillance and control of tax collection.”;

5) Article 8 shall be added with part 4 to the following effect:
“4. It is prohibited to accept payments without crediting the cash accepted from physical persons to a special bank account specified in article 4, parts 14 and 15 of this Federal Law as well as for suppliers to receive the payments accepted by payment agents to other bank accounts except for special bank accounts specified in article 4, part 18.”

Article 20 shall become effective since January 1, 2013 (article 23, clause 5 of this document).

Article 20

Federal Law “On Organization of Provisions of the Federal and Municipal Services” N 210-FZ dated July 27, 2010 (Collection of Legislative Acts of the Russian Federation, 2010, N 31, art. 4179; 2011, N 15, art. 2038) shall be amended as follows:

ConsultantPlus: note.
Article 7, clause 2 is excluded from Federal Law N 210-FZ dated July 27, 2010 because article 7 was amended by Federal Law N 169-FZ dated July 1, 2011 since July 1, 2011.

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1) Article 7, clause 2 after the words “provision of documents and information” shall be added with the words “including but not limited to those on payment of the state duty for provision of state and municipal services”;
2) Article 21.3 shall be added to Chapter 5 to the following extent:

“Article 21.3. State Information System of Federal and Municipal Payments

1. State Information System of Federal and Municipal Payments is an information system for allocation and receipt of information on payments of physical and legal persons for state and municipal services, the services specified in article 1, part 3 and article 9, part 1 of this Federal Law, payments that serve as a source of fiscal revenues for the budget system of the Russian Federation, and other payments in cases specified by appropriate federal laws.
2. Establishment, maintenance, development and operation of the State Information System of Federal and Municipal Payments shall be performed by the Federal Treasury.
3. The procedure for maintenance of the State Information System of Federal and Municipal Payments shall be determined by the Federal Treasury in agreements with the Central Bank of the Russian Federation. This procedure determines the following:
1) The list of information required to make a payment including but not limited to the amount of payment for state or municipal services, the services specified in article 1, part 3 and article 9, part 1 of this Federal Law, and other payments in cases specified by the federal laws as well as the process of obtainment and provision of such information,
2) The list of information on payments for state or municipal services, the services specified in article 1, part 3 and article 9, part 1 of this Federal Law, and other payments in cases specified by the federal laws as well as the process of obtainment and provision of such information,
3) Arrangement of access to the State Information System of Federal and Municipal Payments.
4. Banks, any other credit institutions, federal postal service organizations, territorial agencies of the Federal Treasury (other agencies that perform opening and maintenance of personal

accounts in accordance with the Budget Law of the Russian Federation) including but not limited to those performing electronic money transfers as well as other agencies and organizations that accept payments for state and municipal services, the services specified in article 1, part 3 and article 9, part 1 of this Federal Law, and payments that serve as a source of fiscal revenues for the budget system of the Russian Federation shall immediately submit information on such payment acceptance to the State Information System of Federal and Municipal Payments.
5. As soon as a state or municipal organization accrues an amount due from the applicant for the provided services specified in article 1, part 3 and article 9, part 1 of this Federal Law and other payments in the cases specified by federal laws it shall submit the information required to make the payment to the State Information System of Federal and Municipal Payments."

Article 21

Federal Law "On Customs Regulation in the Russian Federation" N 311-FZ dated November 27, 2010 (Collection of Legislative Acts of the Russian Federation, 2010, N 48, art. 6252) shall be amended as follows:
1) Article 116:
a) Part 14 shall be amended as follows:
"14. Customs duties, advances, fines, interests, and penalties as indicated in the Federal Law may be paid with the use of equipment for electronic payment transactions with no cash receipt or dispensing (electronic terminals), through payment terminals or ATMs.";
b) Part 15 shall be amended as follows:
"15. When customs duties, advances, fines, interests, and penalties are paid through electronic terminals, payment terminals or ATMs, information exchange between the participants of transactions shall be arranged by the legal entities that are in charge for crediting the money paid through electronic terminals, payment terminals or ATMs to the account of the Federal Treasury and/or the account determined by the international treaty between the member states of the Customs Union and ensuring proper performance of their obligations in accordance with the law of the Russian Federation by provision of banking guarantees and/or depositing the money to the account of the Federal Treasury. Requirements to such legal entities, the procedure for arrangements of the cooperation between these legal entities, payers of taxes and customs duties and the federal executive authority that is authorized in the field of customs operations shall be determined by the Government of the Russian Federation.";
c) Part 16 shall be amended as follows:
"16. The process and technologies of transactions for payment of customs duties, advances, fines, interests, and penalties through electronic terminals, payment terminals or ATMs shall be determined by the federal executive authority that is authorized in the field of customs operations.";
2) Article 117, part 2 shall be amended as follows:
"2. For the purposes of market introduction whenever customs/taxes are paid by cashless payments, performance of the payer's obligation on customs/tax payment may be confirmed by receipt of the customs/tax payment amount to the accounts specifies in article 116 of this Federal Law and payment of customs/taxes through electronic terminals, payment terminals or ATMs in accordance with article 116, part 15 of this Federal Law may be confirmed by the document generated by the electronic terminal, payment terminal or ATM (including electronic documents) and confirming the fact of money transfer to the account specifies in article 116 of this Federal Law. As soon as such document is generated the money transfer for the purpose of customs/tax payment shall become irrevocable."

Article 22

The following shall become inoperative:
1) Article 1, clause 2 of Federal Law "On Alteration of the Federal Law 'On Banks and Banking Activities'" N 140-FZ dated July 27, 2006 and article 37 of the Law of the Russian Federation "On Protection of Consumer Rights" (Collection of Legislative Acts of the Russian Federation, 2006, N 31, art. 3439),
2) Article 1, clause 1 of Federal Law "On Alteration of Certain Legal Acts of the Russian Federation in Connection with the Passage of the Federal Law 'On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents'" N 121-FZ dated June 3, 2009 (Collection of Legislative Acts of the Russian Federation, 2009, N 23, art. 2776),
3) Article 1, clause 1 of Federal Law "On Alteration of Articles 13.1 and 29 of the Federal Law "On Banks and Banking Activities" N 148-FZ dated July 1, 2010 (Collection of Legislative Acts of the Russian Federation, 2010, N 27, art. 3432).

Article 23

1. This Federal Law shall come into force on expiry of ninety days since the date of its official publication unless different terms are specifies in this article.
2. The third and the forth paragraphs of article 1, clause 2, subclause "a" of this Federal Law shall come into force on expiry of one hundred eighty days since the date of official publication of this Federal Law.
3. Article 5, clauses 1 to 7, 9 and 10 of this Federal Law shall come into force no sooner than on expiry of three months since the date of its official publication.
4. Clause 9, subclauses "a" and "b" and clause 11 of article 1, articles 4 and 7, article 10, clause 4, subclause "a", article 11, clauses 1 to 3, 7 and 8, article 16, article 17, clause 17, subclause "b", and article 18 of this Federal Law shall come into force on expiry of a year since the date of official publication of this Federal Law.
5. Article 5, clause 8, article 8, article 10, clause 5, subclauses "b" and "c", and article 20 of this Federal Law shall come into force since January 1, 2013.
6. Provisions of article 166.1, clause 1 of the Budget Code of the Russian Federation (as amended by this Federal Law) shall come into force since January 1, 2013.
7. Credit institutions entitled to perform money transfers without opening banking accounts and other related banking operations as of the effective date of this Federal Law shall be entitles to perform money transfers without opening banking accounts including but not limited to electronic money transfers.
8. Since the effective date of this Federal Law, it shall be prohibited to accept payments without crediting the cash accepted from physical persons to a special bank account specified in article 4, parts 14 and 15 of Federal Law "On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents" N 103-FZ dated June 3, 2009 (as amended by this Federal Law) as well as for suppliers to receive the payments accepted by payment agents to other bank accounts except for the special bank accounts specified in article 4, part 18 Federal Law "On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents" N 103-FZ dated June 3, 2009 (as amended by this Federal Law).
9. The provisions of article 4, parts 14 and 15 of Federal Law "On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents" N 103-FZ dated June 3, 2009 (as amended by this Federal Law) shall extend to relations under the previously concluded contracts on payment acceptance from physical persons.

10. The provisions of article 4, part 21 of Federal Law "On Activities Related to Acceptance of Payments from Physical Persons by Payment Agents" N 103-FZ dated June 3, 2009 (as amended by this Federal Law) shall extend to relations under the previously concluded payment acceptance contracts between credit institutions and suppliers/payment acceptance operators that shall be terminated since the effective date of this Federal Law.

President
of the Russian Federation
D. MEDVEDEV

Moscow, Kremlin
June 22, 2011
N 162-FZ

FEDERAL LAW
NO. 39-FZ OF APRIL 22, 1996
ON THE SECURITIES MARKET

Adopted by the State Duma on March 20, 1996
Approved by the Federation Council on April 11, 1996

Section I. General Provisions
Chapter 1. Relations Determined by the Present Federal Law

Article 1. The Subject Regulated by the Present Federal Law

The present Federal Law shall regulate relations arising during the issue and circulation of securities, regardless of the type of the issuer, during the circulation of other securities in the instances provided for by federal laws and also the specific features of the creation and functioning of the securities market-makers.

Article 2. The Basic Terms Used in This Federal Law

The issued security is any paper security, including a non-documentary security, marked by the following features:

it records the totality of property and non-property rights subject to certification, assignment, and unconditional exercise with the observance of the form and order established by this Federal Law;

it is placed by issues;

it grants rights equal in time and extent within any one inside issue, regardless of the time of acquiring a security.

The share is an issued security that fixes the rights of its owner (shareholder) to receive part of the profit of a corporation in the form of dividends, to participate in the management of the corporation, and to receive part of the property that remains after its liquidation. The share is an inscribed security.

The bond is an issued security that fixes the right of its holder to receive a bond from the issuer at its nominal value, in the period of time provided for by it, or other property

equivalent. The bond may likewise provide for the right of its holder to receive the interest, fixed in it, on the nominal value thereof or for other property rights. The income on a bond is interest or discount.

The issuer's option is a serial security fixing the right of the owner thereof to the purchase of a certain number of shares of such option's issuer at the price determined in the issuer's option within the time period specified therein and/or in the event of the on-set of the circumstances indicated therein. The issuer's option is an inscribed security. A decision on placement of the issuer's options shall be rendered and their placement shall be effected in compliance with the rules of placing securities convertible into shares established by federal laws. With this, the price of placing shares in pursuance of the requirements with regard to the issuer's options shall be determined in compliance with the price determined in such option.

The issue of serial securities means the totality of all securities of one issuer which provide to owners thereof an equal measure of rights and have an equal value in the instances where the presence of the nominal value is provided for by laws of the Russian Federation. A single state registration number extending to all securities of a given issue shall be assigned to the issue of serial securities and an identification number shall be assigned if, in accordance with the present Federal Law, the issue of serial securities is not subject to state registration.

An additional issue of serial securities means the totality of the securities placed in addition to previously placed securities of the same issue of serial securities. The securities of an additional issue shall be placed on equal terms.

The issuer is a legal entity or an executive or local self-government body that incurs obligations on its own behalf to the owners of securities in the exercise of the rights recorded by them.

Registered issued securities are securities, the information about the owners of which shall be accessible to the issuer in the form of a register of the owners of securities; the transfer of the rights to the securities and the exercise of the rights recorded by them require the identification of the owner.

Issued securities to bearer are securities, the transfer of rights to which, and the exercise of the rights recorded by which, do not require the identification of the owner.

The documentary form of issued securities is the form of issued securities under which their owner is identified on the basis of a produced and property completed certificate of a security and in case such security is deposited, on the basis of the entry in a special custody account.

The non-documentary form of issued securities is the form of issued securities under which their owner is identified on the basis of an entry into a system of keeping a register of the owners of securities, or if they are deposited, then on the basis of an entry in a special custody account.

Decision on the issued securities is a document containing the date sufficient for the ascertainment of the volume of the rights recorded by a security.

The certificate of the issued security is a document issued by the issuer and certifying the totality of rights to the number of securities indicated in the certificate. The owner of the securities has the right to demand that the issuer perform its obligations on the basis of such certificate.

The owner is a person to whom securities belong by right of ownership or any other proprietary interest.

The circulation of securities means the conclusion of civil-law transactions which involve the transfer of the rights of ownership of securities.

The placement of issued securities means the transfer of issued securities by the issuer

to the first owners, by means of concluding civil-law transactions.

The issue of securities means the sequence of the issuer's actions in placing the issued securities established by this Federal Law.

Professional securities market-makers are legal entities who are engaged in the activities referred to in Chapter 2 of this Federal Law.

The financial consultant on the securities market is a legal entity that has a licence for the exercise of broker's and/or dealer's activities and renders services to the issuer regarding the preparation of the securities issue prospectus.

The acquirer in good faith is a person who has bought securities and paid for them ,who at the time of acquisition did not and could not have known about the rights of third persons to these securities, unless the contrary is proved.

The state registration number is a digital (alphabetical or symbolical) code that identifies a specific issue of securities subject to state registration.

The public placement of securities means placement of securities by way of open subscription, including placement of securities through stock exchange auction sales and/ or through other trade promoters on the securities market. Placement of the securities intended for classified investors through auction sales held by stock exchanges and/or other trade promoters in the securities market shall not be deemed public placement.

The public circulation of securities means the circulation of securities at auction sales of stock exchanges and/or of other trade promoters on the securities market, circulation of securities by way of offering securities to an unlimited group of persons, and also with the use of advertising. Circulation of the securities intended for classified investors at auction sales held by stock exchanges and/or other trade promoters in the securities market shall not be deemed public circulation.

The listing of securities means the inclusion by the stock market of securities in the quotation list.

The delisting of securities means the exclusion by the stock market of securities from the quotation list.

Identification number is a digital (letter, sign) code used to identify a specific issue (supplementary issue) of serial securities not subject to state registration.

Russian depository note is a registered serial security without a nominal value certifying the ownership of a certain number of stocks or bonds of a foreign issuer (of represented securities) and consolidating the right of the owner thereof to demand of the issuer of Russian depository notes, instead of a Russian depository note, the appropriate number of represented securities and rendering of the services connected with the exercise by the owner of a Russian depository note of the rights fixed by the represented securities. If the issuer of represented securities assumes the obligation towards owners of Russian depository notes, the said security shall likewise certify the right of the owner thereof to demand proper discharge of the said obligations.

The financial instrument is a security or a derivative financial instrument.

The derivative financial instrument is an agreement, except for a REPO agreement, providing for one or several of the following duties:

1) the duty of the parties or of a party to the agreement to pay sums of money on a periodical basis or as a lump sum, in particular when claims are made by the other party, depending on changes in the prices of commodities or securities, in the rate of an appropriate currency, interest rates, inflation rate, values estimated on the basis of prices of derivative financial instruments, values of the indices constituting official statistical information, values of physical, biological and/or chemical indices of the environmental condition, on the emergence of the circumstance proving a failure to discharge or improper discharge by one or several legal entities, by states or municipal entities of their duties (except for an agreement

of suretyship and an agreement of insurance) or any other circumstance which is provided for by a federal law or by regulatory legal acts of the federal executive power body responsible for the securities market and in respect of which it is not known whether it will occur or not, as well as on the alteration of the values estimated on the basis of one or an aggregate of several indices cited in this item. With this, such agreement may likewise provide for the duty of a party or parties to an agreement to transfer securities, commodities or currency to the other party or the duty to make an agreement which is a derivative financial instrument;

2) the duty of the parties or of a party under the terms defined when making the agreement, should the other party raise the claim, to purchase or sell the securities, currency or commodities or to make a contract which is a derivative financial instrument;

3) the duty of either party to transfer securities, currency or commodities to the other party for ownership at the earliest on the third day after the date of making the agreement, the duty of the other party to accept and pay for the cited property and an indication that such agreement is a derivative financial instrument.

The terms “inside information” and “market manipulation” are used in the present Federal Law in the sense defined by the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation.

A controlling person is the person entitled to dispose of, directly or indirectly (through a person under the control thereof), by virtue of participation in a controlled organisation and/or on the basis of agreements of fiduciary management and/or of ordinary partnership and/or of an agency and/or joint-stock agreement and/or other agreement on the exercise of rights certified by stocks (shares) of the controlled organisation, over 50 per cent of the votes in the supreme managerial body of the controlled organisation and/or to appoint (elect) the one-man executive body and/or over 50 per cent of the composition of the collective managerial body of the controlled organisation. This term shall only be used for the purpose of disclosing and/or presenting information in compliance with this Federal Law.

A controlled person (controlled organisation) is the legal entity which is under direct or indirect control of the controlling person. This term shall be only used for the purpose of disclosing and/or presenting information in compliance with this Federal Law.

Section II. Professional Securities Market-Makers

Chapter 2. Types of Professional Securities Market Making

Article 3. Brokerage

1. As broker’s activity shall be deemed the activity of making civil law transactions in securities and/or of making agreements which are derivative financial instruments on a client’s instructions on behalf and at the expense of a client (in particular, of the issuer of serial securities when they are placed), in his own name and at a client’s expense on the basis of commutative agreements made with a client.

A professional securities market-maker engaged in broker’s activity shall be called a broker.

In the event of rendering by a broker of the services related to placement of serial securities, the broker shall be entitled to acquire at his own expense the securities which are not placed within the term provided for by a contract.

2. A broker shall follow his clients’ instructions in good faith and in the order of their receipt. Transactions carried out on behalf of clients shall be subject in all cases to priority execution as compared with the dealer’s operations of the broker, when he combines broker’s and dealer’s activities.

If a conflict of interests between a broker and his client of which the client had not

been notified before the broker received the relevant order, has caused damage to the client, the broker shall be obliged to compensate for the losses in the order prescribed by the civil legislation of the Russian Federation.

3. The clients' monetary assets transferred by them to the broker for making transactions in securities and/or making agreements which are derivative financial instruments, as well as the monetary assets received by the broker under such transactions and/or under such agreements which are made by the broker on the basis of agreements with clients, must kept on a separate bank account (accounts) to be opened by the broker with a credit institution (a special broker's account). A broker shall be obliged to keep records of monetary assets of each client thereof kept on a special broker's account (accounts) and to report to his client therefor. There may not be levied execution related to a broker's liabilities against the monetary assets of his clients kept at a special broker's account (accounts). A broker shall not be entitled to enter his own monetary assets on a special broker's account, except for cases of their return to his client and/or granting a loan to his client in the procedure established by this Article.

A broker shall be entitled to use in his interests the monetary assets kept on a special broker's account (accounts), where it is provided for by a broker's service contract, guaranteeing the client that he will follow his instructions at the expense of the said monetary assets or will return them upon the request of the client. The monetary assets of the clients that have entitled a broker to use them in their interests have to be kept on a special broker's account (accounts) separate from the special broker's account (accounts) where monetary assets of the clients that have not entitled the broker to do this are kept. The monetary assets of the clients that have entitled a broker to use them may be entered by the broker to his own bank account.

The requirements of this Item shall not extend to credit organisations.

4. A broker shall be entitled to lend monetary assets and/or securities to his client for making purchase and sale transactions in securities on condition of the client's providing security in the way stipulated by this Item. Transactions made with the use of the monetary assets and/or securities lent by a broker shall be called marginal transactions.

The terms and conditions of a loan agreement, including the amount of the loan or a procedure for determining it, may be specified by a broker's service contract. With this, as a document to certify lending a certain amount of money or a certain number of securities shall be recognised a broker's report on marginal transactions made, or other document determined by a contract's terms and conditions.

A broker shall be entitled to recover interest on the loans granted to a client. As security for a client's liabilities related to granted loans, a broker shall only be entitled to accept the securities owned by the client and/ or acquired by the broker for the client within the framework of marginal transactions.

The amount of security provided by a client shall be determined by a broker on the basis of the market value of the securities serving as security that has been formed by auction sales held by a stock exchange or by other trade promoters, less the reduction established by the contract. The securities serving as security of a client's liabilities related to the loans granted by a broker shall be subject to revaluation.

In the event of failure to return in due time a loan and/or borrowed securities or failure to pay in due time interest on a granted loan, as well as if the amount of security gets less than the amount of a loan granted to a client (less than the market value of borrowed securities formed at auction sales held by a stock exchange and/or by other trade promoters on the securities market), the broker shall levy execution against the monetary assets and/or

securities serving as security for the client's liabilities related to the loans granted by the broker, in an extra-judicial procedure by way of selling such securities at auction sales held by a stock exchange and/or by other trade promoters on the securities market.

As security for a client's liabilities related to loans granted by a broker, there may be only accepted the liquid securities included in the quotation list of the stock market. The liquidity criteria of the said securities, the minimum amount of the reduction, the procedure for determining the market value of the securities accepted by a broker as security, the procedure and terms for revaluation thereof, as well as the requirements to the time, procedure and conditions of selling the securities that serve as security for a client's liabilities related to the loans granted by the broker shall be established by normative legal acts of the federal executive body for the securities market.

5. A broker shall be only entitled to acquire the securities intended for classified investors and to make agreements which are the derivative financial instruments intended for classified investors, if the client, at whose expense such transaction (such agreement) is made, is a classified investor in compliance with Item 2 of Article 51.2 of this Federal Law (hereinafter referred to as classified investors by virtue of federal law) or is recognised by this broker as a classified investor in compliance with this Federal Law. With this, a security or a derivative financial instrument shall be deemed intended for classified investors, if under regulatory legal acts of the federal executive power body responsible for the securities market transactions in such securities (agreements which are such derivative financial instruments) may be only made by classified investors or at the expense of classified investors. Classified investors by virtue of federal laws and persons recognized as classified investors in compliance with this Federal Law shall be named classified investors.

6. As effects of making by a broker transactions in securities and agreements which are derivative financial instruments in defiance of the requirements of Item 5 of this article, in particular as a result of wrongful recognition of a client as a classified investor, shall be deemed the following:

1) imposition upon the broker of the duty of acquiring at his own expense from a client securities by the client's request and of compensating to the client all the expenses made in making the cited transactions, including the expenses involving payment for the services of the broker, depository and exchange;

2) imposition upon the broker of the duty to compensate to a client the losses caused in connection with making and executing the agreements which are derivative financial instruments, including all the expenses made by the client when making the cited transactions, in particular the outlays involving payment for the services of the broker and an exchange.

7. Where it is provided for by Subitem 1 of Item 6 of this Article, securities shall be purchased at the highest of the following prices: the acquisition price of this security or market price thereof as of the date when a client made the claim provided for by Subitem 1 of Item 6 of this Article.

8. A claim for application of the effects provided for by Item 6 of this Article may be made by a client within one year as of the date when it received the appropriate broker's report on conducted transactions.

Article 4. Dealer's Activity

By dealer's activity is meant the completion of contracts of sale of securities on one's

own behalf and at one's expense by declaring in public the prices of purchases and/or sale of securities with the obligation to buy and/or sell these securities at the prices announced by the person engaged in such activity.

A professional securities market-maker engaged in dealings is called a dealer. Only a legal entity that is a commercial organisation may be a dealer, as well as a state corporation, if for such corporation the possibility of exercising dealer's activity is established by the Federal Law serving as a basis for establishment thereof.

A dealer shall have the right to announce, in addition to prices, other essential terms and conditions of the contract of sale of securities, the minimum and maximum number of securities being bought and/or sold, and also the period of time during which the declared prices are valid. In the absence in the announcement of a reference to other essential terms and conditions, the dealer shall be obliged to conclude a contract on the essential terms offered by his client. If the dealer eludes the contract, then an action may be brought against him for the compulsory conclusion of such contract and/or for the compensation of the losses caused to the client.

Article 5. The Management of Securities

The activity of securities' management shall be deemed the activity of fiduciary management of securities, of the monetary assets intended for making transactions in securities and/or making agreements which are derivative financial instruments.

A professional securities market-maker engaged in the management of securities is called a manager.

The presence of the licence for the exercise of activity of securities' management shall not be required, where the fiduciary management is only connected with the manager's exercising the rights to the securities.

The procedure for the management of securities and the rights and duties of a manager shall be determined by the laws of the Russian Federation and by contracts.

In his activities the manager shall be obliged to indicate that he acts as a manager.

If the conflict of interests of the manager and his client of different clients of one manager, about which the parties have not been notified in advance, has led to the manager's actions detrimental to the interests of the client, the manager shall be obliged to compensate for the losses in the procedure established by civil legislation.

The manager shall only be entitled when exercising the activity of securities' management to acquire the securities intended for classified investors and to make agreements which are derivative financial instruments intended for classified investors on condition that a client is a classified investor.

The following shall be deemed the effects of the manager's conducting transactions and making agreements, which are derivative financial instruments, in defiance of the requirements provided for Part Seven of this Article:

imposition upon the manager of the duty to sell securities and to terminate the agreements which are derivative financial instruments at a client's request or by order of the federal executive body in charge of the securities market;

reimbursement by the manager to a client of the losses caused as a result of selling securities and termination of the agreements which are derivative financial instruments;

payment by the manager of interest on the amount for which transactions in securities and/or for which the agreements which are derivative financial instruments have been made. The interest rate shall be fixed subject to the rules of Article 395 of the Civil Code of the Russian Federation. Where there is a positive difference between the amount obtained as a result of selling securities (executing and terminating the agreements which are derivative

financial instruments) and the sum paid in connection with acquisition and sale of securities (with conclusion, execution and termination of the agreements which are derivative financial instruments), the interest shall be paid in the amount which is not covered by the cited difference.

A claim for application of the effects of the manager conducting a transaction in defiance of the requirements of Part Seven of this Article may be made by a client within one year as of the date when it received the appropriate report of the manager.

Article 6. The Determination of Mutual Obligations (Clearing)

Clearing means the determination of mutual obligations (the collection, checking and correction of information about deals with securities and the preparation of accounting records on them) and the offset of the deliveries of securities and payments for them.

In connection with the payments for dealing in securities the organisations that carry out the clearing of securities shall accept for execution the accounting records prepared during the definition of mutual obligations, on the basis of their contracts with the securities market-makers for whom payments are made.

The clearing organisation which makes payments for deals with securities shall be obliged to form special funds for reducing the risk of the non-fulfilment of deals with securities. A minimum size of special funds of clearing organisations shall be established by the Federal Commission for the Securities Market by agreement with the Central Bank of the Russian Federation.

A clearing organisation shall be obliged to endorse the rules of exercising clearing activity.

A clearing organisation shall be obliged to register the rules of exercising clearing activity, as well as amendments and additions to be introduced thereto, with the federal executive body for the securities market.

Article 7. Depositary Activity

Depositary activity means the rendering of services in the custody of certificates of securities, and/or the record-keeping of securities and the transfer of rights to them.

A professional securities market-maker engaged in depositary activity is called a depositary. Only a legal entity may be a depositary.

A person who makes use of a depositary's services in the custody of securities and/or the record-keeping of the rights to securities is called a depositor.

A contract concluded between a depositary and a depositor which regulates their relations in the process of the depositary activity is called a depositary contract (a contract for a special custody account). A depositary contract shall be concluded in written. The depositary shall be obliged to endorse the terms of the depositary activity, which are an integral part of the concluded depositary contract.

The conclusion of a depositary contract shall not involve the transfer to the depositary of the right of ownership of the depositor's securities. Unless otherwise provided for by federal law, the depositary shall have no right to dispose of the depositor's securities, to manage them, or to perform any actions with securities on behalf of the depositor, except for those performed on the depositor's order in the cases provided for by the depositary contract. The depositary shall have no right to condition the conclusion of a depositary contract with the depositor on the abandonment by the latter of any of the rights recorded by the securities. The depositary shall bear civil liability for the safety of the certificates of securities deposited with it.

No execution may be levied on depositors' securities based on the depositary's obligations.

On the basis of agreements with other depositaries, a depositary shall have the right to use them to discharge its duties for keeping in custody the certificates of securities and/or for keeping records of the rights to the depositors' securities (that is, to become a depositor of another depositary, or to accept another depositary as a depositor), unless this is prohibited by the depositary contract concerned.

If one depositary is a depositor of another depositary, then the depositary contract between them shall provide for the procedure of receipt of information about the owners of securities registered in the depositary-depositor, and also in the depositary-depositors in cases provided for by the laws of the Russian Federation.

The depositary contract shall contain the following essential terms and conditions:

a) an unambiguous definition of the subject of the contract: the rendering of services in the custody of certificates of securities and/or in the record-keeping of the rights to securities;

b) the procedure for the transfer by the depositor of information about the disposal of the depositors' securities deposited in the depositary;

c) a validity term for the contract;

d) the scope and procedure of payment for the depositary's services envisaged by the contract;

e) the form and periodicity of the depositary's reporting to the depositor concerned;

f) the obligations of the depositary.

The obligations of the depositary shall include:

the registration encumbrances on the depositor's securities;

the keeping of the depositor's special custody account separate from other accounts, with an indication of the date and grounds for each operation in the account;

the transfer to the depositor of all information about securities which has been received by the depositary from the issuer or the keeper of the register of the owners of securities.

The depositary shall have the right to be registered in the system of keeping registers of the owners of securities, or in another depositary, as a nominal holder in keeping with the depositary contract.

The depositary shall bear responsibility for the non-fulfilment or improper fulfilment of its obligations in the record-keeping of rights to securities, including for the fullness and correctness of entries in special custody accounts.

A depository may render to a depositor the services connected with receiving incomes on securities and other payments due to the securities' owners.

In the event of rendering to a depositor the services connected with receiving income on securities and other payments due to owners of the securities, depositors' monetary funds have to be kept on a separate bank account (accounts) opened by a depository with a credit organisation (special depository account (accounts). The depository shall be obliged to maintain a record of monetary funds of each depositor kept on a special depository account (accounts) and to render the account thereto. Execution may not be levied under a depository's obligations against the monetary funds kept on a special depository account (accounts). A depository shall not be entitled to enter its own monetary funds into a special depository account (accounts), except for cases of their payment to a depositor, as well as to use in its own interests the monetary funds kept on a special depository account (accounts).

The requirements of this Article as to keeping a special banking account (accounts) shall not extend to credit organisations.

Depositaries set up in the form of a non-commercial partnership may be transformed into joint-stock companies. A decision on such transformation shall contain:

a) the procedure and conditions for such transformation, including the procedure for

the distribution of the shares of the joint-stock company being set up among the members of the depositary;

b) the indication of the approval of the charter of the joint-stock company being established with the addendum of its charter;

c) the indication of the approval of the turning-over act with the attachment of this act;

d) the list of the members of the council of directors or the supervisory board and the list of the members of the collegiate executive body of the joint-stock being set up in case, if in accordance with its charter there is a collegiate executive body and its election comes within the jurisdiction of the general meeting of shareholders of the new joint-stock company;

e) the indication of the person who discharges the functions or the sole executive body of the new joint-stock company;

f) the indication of the person who discharges the functions or the sole executive body of the new joint-stock company.

Custodians engaged in registration of rights to securities which are intended for classified investors are entitled to enter the said securities to depo accounts of the owners thereof, only if the latter is a classified investor or is not a classified investor but has acquired the said securities as a result of universal legal succession, conversion, in particular in the course of re-organisation, distribution of property of a legal entity to be liquidated and in other cases established by the federal executive body in charge of the securities market.

Article 8. The Keeping of the Register of Securities Owners

1. The keeping of the register of securities owners shall include the collection, fixation, treatment, storage and submission of data comprising the system of keeping the register of securities owners.

Only legal entities shall have the right to keep the register of securities owners.

Persons engaged in the keeping of registers of securities owners are termed registrars of securities.

A legal entity that keeps a register of securities owners registered in the system of keeping the registers of issuers shall have no right to make deals with securities.

The system of keeping a register of securities owners shall be understood to mean the totality of data fixed by paper carriers and/or with the use of electronic data-bases, which provides for the identification of nominal holders and owners of securities registered in the system of keeping the registers of securities owners, and the record-keeping of their rights to securities registered in their name, and which makes it possible to receive and send information to the said persons and to draw up a register of securities owners.

The system of keeping the register of securities owners shall provide for the collection and storage of information during the time-limits fixed by the laws of the Russian Federation. This information shall cover all the facts and documents which necessitate the introduction of changes in the system of keeping the register of securities owners, and all the actions by the registrar for the introduction of these changes.

No system of keeping a register of securities owners shall be kept for securities to bearers.

The register of securities owners (hereinafter referred to as the register) shall be a part of the system of keeping the register that represents the list of registered owners with an indication of the number, nominal value, and category of registered securities which belong to these owners. This list may be drawn up on any fixed date, and shall make it possible to identify these owners, and the number and category of the securities that belong to them.

The owners and nominal holders of securities shall be obliged to observe the rules for the submission of information to the system of keeping the register.

The register may be kept by an issuer or a professional securities market-maker engaged in keeping the register on the order of the issuer. If the number of owners exceeds 500, then the register has to be kept by a professional securities market-maker, engaged in keeping the register concerned, except for the instances provided for by this Federal Law. The registrar shall have the right to delegate some of its functions in collecting information, which is part of the system of keeping the register to other registrars. The delegation of these functions shall not absolve the registrar from its own responsibility towards the issuer.

A contract for keeping the register shall only be concluded with one legal entity. The registrar may keep the registers of securities owners for an unlimited number of issuers.

The holder of the register of owners of securities intended for classified investors is entitled to enter the said securities to the owner's personal account, only if it is a classified investor by virtue of federal law or is not a classified investor but has acquired the said securities as a result of universal legal succession, in particular in the course or re-organisation, distribution of property of a legal entity to be liquidated and in other cases established by the federal executive body in charge of the securities market.

2. A nominal holder of securities is a person registered in the system of keeping the register, and is also a depositor of the depositary concerned, but not the owner of these securities.

Professional securities market-makers may act as nominal holders of securities. A depositary may be registered as a nominal holder of securities in accordance with the relevant depositary contract. A broker may be registered as a nominal holder of securities in conformity with the contract on the basis of which he services clients.

A nominal holder of securities may exercise the rights fixed by a paper security only if he has received the corresponding power from the holder.

Data on the nominal holder of securities shall be subject to entry in the system of keeping the register by the registrar on behalf of the owner or the nominal holder of securities if the latter persons have been registered in this system of keeping the register.

The entry of the name of the nominal holder of securities in the system of keeping the register, and also the re-registration of securities in the name of the nominal holder, shall not involve the transfer of the property and/or other proprietary rights securities to the latter nominal holder. The securities of clients of the nominal holder of securities shall not be recovered for the benefit of the latter's creditors.

Securities trading between the owners of securities of one nominal holder of securities shall not be reflected in the register of the holder of the depositary of which it is a client.

The nominal holder of registered securities which he holds in the interest of other persons shall be obliged:

to perform all the necessary actions for the guaranteed receipt by this person of all the payments due to him according to these securities;

to make deals and operations with securities exclusively on the order of the person in whose interests he acts as a nominal holder of securities and in keeping with the contract concluded with this person, if not otherwise established by a federal law;

to keep record of the securities which he holds in the interests of other persons in separate below-line accounts and to have constantly in separate below-line accounts a sufficient number of securities for the purpose of satisfying the requirements of the persons in the interest of which he holds these securities.

On the owner's demand the nominal holder of securities shall be obliged to make an entry on the transfer of securities to the owner in the system of keeping the register.

To realise the rights of owners fixed by the securities, the registrar shall have the right

to demand that the nominal holder of securities should submit the list of the owners, the nominal holder of which he is as a particular date. The nominal holder of securities shall be obliged to make the required list and forward if to the registrar within seven days of the receipt of the demand. If the required list is necessary for making a register, the nominal holder of securities shall not receive remuneration for drawing up this list.

The nominal holder of securities shall bear responsibility for the refusal to submit the said lists to the registrar to his clients, the registrar and the issuer in keeping with the legislation of the Russian Federation.

3. An issuer who has charged the registrar with the conduct of the system of keeping the register may demand that the latter should annually submit the register, for a fee that does not exceed the costs of its compilation, while the registrar shall be obliged to submit the register for this fee. In other cases, the amount of the fee shall be determined by the contract of the issuer and the registrar.

The registrar shall have the right to collect from the parties a fee which corresponds to the number of orders on the transfer of securities and which is equal for all legal entities and natural persons. The registrar shall have no right to collect from the parties to the transaction a charge in the form of a percentage of the value of the transaction.

The procedure for estimating the maximum amount of the payment for the registrar's services in entering data to the register and issuing extracts from the register shall be determined by the federal executive body for the Security Market.

A person who improperly carries out the procedure for supporting the system of keeping and compiling the register, and who has breached the forms of reporting (to the issuer, registrar, depositary, and owner) may face a claim for the indemnity of any losses (including the loss of profit) that have arisen due to the impossibility of exercising the rights recorded by the securities.

On the demand of the owner of securities, or of the person who acts on his behalf, and also of the nominal holder of securities, the registrar shall be obliged to present an extract from the system of keeping the register regarding his personal account within five working days. The owner of securities shall not have the right to demand that irrelevant information, including information about other owners of securities and the number of their securities, should be included in the extract from the system of keeping the register.

The document issued by the registrar shall be an extract from the system of keeping the register. The extract shall indicate the owner of a personal account, the number of securities of each issue held in this account at the time of the issue of the extract, the facts of their encumbrance by liabilities, and also other information on these securities.

The extract from the system of keeping the register shall contain a note about all limitations or the facts of encumbrance of securities to which the extract is given by the liabilities fixed on the date of its compilation in the system of keeping the register.

Extracts from the system of keeping the register drawn up in the course of the placement of securities shall be issued to their owners free of charge.

The person who has given the said extract shall bear responsibility for the fullness and authenticity of information contained therein.

The rights and obligations of the registrar and the procedure for keeping the register shall be determined by the applicable legislation and the contract concluded between the registrar and the issuer.

The registrar shall discharge the following obligations:

it shall open a personal account in the system of keeping the register to each owner who has expressed his will to be registered by the registrar, and also to the nominal holder or securities on the basis of its notification about the assignment of a claim or of the order to transfer securities; when issued securities are placed, it shall open a personal account on the

basis of its notification of the seller of securities;

it shall introduce to the system of keeping the register all the requisite changes and additions;

it shall carry out operations in the personal accounts of owners and nominal holders of securities only on their commission, unless otherwise established by a federal law;

it shall bring to the notice of the registered persons the information submitted by the issuer;

it shall submit to the owners and nominal holders of securities registered in the system of keeping the register and possessing over one per cent of the issuer's voting shares, the data from the register on the names of the registered owners and on the number, category and nominal value of the security that belong to them;

it shall inform the owners and nominal holders of securities registered in the register-keeping system about the rights recorded by securities and about the methods and procedure for the exercise these rights;

it shall strictly observe the procedure for the transfer of the register keeping system in case of the dissolution of the contract concluded with the issuer.

The form of the order on the transfer of securities and information therein shall be established by the federal executive body for the Securities Market.

The registrar shall have no right to make additional demands, when introducing changes to the given systems of keeping the register in addition to those established in the order provided for by the present Federal Law.

As soon as the validity term of a contract for sustaining the register keeping system concluded between the issuer and the registrar is over, the latter shall transfer to another registrar indicated by the issuer the information received from the issuer, all the data and documents comprising the register keeping system, and also the register compiled on the date of the termination of the contract. The transfer shall take place on the day of the dissolution of the contract.

In case of the replacement of the registrar the issuer shall announce this in the mass media or notify in writing all the owners of securities at his expense.

All the extracts issued by the registrar after the date of the termination of the contract with the issuer shall be null and void.

The registrar shall introduce changes to the register keeping system on the following grounds:

1) the order of the owner on the transfer of securities or of the person acting on his behalf, or if the nominal holder of securities who has been registered in the register keeping system in accordance with the rules for keeping the register established by the legislation of the Russian Federation and also in case of the placement of securities - in compliance with the order prescribed by this Article;

2) other documents confirming the transfer of the right of ownership of securities in accordance with the civil legislation of the Russian Federation.

In case of the documentary form of issued securities that provides for the possession of these securities by their owners, the certificate of a security shall be submitted in addition to the said documents. The name of the person indicated in the certificate as the owner of the registered security shall correspond to the name of the registered person referred to in the order on the transfer of securities.

No refusal to make an entry in the register keeping system and no evasion from such entry, including in respect of the acquirer in good faith, shall be allowed, except for the cases envisaged by federal laws.

4. If the registrar is engaged in keeping the register of owners of securities which are

not serial securities, in particular investment shares of a unit investment fiduciary management or mortgage participation certificates, it is obliged to satisfy the requirements for keeping the said register which are established by federal laws and other regulatory legal acts of the Russian Federation.

Article 9. The Organisation of Trading on the Securities Market

The organisation of trading on the securities market refers to the rendering of services which directly promote the conclusion of civil-law transactions with securities among the securities market-makers.

The professional securities market-makers engaged in the organisation of trading on the securities market are called organisers of trading on the securities market.

A trading organiser shall be obliged to disclose the following information to any interested person:

the rules for the admission of securities market-makers to bidding;

the rules for the admission of securities for bidding upon;

the rules for the conclusion and checking of transactions;

the rules for the registration of transactions;

the order of the execution of transactions;

the rules restricting the manipulation of market;

the time-table for rendering services by the trading organizer on the securities market;

the regulations for the introduction of changes and additions to the above-listed items;

the list of securities admitted to bidding.

The following information shall be submitted to any interested person about each transaction concluded in keeping with the rules established by the trading organiser:

the date and time of the conclusion of a transaction;

the name of securities as the subject of a transaction;

the state registration number of an issue (supplementary issue) of securities and when in accordance with the present Federal Law an issue (supplementary issue) serial securities is not subject to state registration: the identification number of the issue (supplementary issue) of serial securities;

the price of one security;

the quantity of securities.

A trade promoter on the securities market shall be obliged to register with the federal executive body for the securities market the documents containing the information indicated in Part Three of this Article, except for a list of securities cleared for trading, as well as amendments and additions introduced to them. A trade organiser on the securities market shall notify the issuer and the federal executive governmental body charged with the securities market, in the procedure established by this body, on the inclusion (exclusion) of securities to the list (from the list) of securities cleared for trading, not later than on the day following the date of the decision.

A trade promoter in the securities market is entitled to admit to auction sales the securities intended for classified investors. In so doing, a trade promoter in the securities market is not entitled to disclose and provide to any persons concerned information about the securities intended for classified investors and about transactions in such securities.

Article 10. The Combination of Professional Types of Securities Market-making

The register keeping shall not allow the combination of this activity with other types of professional activity on the securities market.

Restrictions on the combination of the types of activity and operations in financial

instruments shall be imposed by the federal executive body in charge of the securities market.

Article 10.1. Requirements to Officials of Professional Securities Market-Makers

1. The functions of the individual executive body of a professional securities market-maker may not be exercised by:

the persons that exercised the functions of the individual executive body or were members of the collective executive body of a management company of join-stock investment funds, unit investment funds and non-governmental pension funds, of the specialised depository of joint-stock investment funds, unit investment funds and non-governmental funds, of a joint-stock investment fund, a professional securities market-maker, a credit organisation, insurance organisation and a non-governmental pension fund at the moment of cancelling (withdrawing) the licences of these organisations for the exercise of appropriate types of activities for failure to meet the license requirements or at the moment of rendering a decision on the introduction of bankruptcy proceedings, if from the moment of such cancellation or from the moment of completing the bankruptcy proceedings less than three years have passed;

the persons having a previous conviction for economic crimes or for crimes against the state.

The said persons likewise may not be members of the board of directors (supervisory board) or the collective executive body of a professional securities market-maker, and may not exercise the functions of the head of a control sub-division (of an inspector) of a professional securities market-maker.

2. The federal executive power body in charge of the securities market must be notified of the person elected for the office of the individual executive body and of the person appointed as the head of the control subdivision (as an inspector) of a professional participant in the securities market, in particular of a stock exchange.

Chapter 3. The Stock Exchange

Article 11. A Stock Exchange

1. A securities market trade promoter meeting the requirements, that are established by this Article shall be recognised as a stock exchange.

2. A legal entity may exercise the activity of a stock exchange, if it is a non-profit partnership or a joint-stock company.

3. One shareholder of a stock exchange and the affiliated persons thereof may not possess 20 or more per cent of shares of each category (type), while one member of the stock exchange of a non-profit partnership may not possess 20 or more per cent of votes at a general meeting of members of such exchange.

The restrictions indicated in Paragraph One of this Item shall not apply to the shareholders (members) of a stock exchange which are stock exchanges or currency exchanges holding the permit of the Bank of Russia to arrange the operations involved in the purchase and sale of foreign currency, as well as to stock exchanges combining their activity with the activity of a currency exchange.

Only professional securities market-makers may be members of a stock exchange being a non-profit partnership. With this, the procedure for joining such stock exchange and leaving it, as well as for exclusion from members of a stock exchange shall be determined by such stock exchange independently on the basis of the internal documents thereof.

4. A legal entity exercising the activity of a stock exchange shall not be entitled to combine the said activity with other types of activities, except for the activity of a currency exchange, commodity exchange (the activity of organising exchange trading), clearing

activity connected with making conducting transactions in securities and investment shares of unit investment funds, the activity of disseminating information, publishing activity, as well as with the exercise of the activity of letting property on lease.

Where a legal entity combines the activity of a currency exchange and/or of a commodity exchange (of the activity of organising exchange trading), and/or clearing activity with the activity of a stock exchange, a separate structural sub-division has to be established for exercising each of the said types of activity.

5. The person exercising the functions of the individual executive body or of the head of the control sub-division (of the inspector) of a stock exchange, and other workers of a stock exchange may not be workers and/or professional securities market-makers participating in auction sales at a given and/or other stock exchanges.

6. The stock exchanges which are non-commercial partnerships may be transformed into joint-stock companies. The decision on such transformation shall contain the following elements:

the procedure and conditions for the transformation, including the procedure for the allocation of shares of the joint-stock company being set up among the members of the stock exchange;

the indication of the approval of the turning-over act with its addendum;

the list of the members of the council of directors or the supervisory board and the list of the members of the collegiate executive body of the new joint-stock company in case, if in accordance with its charter there is the collegiate executive body and its election comes within the jurisdiction of the general meeting of shareholders of the joint-stock company being set up;

the list of the members of the auditing commission or the indication of an auditor of the new joint-stock company;

the indication of the person who performs the function of the sole executive body of the new joint-stock company.

Article 12. Participants of Auction Sales Held at a Stock Exchange

Only brokers, dealers, managers and the Central Bank of the Russian Federation may be tender participants at a stock exchange. With this, making agreements by a clearing organisation in the course of stock exchange trading shall not be deemed the participation in exchange trading, if the appropriate agreements are made by the clearing organisation in compliance with the rules for exercising clearing activity for the purpose of creating conditions for discharging by the trading participants of obligations under such agreements. Other persons may make transactions solely through brokers participating in the auction sales.

Only members of a stock exchange established in the form of a non-profit partnership may participate in auction sales held at such exchanges.

The procedure for admittance to participation in auction sales and for exclusion from the number of auction sales participants shall be determined by the rules established by the stock exchange.

A disparity of participants of auction sales held at a stock exchange, as well as the assignment of the right to participation in auction sales held at a stock exchange to third persons, shall not be allowed.

Article 13. Requirements with Regard to the Activity of a Stock Exchange

1. A stock exchange shall be obliged to endorse the following:

the rules of admittance to participation in trade at the stock exchange;

the rules for trading at the stock exchange that have to contain the rules for making and registering transactions and the measures in order to prevent the use of inside information and/or market manipulation.

The services which directly promote making agreements which are derivative financial instruments shall be rendered by stock exchanges, as well as by commodity exchanges, in respect of the derivative financial instruments which are provided for by the federal law regulating the activities of commodity exchanges.

A stock exchange rendering the services which directly promote making transactions in securities shall be likewise obliged to endorse the rules for listing (delisting) securities and/or the rules for securities' admission to trading without a listing procedure, while a stock exchange rendering services which directly promote making agreements constituting derivative financial instruments shall be obliged to endorse the data sheet of such agreements satisfying the appropriate requirements of regulatory legal acts of the federal executive power body responsible for the securities market.

A stock exchange shall be obliged to register with the federal executive power body responsible for the securities market the documents cited in this item, as well as the amendments and addenda to be made therein.

2. A stock exchange has to exercise the permanent control over transactions made at the stock exchange for the purpose of detecting the instances of using inside information and/or market manipulation, as well as over meeting by auction sales participants and the issuers whose securities are included in quotation lists, the requirements of the laws of the Russian Federation on securities and of normative legal acts of the federal executive body for the securities market.

Auction sales participants shall be obliged to present to the stock exchange at the request thereof the information necessary for exercising control by it in compliance with the rules of holding auction sales on the stock exchange.

3. A stock exchange shall be obliged to ensure the publicity and openness of auction sales held by way of notifying the auction sales participants on the time and place of holding the auction sales, on the list and quotation of the securities admitted to the auction sales at the stock exchange, on the results of trading sessions, as well as to provide the other information indicated in Article 9 of this Federal Law.

4. A stock exchange shall be entitled to establish the amount of, and the procedure for, recovering duties, fees and other payments from auction sales participants for the services rendered by it, as well as the amount of, and procedure for, imposing fines for violations of the rules established by it.

A stock exchange shall not be entitled to establish the amount of remuneration recoverable by auction sales participants for making stock-exchange transactions.

Article 14. Admittance of Securities to Action Sales Held at a Stock Exchange

There may be admitted to auction sales held at a stock exchange the emissive securities which meet the requirements of the laws of the Russian Federation, in the course of placement and circulation thereof, as well as other securities, including investment shares of unit investment funds in the course of their issuing and circulation. Investment shares of unit investment funds shall be admitted to issuing and circulation at a stock exchange in the instances and in the procedure which are established by normative legal acts of the federal executive body for the securities market.

The rules of securities listing/delisting, including those of investment shares of unit investment funds, have to comply with the requirements of normative legal acts of the federal executive body for the securities market. The listing of emissive securities shall be effected

by a stock exchange on the basis of a contract made with the issuer of the securities, while the listing of investment shares of a unit investment fund shall be effected on the basis of a contract made with a management company of this unit investment fund. There may only be included into quotation lists the securities which comply with the requirements of laws of the Russian Federation and normative legal acts of the federal executive body for the securities market. With this, a stock exchange shall be entitled to advance additional requirements in respect of the securities to be included into quotation lists.

Securities may be admitted to auction sales held at a stock exchange without following the listing procedure in compliance with the rules of admitting securities to auction sales without following the listing procedure.

Article 15. Settlement of Disputes Arising in Connection with the Trading of Securities on the Stock Market

Disputes between auction sales participants held on a stock exchange between the exchange members and their clients shall be examined by a court of law, a court of arbitration or an arbitration tribunal.

Section III. On Issued Securities

Chapter 4. Basic Provisions on Issued Securities

Article 16. General Provisions

Emissive securities may be registered or payable to bearer. Registered emissive securities may be only issued in the non-documentary form, except for the instances provided for by federal laws. Emissive bearer securities may only be issued in the documentary form.

The owner of emissive bearer securities shall be given a certificate for each such security. By request of the owner thereof, he may be given one certificate for two or more emissive bearer securities belonging to one issue that he is going to acquire. This provision shall not apply to emissive bearer securities with the mandatory centralised keeping thereof.

A certificate of emissive bearer securities has to contain the requisite elements provided for by this Federal Law. The requirements to the forms of certificates of emissive bearer securities, except for the forms of certificates of emissive bearer securities with mandatory centralised keeping shall be established by normative legal acts of the Russian Federation.

The total number of emissive bearer securities which is indicated in all the certificates given out by the issuer thereof does not have to exceed the number of emissive bearer securities that belong to a given issue.

It has to be determined by a decision on the issue of emissive bearer securities, or by a decision on the issue of registered emissive securities in the instances provided for by federal laws that such securities are subject to mandatory keeping at the depository specified by the issuer thereof (emissive securities with mandatory centralised keeping). The certificate of emissive bearer securities with mandatory centralised keeping may not be handed in to the owner (owners) of such securities.

Any property and non-property rights fixed in documentary or non-documentary form shall issue securities regardless of their name, if the conditions of their emergence and circulation correspond to the totality of the signs of the issue security indicated in Article 2 of this Federal Law.

Russian issuers shall be entitled to place securities outside the Russian Federation, and likewise through placement under foreign law securities of foreign issuers certifying the rights in respect of emissive securities of Russian issuers, solely by authority of the federal executive body for the securities market.

Organising the circulation of emissive securities of a Russian issuer outside the

Russian Federation, and likewise through the placement under foreign law of foreign issuers' securities certifying the rights in respect of emissive securities of Russian issuers, shall be only allowed by authority of the federal executive body for the securities market.

Said authorisations shall be issued by the federal executive body for the securities market in the event of observing the following terms:

if the state registration of the issue (additional issue) of securities of the Russian issuer has been effected;

if the securities of the Russian issuer are included into the quotation list of at least one stock market;

if the number of the Russian issuer's securities which are supposed to be placed or put into circulation outside the Russian Federation, and likewise through the placement under foreign law of securities of foreign issuers certifying the rights in respect of such securities, does not exceed the standard established by normative legal acts of the federal executive body for the securities market;

if the contract that serves as a basis for placement under foreign law of foreign issuers' securities certifying the rights in respect of shares of Russian issuers stipulates that the right of vote in respect of the said shares shall be exercised just in compliance with the instructions of the owners of the said securities of foreign issuers;

if other requirements established by federal laws are met.

A permission to place and/or to put into circulation securities of Russian issuers outside the Russian Federation shall be issued by the federal executive body for the securities market on the basis of an application and the documents attached thereto that confirm the observance by the issuer of this Article's requirements. The exhaustive list of such documents shall be determined by the normative legal acts of the federal executive body for the securities market.

Permission to place securities of a Russian issuer outside the Russian Federation may be issued simultaneously with the state registration of an issue (additional issue) of such securities.

The federal executive body for the securities market shall be obliged to issue the said permit or to render a reasoned decision on the refusal to issue it within 30 days as of the date of receiving all necessary documents.

The federal executive body for the securities market shall be entitled to verify the reliability of the data contained in the documents which are submitted for the receipt of the permission. In this case, the running of the time period provided for by Part Twelve of this Article may be suspended for the time of the verification, but for 30 days at most.

Article 17. A Decision on the issue (Additional Issue) of Emissive Securities

1. A decision on the issue (additional issue) of emissive securities has to contain the following:

the full denomination of the issuer, location and postal address thereof;

the date of rendering a decision on placement of the emissive securities;

the denomination of the issuer's authorised body that has rendered the decision on placing the emissive securities;

the date of endorsing the decision on the issue (additional issue) of the emissive securities;

the denomination of the issuer's authorised body that has endorsed the decision on the issue (additional issue) of the emissive securities;

the kind, category (type) of the emissive securities;

the rights of the owner thereof fixed by the emissive security;

the terms of placing the emissive securities;

an indication of the number of emissive securities in the given issue (additional issue) of emissive securities;

an indication of the total number of emissive securities in the given issue that have been previously placed (in the event of placing an additional issue of the securities);

an indication whether the emissive securities are registered or payable to bearer;

the nominal value of the emissive securities where the presence of the nominal value is provided for by laws of the Russian Federation;

the signature of the person exercising the functions of the issuer's executive body and the issuer's seal;

other data provided for by this federal law and other federal laws on securities.

The description or model of the certificate shall be attached to a decision on the issue (additional issue) of emissive securities in documentary form.

2. A decision on the issue (additional issue) of emissive securities of a business company shall be endorsed by the board of directors (supervisory board) or by the body exercising in compliance with federal laws the functions of the board of directors (supervisory board) of this business company. A decision on the issue (additional issue) of emissive securities of legal entities which have other organizational and legal forms shall be endorsed by the supreme governing body thereof, if not otherwise established by federal laws.

A decision on the issue of bonds whose issuer's fulfilment of commitments in respect of the bonds is secured by a pledge, a bank guarantee or in other ways provided for by this Federal Law must likewise contain data on the person that has provided security and on the terms of the security. The composition of data on the person that provides security shall be determined by the federal executive body for the securities market. In this case, a decision on the issue of bonds must likewise be signed by the person providing such security. The bond in respect of which the fulfilment of commitments is secured in one of the said ways shall likewise grant the owner thereof the right of claim with regard to the person that has provided such security.

A decision on the issue of registered bonds or documented bonds with mandatory centralised keeping thereof must likewise contain an indication of the date when the list of bonds' owners is composed for fulfilment by their issuer of the commitments with regard to the bonds.

Such date may be fixed at the earliest 14 days before the maturity of bonds. With this, the fulfilment of commitments in respect of an owner thereof included in the list of bonds' owners shall be recognised as proper, and likewise in the event of alienation of bonds after the date of composing the list of bonds' owners.

3. The issuer shall not be entitled to alter a decision on the issue (additional issue) of emissive securities insofar as it relates to the measure of rights related to the emissive security established by this decision, after the state registration of the issue (additional issue) of the emissive securities.

4. A decision on the issue (additional issue) of emissive securities shall be drawn up in three copies. After the state registration of an issue (additional issue) of emissive securities, one copy of the decision on the issue of the securities shall be kept by the registering body, while the other two copies shall be given out to the issuer thereof. Where the register of registered emissive securities' owners is kept by a registrar, as well as where emissive bearer securities to be placed by the issuer thereof are emissive securities with mandatory centralised keeping, one copy of the decision on the issue of the emissive securities shall be transferred by the issuer for keeping to the registrar or to the depository that effect the mandatory centralised keeping. If there are differences in the texts of the copies of a decision on the issue (additional issue) of emissive securities, the text of the document

kept by the registering body shall prevail.

5. When effecting the state registration of an issue (additional issue) of emissive securities, on each copy of a decision on the issue (additional issue) of emissive securities shall be made a note on the state registration of the issue (additional issue) of the emissive securities and indicated the state registration number assigned to the issue (additional issue) of the emissive securities.

6. The issue and/or the registrar shall be obliged at the request of a person concerned to present to him a copy of a decision on the issue (additional issue) of emissive securities payable in an amount that shall not exceed the expenses on the production thereof.

7. The decision to issue serial securities, where it is established by federal laws or regulatory legal acts of the federal executive body in charge of the securities market, must stipulate that the serial securities are intended for classified investors.

Serial securities intended for classified investors may be only possessed by classified investors, except as provided for by Item 4 of Article 27.6 of this Federal Law.

Article 18. The Form of the Certification of the Rights Comprising the Issued Security

In the documentary form of issued securities the certificate and the decision on the issue of securities are the documents which certify the rights fixed by the security.

In the non-documentary form of issued securities the decision on the issue of securities is a document which certifies the rights fixed by the security.

The issued security shall fix the property rights in the scope in which they have established in the decision on the issue of securities and in conformity with the legislation of the Russian Federation.

The certificate of an emissive security has to contain the following mandatory requisite elements:

the full denomination of the issuer thereof, its location and postal address;

the kind, category (type) of the emissive securities;

the state registration number of the issue of the emissive securities and the date of the state registration thereof or, if under this Federal Law the issue (additional issue) of emissive securities is not subject to the state registration, - the identification number and the date of its assigning;

the rights of the owner thereof fixed by the emissive security;

the terms of fulfilling the commitments by the person that has provided security, and data on this person in the event of issuing secured bonds;

an indication of the number of the emissive securities attested by this certificate;

an indication of the total number of emissive securities in the given issue of emissive securities;

an indication of whether emissive securities are subject to mandatory centralised keeping and, if so, the denomination of the depository effecting centralised keeping thereof;

an indication that the emissive securities are bearer emissive securities;

the signature of the person exercising the functions of the issuer’s executive body and the issuer’s seal;

other requisite elements provided for by laws of the Russian Federation for a specific type of emissive securities.

If there is a divergence between the text of the decision on the issue of securities and the date cited in the certificate of the issued security, its owner shall have the right to demand the exercise of the rights recorded by this security in the scope established by the certificate. The issuer shall bear responsibility, if the data contained in the certificate of the issued

security do not coincide with the data contained in the decision on the issue of securities in keeping with the legislation of the Russian Federation.

Chapter 5. The Issue of Securities

Article 19. Procedure for the Issue of Securities and Stages Thereof

1. The procedure for the issue of emissive securities, if not otherwise provided for the present Federal Law and other federal laws, shall include the following stages:

deciding on placement of emissive securities;

endorsing the decision on the issue (additional issue) of emissive securities;

the state registration of the issue (additional issue) of emissive securities;

the placement of emissive securities;

the state registration of the report on the results of the issue (additional issue) of emissive securities or the submittal to the registration body of a notice of the results of the issue (supplementary issue) of serial securities.

Emissive securities whose issue (additional issue) has not been registered by the state in compliance with the requirements of this Federal Law shall not be subject to placement except as otherwise envisaged by the present Federal Law.

When establishing a joint-stock company or re-organising legal entities in the form of merger, division, detachment and transformation, the placement of emissive securities shall be effected prior to the state registration of their issue, while the state registration of the report on the results of emissive securities' issue shall be effected simultaneously with the state registration of the emissive securities' issue.

2. The state registration of the issue (additional issue) of emissive securities shall be accompanied by registration of the issue prospectus thereof in the event of placing emissive securities by way of open subscription or by closed subscription among a group of persons whose number exceeds 500.

Where the state registration of an issue (additional issue) of emissive securities is accompanied by the registration of the issue prospectus thereof, each stage of the procedure for issuing securities shall be accompanied by disclosure or presentation of information.

3. Where the state registration of an issue (additional issue) of securities has not been accompanied by the registration of the issue prospectus thereof, it may be registered afterwards. With this, the registration of the securities issue prospectus shall be effected by the registering body within 30 days as of the date of receiving the securities issue prospectus and other documents necessary for registration thereof.

4. Abolished.

5. The procedure for issuing state and municipal securities as well as the terms for placement thereof shall be regulated by federal laws or in the procedure established by federal laws.

Article 20. The State Registration of Issues (Additional Issues) of Emissive Securities

1. The state registration of issues (additional issues) of emissive securities shall be effected by the state executive body for the securities market or by other registering body determined by federal laws (hereinafter referred to as the registering body).

A registration body defines the procedure for keeping a register of, and shall keep the register of, serial securities containing information on the issues (supplementary issues) of serial securities it has registered, and on annulled individual numbers (codes) of issues (supplementary issues) of serial securities, and the registration body being the federal executive governmental body charged with securities market matters, shall do so concerning the issues (supplementary issues) of serial securities not subject to state registration according

to the present Federal Law and other federal laws. A registration body shall amend the register of serial securities within three days after the pertinent decision or after the receipt of a document deemed a ground for making such an amendment. The provisions of the present item do not extend to state or municipal securities or bonds of the Bank of Russia.

2. The state registration of an issue (additional issue) of emissive securities shall be effected on the basis of the issuer's application.

To an application for the state registration of an issue (additional issue) of emissive securities there shall be attached a decision on the issue (additional issue) of the securities, the documents confirming the issuer's compliance with the requirements of the laws of the Russian Federation that determine the procedure for, and terms of, rendering a decision on placement of the securities, endorsing the decision on the securities' issue and other requirements whose observance is necessary for issuing the securities, and, if the registration of an issue (additional issue) of securities under this Federal Law has to be accompanied by registration of the issue prospectus thereof, the securities issue prospectus. The exhaustive list of such documents shall be determined by normative legal acts of the federal executive body for the securities market.

3. The registering body shall be obliged to effect the state registration of an issue (additional issue) of emissive securities or to render a reasoned decision on the refusal of the state registration of an issue (additional issue) of emissive securities within 30 days as of the date of receiving the documents presented for the state registration thereof.

The registering body shall be entitled to verify the reliability of the data contained in the documents presented for the state registration of an issue (additional issue) of emissive securities. In this case, the running of the time period provided for by Paragraph One of this Item may be suspended for the time period of carrying out the verification, but for 30 days at most.

4. When effecting the state registration of an emissive securities issue, an individual state registration number shall be assigned thereto.

When effecting the state registration of each additional issue of emissive securities, there shall be assigned thereto the individual state registration number, which consists of the individual state registration number assigned to the issue of the emissive securities and the individual number (code) of this additional issue of the emissive securities.

Upon the expiry of three months as of the moment of the state registration of the report on the results of an additional issue of emissive securities or from the time of submittal to the registration body of notice of the results of a supplementary issue of serial securities, the individual number (code) of the additional issue shall be cancelled.

The procedure for assigning state registration numbers of emissive securities' issues and for cancellation of individual numbers (codes) of additional issues of emissive securities shall be established by the federal executive body for the securities market.

5. The registering body shall only be held responsible for the completeness of the information contained in the documents submitted for the state registration of an issue (additional issue) of emissive securities.

Article 21. Grounds for Refusal to Register the Issue of Securities

The reasons for the refusal to effect the state registration of an issue (additional issue) of emissive securities and registration a securities issue prospectus shall be as follows:

the violation by the issuer of the requirements of the legislation of the Russian Federation on securities, including the presence in the submitted documents of information that makes it possible to make a conclusion on the inconsistency of the terms of the issue and circulation of securities with the legislation of the Russian Federation and the disparity

between the terms of the issue of securities and the legislation of the Russian Federation on securities;

non-compliance of the documents submitted for the state registration of the issue (additional issue) of emissive securities or for registration a securities issue prospectus and the composition of data contained therein with the requirements of this Federal Law and normative legal acts of the federal executive body for the securities market;

non-submission within 30 days by request of the registering body of all the documents required for the state registration of the issue (additional issue) of emissive securities or for registration of the securities issue prospectus;

non-compliance of the financial consultant that has signed the securities issue prospectus with the established requirements;

the introduction of false information or information inconsistent with reality (unreliable information) in the issue prospectus or the decision on the issue of securities (other documents which are the grounds for registration of the issue of securities).

A decision on the refusal to register the issue of securities and the issue prospectus may be appealed against with a court of law or a court of arbitration.

Article 22. General Requirements of a Securities Issue Prospectus

1. A securities issue prospectus has to contain the following:

brief data on the persons included in the composition of the issuer's governing bodies, data on bank accounts, on the auditor, appraiser and financial consultant of the issuer, as well as on other persons that have signed the prospectus;

brief data on the volume, time, procedure for, and terms of, placing emissive securities;

basic data on the issuer's financial and economic condition and on risk factors;

detailed information on the issuer;

data on the issuer's financial and business activity;

detailed data on the persons included in the composition of the issuer's governing bodies, of the issuer's bodies controlling the financial and business activities thereof, and the brief data on the issuer's workers (employees);

the data on the issuer's participants (shareholders) and on the transactions of interest made by the issuer;

the issuer's accounting (financial) reports and other financial information;

the detailed data of the procedure for, and on the terms of, emissive securities' placement;

additional data on the issuer and on the emissive securities placed by it.

The requirements to the information that has to be indicated in the title-page of a securities issue prospectus shall be established by the standards of the issue thereof and of the securities issue prospectus. A securities issue prospectus has likewise to contain the introduction where the basic information which is given further on in the securities issue prospectus shall be briefly stated.

2. To the brief data on the persons included in the composition of the issuer's governing body, to the data on bank accounts, on the auditor, appraiser and the financial consultant of the issuer, as well as on other persons that have signed the prospectus, shall pertain the following:

an indication of the persons included in the composition of the issuer's governing bodies;

the data on the issuer's bank accounts, data on the issuer's auditor (auditors) that has (have) drawn up an audit opinion in respect of the annual accounting (financial) reports of the issuer for the last three complete financial years or for each complete financial year, if the

issuer exercises its activity within less than three years;

Data on the issuer's appraiser and consultants.

3. To the brief data on the volume, time, procedure for, and terms of, placement for each kind, category (type) of the emissive securities to be placed shall pertain the following:

the kind, category (type) and form of emissive securities to be placed;

the nominal value of each kind, category (type), series of the emissive securities to be placed, where the presence of the nominal value thereof is provided for by laws of the Russian Federation;

the supposed volume of the issue in cash and the number the emissive securities that are supposed to be placed;

the price (the procedure for determining the price) of placing emissive securities;

the procedure for, and terms of, placing emissive securities;

the procedure for, and terms of, paying for emissive securities;

the procedure for, and terms of, making contracts in the course of placing emissive securities;

the group of potential acquirers of emissive securities to be placed;

the procedure for disclosing information on placement and on the results of placing emissive securities.

4. To the basic information on the financial and business state of the issuer shall pertain information for the last five complete financial years or for each complete financial year, if the issuer has carried out its activity for less than five years, as well as for the last complete report year, including the information on the following:

on the indicators of the issuer's financial and business activities;

on the issuer's market capitalisation and the liabilities thereof;

on the purposes of issuing securities and on the directions of using the assets gained as a result of placing emissive securities;

on the risks arising in connection with the acquisition of emissive securities to be placed.

5. To the detailed information on the issuer shall pertain the information on the following:

on the history of the issuer's establishment and development;

on the basic business activity of the issuer;

on the plans of the issuer's future activity;

on the issuer's participation in industrial, banking and financial groups, holdings, concerns and associations, as well as on the issuer's branch and dependent business companies;

on the composition, structure and value of the issuer's basic assets, and likewise on the plans of acquisition, replacement and retirement of basic assets, as well as data on all cases of charging the issuer's basic assets.

on the organisations controlled by the issuer each of which accounts for at least 5 per cent of the consolidated value of assets or at least 5 per cent of the consolidated income defined on the basis of data of the issuer's last summarized accounting (consolidated financial) reports/statements, as well as on other organisations controlled by the issuer which, in the opinion thereof, significantly influence the financial position, financial results of activities and changes in the financial position of the group of organisations including the issuer and the persons under control thereof (hereinafter referred to as an organisation controlled by the issuer which is vitally important for it).

6. To data on the issuer's financial and business activities shall pertain the data on the issuer's financial position and the time history of its changing for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for

less than five years, as well as an indication of the reasons and factors that, according to the opinion of the issuer's governing bodies, have caused such changes, including data on the following:

on the results of the issuer's financial and business activities, on the factors which have had an impact on the alteration of the amount of the proceeds from the issuer's sale of goods, products, works, services and of the issuer's profits (losses) derived from basic activities thereof, including the influence of inflation, alteration of foreign currency exchange rates, state bodies' decisions, of other economic, financial, political and other factors;

on the issuer's liquidity, on the amount, structure and sufficiency of the issuer's capital and circulating assets;

on the issuer's policy and expenditure in the area of scientific and technical development in respect of licenses and patents, on new development and research work;

the analysis of development tendencies in the issuer's basic activity.

7. To the detailed data on the persons included in the composition of the issuer's governing bodies, the issuer's bodies controlling the financial and business activities thereof and to the brief data on the issuer's employees (workers) shall pertain the following:

the information on the persons included in the composition of the issuer's governing bodies, including those being members of the issuer's board of directors (supervisory board), members of the issuer's collective executive governing body, the information on the person exercising the functions of the issuer's individual executive body (including information on the management organisation thereof), the information on the persons exercising the functions of the issuer's inspector and/or members of the issuer's inspection commission, as well as data on the nature of any related links between any of the said persons;

the data on the amount of remuneration, on privileges and/or refunding of charges for each the issuer's governing body (except for the natural person exercising the functions of the individual executive body thereof) and for each body controlling the financial and business activities thereof, that have been paid out by the issuer within the last complete financial year, as well as data on the present agreements regarding such payment in the current financial year;

the data on the structure and authority of the issuer's governing body and of the bodies controlling the financial and business activities thereof;

the data on the number and the summary data on the education and composition of the issuer's employees (workers), as well as on alteration of the number of the issuer's employees (workers), if such alteration is essential for the issuer;

the data on any commitments of the issuer in respect of employees (workers) thereof concerning the possibility of their participation in the issuer's authorised (pooled) capital (unit fund) (of acquiring the issuer's shares) including any agreements that stipulate the issue or provision of the issuer's options to employees (workers) thereof;

the amount of contribution of the persons indicated in Paragraph One of this Item in the authorised (pooled) capital (unit fund) of the issuer and of branch and dependent companies thereof, the shares of equities of the issuer and of branch and dependent companies thereof owned by the said persons, as well as data on the options of the issuer and of branch and dependent companies thereof granted to such persons for the issuer's shares.

8. To the data on the issuer's participants (shareholders) and on the transactions of interest made by the issuer, shall pertain the following:

the data on the total number of the issuer's participants (shareholders);

the data on the issuer's participants (shareholders) possessing at least 5 per cent of the authorised (pooled) capital (unit fund) thereof or at least 5 per cent of equities thereof, including the data on the amount of the share of the issuer's participant (shareholder) in the authorised (pooled) capital thereof, as well as of the share of the issuer's equities owned by

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for the issuer's participants (shareholders) possessing at least 5 per cent of the authorised (pooled) capital (unit fund) thereof or at least 5 per cent of equities thereof, data on the persons controlling them or, where there are no such persons, on the participants (shareholders) thereof possessing at least 20 per cent of the authorised (pooled) capital (unit fund) or at least 20 per cent of equities thereof;

the data on the contribution of the state or of a municipal formation in the issuer's authorised (pooled) capital (unit fund), the presence of a special right ("golden share");

the data on the restrictions to participation in the issuer's authorised (pooled) capital (unit fund);

the data on changes of the composition and of the contributions of the issuer's participants (shareholders) possessing at least 5 per cent of the authorised (pooled) capital (unit fund) thereof or at least 5 per cent of equities thereof, for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less than five years;

the data on the transactions of interest made by the issuer within the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less that five years, as well as for the period prior to the date of endorsing the securities issue prospectus;

the data on the amount of accounts receivable for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less than five years, and likewise with the breaking down for the debtors whose debt's amount constitutes at least 10 per cent of the total amount of accounts receivable, as well as the data on accounts receivable with regard to affiliated persons.

9. The issuer's accounting (financial) reports and other financial information shall constitute the following:

the issuer's accounting (financial) reports for the last three complete financial years or for each complete financial year, if the issuer has exercised its activity for less than three years, with an audit opinion in respect of the said accounting (financial) reports attached thereto;

the issuer's quarterly accounting (financial) reports for the last complete report quarter;

summary accounting (consolidated financial) reports for the last three complete financial years or for each complete financial year of the issuer and/or of the group of organisations that are controlling or controlled persons in respect of each other or are obliged to draw up such reports for other reasons and in the procedure provided for by federal laws, if at least one of the cited organisations is the issuer (hereinafter referred to as the summary accounting (consolidated financial) reports/statements of the issuer) for the last three complete financial years or for each complete financial year with an audit opinion in respect of the cited reports attached thereto;

the data on the total amount of export, as well as on the share of export in the total sales volume;

the data on essential changes in the composition of the issuer's property, as of the date of termination of the last complete financial year;

the data on the issuer's participation in court trials, if such participation could have a serious impact on the issuer's financial and business activities.

10. To detailed data on the procedure for, and terms of, placing emissive securities shall pertain the following data:

on emissive securities to be placed, on the price of placing (on the procedure for determining it), the procedure and term for payment for floated serial securities, on the

presence of preferred or other rights to acquisition of emissive securities to be placed, on any limitations to acquisition and circulation of emissive securities to be placed;

on the time history of alteration of prices of the issuer's securities, where such securities have been admitted to circulation by a trade promoter at the securities market, including a stock exchange;

on the persons that provide the services of arranging for the flotation of, and/or of floating, serial securities, on remuneration payable thereto, and on the availability of the duty to acquire securities not floated when due;

on the group of potential acquirers of emissive securities;

on trade promoters at the securities market, including stock exchanges where it is planned to place or to put into circulation the emissive securities to be placed;

on a possible alteration of stockholders' contributions to the issuer's authorised capital as a result of placing emissive securities;

on the expenses connected with issuing securities;

on the ways of, and the procedure for, returning the assets gained as payment for the emissive securities to be placed in the event of declaring an issue (additional issue) as frustrated or invalid, as well as in other cases provided for by laws of the Russian Federation.

11. To additional data on the issuer and emissive securities to be placed shall pertain the following:

the data on the amount and structure of the authorised (pooled) capital (unit fund) of the issuer and alteration thereof for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less than five years with the indication of the decisions of the issuer's authorised governing bodies who have served as the basis for such alteration;

the data on each category (type) of the issuer's shares with the indication of the rights granted by the shares to owners thereof, of the nominal value of each share, of the number of shares in circulation, of the number of additional shares being placed, of the number of declared shares, of the number of shares included in the issuer's balance sheet, of the number of additional stocks which may be placed as a result of converting placed emissive securities convertible into shares or as a result of fulfilling commitments with regard to the issuer's options;

the data on the previous issues of the issuer's emissive securities, except for the issuer's shares;

the data on the structure of the issuer's governing bodies and on the authority thereof, as well as on the structure of the issuer's bodies controlling its financial and business activities and on the authority thereof;

the data on the procedure for calling and holding a meeting (session) of the issuer's supreme governing body;

the data on essential transactions made by the issuer within the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less than five years, in respect of which the amount of commitments constitutes at least 10 per cent of the balance sheet value of the issuer's assets according to its accounting (financial) reports for the last complete report period;

the data on the legislative acts regulating the issues related to capital import and export which could have an impact on paying out dividends, interest and on making other payments to non-residents;

the description of the procedure for taxing incomes derived from the issuer's emissive securities that are placed and being placed;

the data on declared (accrued) dividends on the issuer's shares, as well as on incomes derived from the issuer's bonds for the last five complete financial years or for the last

complete financial year, if the issuer has exercised its activity for less than five years, including the procedure for paying out dividends and other incomes;

the data on the persons that have provided security, if the issuer issues secured bonds, as well as on the terms of securing the fulfillment of commitments in respect of the issuer's bonds;

the data on the issuer's credit ratings, as well as on alteration thereof for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less that five years;

the data on the commercial organisations where the issuer owns at least 5 per cent of the authorised (pooled) capital (unit fund) or at least 5 per cent of equities;

the data on forming and using the reserve fund, as well as other issuer's funds for the last five complete financial years or for each complete financial year, if the issuer has exercised its activity for less that five years;

the data on the organisations registering the rights to the issuer's emissive securities;

other data provided for by this Federal Law and other federal laws.

12. The composition of the data indicated in Items from 2 to 11 of this Article shall be determined by the federal executive body for the securities market.

13. If not otherwise provided for by this Federal Law or other federal laws, the information contained in the securities issue prospectus shall be indicated as on the date of its endorsement by the issuer's authorised governing body.

14. Where a securities issue prospectus is registered after the state registration of the emissive securities, the requirements of Item 3 and Item 10 (safe for Paragraph Seven) of this Article shall not apply.

15. If the issuer is bound to disclose information in compliance with Article 30 of this Federal Law, a securities prospectus may contain a reference to such information disclosed by the cited issuer in the cases and in the procedure established by regulatory legal acts of the federal executive power body in charge of the securities market, instead of the information provided for by this article.

Article 22.1. Endorsing and Signing a Securities Issue Prospectus

1. The securities issue prospectus of a business company shall be endorsed by the board of directors (supervisory board) or by the body exercising in compliance with federal laws the functions of the board of directors (supervisory board) of this business company. The securities issue prospectus of legal entities that have other organisational and legal forms shall be endorsed by the person exercising the functions of the issuer's executive body, if not otherwise established by federal laws.

2. The securities issue prospectus has to be signed by the person exercising the functions of the issuer's individual executive body, the chief accountant thereof (other person exercising his functions), confirming thereby the reliability and completeness of all information contained in the securities issue prospectus. The securities issue prospectus has likewise to be signed by the auditor and in the instances provided for by normative legal acts of the federal executive body for the securities market, by an independent appraiser who confirm the reliability of information in the part of the securities issue prospectus indicated by them. If the issuer so wishes, the securities prospectus may be signed by a financial consultant in the securities market to acknowledge the reliability and completeness of all information contained therein, except for the part confirmed by an auditor and/or surveyor.

In the event of issuing secured bonds, the person that has provided security shall be obliged to sign the securities issue prospectus, confirming thereby the reliability of the information on the security.

3. The persons that have signed and endorsed a securities issue prospectus (that have voted for endorsement of a securities issue prospectus) shall jointly and severally carry vicarious liability for the damage inflicted by the issuer on the investor and/or owner of the securities as a result of the unreliable, incomplete and/or misleading character of the information contained in said securities issue prospectus and confirmed by them.

The limitation period for reparation of damage for the reasons indicated in this item shall begin from the starting date of the securities placement or, if the securities issue prospectus is registered, as from the starting date of disclosing the information contained in such securities prospectus.

Article 23. Information on an Issue (Additional Issue) of Serial Securities

When registering a securities issue prospectus, the issuer shall be obliged to disclose or, if serial securities are intended for qualified investors and the issuer thereof is not bound to disclose information in compliance with Article 30 of this Federal Law, to provide information (a report) on the state registration of an issue (additional issue) of serial securities or about registration of a securities issue prospectus specifying a procedure for obtaining access to the information contained in the cited securities issue prospectus.

Article 24. The Conditions for the Placement of Issued Securities

The issuer shall be only entitled to place emissive securities after the state registration of the issue thereof, if not otherwise established by this Federal Law.

The quantity of placed securities shall not exceed the quantity indicated in the decision on the issue (additional issue) of emissive securities.

The issuer may place the lessor quantity of issued securities than those indicated in the issue prospectus. The actual quantity of the placed securities shall be indicated in the report on the results of the issue submitted for registration and if under the present Federal Law and other federal laws the issuance of securities takes place without the state registration of a report on the result of the issue (supplementary issue) thereof - in the notice on the results of the issue (supplementary issue) of serial securities. The share of non-placed securities from among the number indicated in the decision on the issue (additional issue) of emissive securities according to which the issue is deemed not to have taken place shall be established by the federal executive body for the Securities Market.

If the issue has not taken place, the monetary means of investors shall be returned in the procedure determined by the federal executive body for the Securities Market.

The issuer shall be obliged to complete the placement of the issued emissive securities at the latest in one year as of the date of the state registration of the issue (additional issue) of such securities.

It shall be prohibited to place serial securities of an issue (additional issue) whose state registration has been accompanied by registration of the securities issue prospectus by way of subscription, earlier than two weeks after the disclosure or, in case of placing serial securities intended for qualified investors, earlier that three days after the date of disclosure and provision in compliance with Article 23 of this Federal Law of a report on the state registration of the issue (additional issue) of serial securities. Information about the price of serial securities' placement may be disclosed or provided on the starting day of their placement.

It shall be prohibited to give an advantage for the acquisition of securities to potential owners relative to others during the public placement or circulation of the issue of securities. The present Regulations shall not be applied in the following cases:

1) during the issue of government securities;

2) when the shareholders of joint-stock companies are provided with the priority right

to redeem the new issue of securities in the quantity in proportion to the number of shares belonging to them at the time of the adoption of a decision on the issue;

3) when the issuer introduces restrictions on the acquisition of securities.

Article 25. A Report on (Notice of) the Results of an Issue (Supplementary Issue) of Serial Securities

1. Within 30 days after the completion of floatation of serial securities, the issuer shall submit a report to the registration body on the results of the issue (supplementary issue) of the serial securities or - in the case envisaged by Item 2 of the present article - a notice of the results of the issue (supplementary issue) of the serial securities.

2. The issuer is entitled to submit to the registration body a notice of the results of the issue (supplementary issue) of serial securities if a broker provides the services of floating the serial securities by public subscription and if a stock exchange provides the listing thereof, in particular, in the event of flotation of a supplementary securities issue, if the listing of the securities of the issue in question had taken place earlier. If a stock exchange has not included the floated serial securities in the quotation list the issuer shall submit a report to the registration body within the term specified in Item 1 of the present article on the results of the issue (supplementary issue) of serial securities.

The present item does not extend to the issuance of shares and securities convertible into shares that is carried out by issuers being credit organisations.

3. A report on the results of the issue (supplementary issue) of serial securities shall contain the following information:

1) the dates of commencement and of termination of flotation of the securities;

2) the actual flotation price(s) of the securities;

3) the number of securities floated;

4) the shares of floated securities and unfloated securities of the issue;

5) the total amount of proceeds for the securities floated, including the following:

the amount of money in roubles contributed as payment for the securities floated;

the amount of money in foreign currency contributed as payment for the securities floated and translated into Russian currency at the exchange rate of the Bank of Russia as of the time of contribution;

the amount of tangible and intangible assets contributed as payment for the securities floated translated into the Russian currency;

6) on transactions deemed under federal laws as large-scale transactions, and as transactions in the accomplishment of which somebody is interested - accomplished in the course of securities floatation.

4. Apart from the information envisaged by Item 3 of the present article for shares an additional indication of the following shall be made in the report on the results of the issue (supplementary issue) of serial securities: a list of the holders of parcels of serial securities of which the amount is defined by the federal executive governmental body charged with securities market matters.

5. Apart from the information specified in Item 3 of the present article a notice of the results of an issue (supplementary issue) of serial securities shall contain the following information:

1) the name and location of the stock exchange where the listing of the floated serial securities took place;

2) the date of listing of the floated serial securities.

6. A report on (notice of) the results of an issue (supplementary issue) of serial securities shall be endorsed by the issuer’s authorized body and signed by the person

performing the functions of the issuer's sole executive body, by the issuer's chief accountant (other person charged with the functions thereof), and a notice of the results of an issue (supplementary issue) shall also be signed by the broker that has been providing the services of floating the serial securities to confirm the authenticity and completeness of the entire information contained in the report on (notice of) the results of the issue (supplementary issue) of serial securities.

The persons who have signed or endorsed a report on (notice of) the results of an issue (supplementary issue) of serial securities (who have voted for endorsement of the report (notice)), shall bear jointly and severally the vicarious liability for the damage inflicted by the issuer on an investor and/or a holder of securities resulting from the information contained in the said report (notice) - and confirmed by them - that is unreliable, incomplete and/or misleading. The limitation period for compensation of losses for the reasons cited in this item shall start from the date of the state registration of a report on the results of an issue (supplementary issue) of serial securities or, in the event of providing a notice of the results of an issue (additional issue) of serial securities, from the date when the information contained in such notice is disclosed.

7. Simultaneously with the report on the results of the issue (supplementary issue) of serial securities, the following shall be submitted to the registration body: an application for its registration and documents confirming that the issuer has observed the provisions of the legislation of the Russian Federation defining the procedure and terms for securities floatation, for approving a report on the results of a securities issue, for information disclosure as well as other provisions that have to be observed when securities are floated. An exhaustive list of such documents is defined by the regulatory legal acts of the federal executive governmental body charged with securities market matters.

The registration body shall consider the report on the results of the issue (supplementary issue) of serial securities within two weeks, and shall register it if there are no irregularities relating to the issuance of the securities. The registration body is responsible for the completeness of the report it has registered.

8. In the instances provided for by this Federal Law the issuer's submission to the registration body of the report on the results of an issue (additional issue) of serial securities, as well as the state registration of the report on the results of the issue (additional issue) of serial securities, shall not be effected.

Article 26. Suspending Securities' Issuance. Declaring an Issue (Additional Issue) of Securities Frustrated or Void

1. Securities' issuance may be suspended at any stage of the issuance procedure before the state registration of the report on the results of an issue (additional issue) of serial securities or presentation to the registration body of a notice of the results of an issue (additional issue) of serial securities, if the registration body detects the following violations:

the issuer's failure to satisfy in the course of issuance the requirements of the legislation of the Russian Federation on securities;

detecting in the documents serving as a ground for the state registration of the issue (additional issue) of serial securities of unreliable or misleading information.

The registration body shall be entitled to suspend issuance of securities pending the elimination of violations. The running of the time period for securities' placement in this situation shall be suspended pending the issuance renewal. The issuance shall be renewed by decision of the registration body.

A procedure for suspending or renewing issuance of securities shall be defined by regulatory legal acts of the federal executive power body responsible for the securities

market.

2. An issue (additional issue) of serial securities may be declared frustrated by decision of the registration body.

As the grounds for declaring an issue (additional issue) of securities frustrated shall be deemed the following:

the issuer's failure to satisfy in the course of securities' issuance the requirements of the legislation of the Russian Federation which cannot be eliminated differently than by the withdrawal from circulation of the serial securities pertaining to the issue (additional issue) of the serial securities;

detection in the documents serving as a ground for the state registration of the issue (additional issue) of serial securities unreliable or misleading information which has caused a breach of the rights and/or legitimate interests of investors or owners of the issuer's serial securities;

issuer's failure to file with the registration body a report on the results of the issue (additional issue) of serial securities or of a notice of the results of the issue (additional issue) of serial securities at the time fixed by this Federal Law after the expiry of the time period for their placement;

refusal of the registration body to effect the state registration of a report on the results of the issue (additional issue) of serial securities;

failure to place the share provided for by the decision on the issue (additional issue) of serial securities which entails declaring the issue (additional issue) of serial securities frustrated;

failure to place at least one serial security pertaining to the issue (additional issue) of securities;

issuers' failure to satisfy the requirements of the registration body for elimination of the breaches of the legislation of the Russian Federation made in the course of the securities issuance.

An issue (additional issue) of serial securities may be declared frustrated before the state registration of a report on the results of the issue (additional issue) of serial securities or filing with the registration body a notice of the results of the issue (additional issue) of serial securities.

3. An issue (additional issue) of serial securities may be declared void on the basis of a court decision at the claim of the registration body or the body engaged in the state registration of legal entities, as well as at the claim of the issuer's participant (shareholder) or the owner of the issuer's serial securities of the same kind and category (type) as the serial securities of the issue (additional issue).

As the grounds for declaring an issue (additional issue) of serial securities void shall be deemed the following:

the issuer's failure to satisfy in the course of securities' issuance the requirements of the legislation of the Russian Federation which cannot be eliminated differently than by way of withdrawal from circulation of the serial securities pertaining to the issue (additional issue) of the serial securities;

detection in the documents serving as a ground for the state registration of the issue (additional issue) of serial securities or of a report on the results of the issue (additional issue) of serial securities or in an notice of the results of the issue (additional issue) of serial securities of unreliable or misleading information which has caused a gross breach of the rights and/or legitimate interests of investors or owners of the issuer's serial securities;

The refusal to satisfy the requirement for declaring an issue (additional issue) of serial securities void shall not disable a person to make a claim for laying the damage caused by the breaches cited in this item, in particular by supplying unreliable or misleading information,

upon the issuer or other persons.

4. As of the time of the state registration of an issue (additional issue) of serial securities and up to the state registration of a report on the results of the issue (additional issue) of serial securities or up to filling with the registration body a notice of the results of the issue (additional issue) it shall be only possible to make claims with court for declaring invalid the decision on placing serial securities, the decision on endorsing the decision on an issue (additional issue) of serial securities and other issuer's decisions adopted in connection with the securities issuance, the registration body's decision on the state registration of an issue (additional issue) of serial securities concurrently with making the claim for declaring void the appropriate issue (additional issue) of serial securities.

As of the time of the state registration of a report on the results of an issue (additional issue) of serial securities or as of the time of filing with the registration body a notice of the results of an issue (additional issue) of serial securities it shall be only possible to make claims with court for declaring invalid the issuer's decisions adopted in connection with issuance of securities, transactions made in the course of serial securities' placement, the decision of the registration body on the state registration of an issue (additional issue) of serial securities or a report on the results of an issue (additional issue) of serial securities concurrently with making the claim for declaring void the appropriate issue (additional issue) of serial securities.

The invalidity of individual transactions made in the course of placing serial securities shall not entail declaring void an issue (additional issue) of the serial securities.

5. The limitation period for declaring invalid the decisions adopted by the issuer, registration body and connected with issuance of securities, an issue (additional issue) of serial securities, transactions made in the course of placing serial securities shall be three months as of the time of the state registration of a report on the results of the issue (additional issue) of serial securities or as of the time of filing with the registration body a notice of the results of the issue (additional issue) of serial securities. The said time period, should it be missed, shall not be restored.

6. Declaring an issue (additional issue) of serial securities frustrated or void shall entail cancellation of the state registration thereof, withdrawal from circulation of serial securities of the given issue (additional issue) of serial securities and repayment to owners of such serial securities of the monetary resources or other property obtained by the issuer on account of payment for them.

A procedure for withdrawal from circulation of serial securities or for repayment to owners of these serial securities of monetary resources or other property shall be established by regulatory legal acts of the federal executive power body responsible for the securities market.

All the outlays connected with declaring an issue (additional issue) of serial securities frustrated or void and repayment of assets to owners thereof shall be charged to the issuer.

7. The serial securities' owners which damages have been caused to in connection with declaring an issue (additional issue) of serial securities frustrated or void shall be entitled to make a claim for reparation of losses against the issuer or third persons in the procedure provided for by the legislation of the Russian Federation.

Article 27. The Specific Features of the Issue of Shares by Credit Organisations

The monetary means shall be accumulated by credit organisations in the process of the issue of shares through the opening of an accumulation account by the issuing bank.

The conditions of the accumulation account shall be established by the Central Bank of Russia.

Article 27.1. Specifics of Issuing the Issuer's Options

The issuer shall not be entitled to place the issuer's options if the number of the issuer's declared shares is less that the number of the shares whose acquisition is allowed by such options.

The number of shares of a certain category (type) whose acquisition is allowed by the issuer's options may not exceed 5 per cent of the shares of this category (type) placed as on the date of submitting documents for the state registration of the issuer's options' issue.

A decision on the issue of options may provide for restrictions to the circulation thereof.

Placement of the issuer's options shall only be possible after the complete payment of the joint-stock company's authorised capital.

Article 27.2. Specifics of the Issue and Circulation of Secured Bonds

1. Bonds in respect of which the fulfilment of commitments is secured by a pledge (hereinafter referred to as bonds secured by pledge), guarantee, banker's guarantee, the state or municipal guarantee shall be recognised as secured bonds.

The provisions of the Civil Code of the Russian Federation and other federal laws shall apply to the relations connected with securing the fulfilment of commitments in respect of bonds secured by the pledge of property of the issuer or of a third person, subject to the specifics established by this Federal Law.

A secured bond shall grant to the owner thereof all the rights arising from such security. If the rights to a secured bond are transferred to a new owner (acquirer), he shall acquire all the rights arising from such security. The transfer of the rights arising from a provided security without transferring the rights to the bond shall be invalid.

2. When issuing secured bonds, the conditions of the securing the obligation have to be contained in the decision on the issue of the bonds and, if under this Federal Law the state registration of an issue of bonds has been accompanied by the registration of the bond prospectus, in the bonds issue, as well as in the bonds certificates in the event of issuing bonds in the documentary form.

3. Where security with regard to bonds is provided for by a third person, a decision on the bond issue and/or the bond prospectus, and the certificate thereof in the event of the documentary form of their issue, have to be likewise signed by the person that has provided such security.

4. Where security with regard to bonds is provided to foreign persons, the norms of the Russian Federation law shall apply. All the disputes arising as a result of failure to discharge or of the improper discharge by the person that has provided the security, of its duties shall be within the jurisdiction of the Russian Federation courts.

Article 27.3. Bonds Secured by Pledge

1. Solely securities and immovable property may be taken in pledge of bonds secured by a pledge.

The property which is taken in pledge of bonds secured by a pledge shall be subject to evaluation by the appraiser.

2. Each owner of a bond secured by pledge of a given issue shall enjoy equal rights with all other owners of bonds of the same issue in respect of the property taken in pledge, as well as in respect of the insurance, the amount of insurance money due to the depositor in the event of confiscation (redemption) of property in pledge for the state or municipal needs, of requisition or nationalisation thereof.

3. A pledge agreement under which the fulfilment of commitments in respect of bonds is secured shall be deemed made as of the moment of the origin of their first owner's

(acquirer's) rights to such bonds. With this, the written form of a pledge contract shall be deemed as observed. Where the fulfilment of commitments in respect of bonds is secured by an immovable property pledge (mortgage), the requirements in respect of the notarial form of the mortgage contract and of the state registration thereof shall be deemed as complied with on condition of the notarial attestation and the state registration by the body carrying out the state registration of the rights to real estate of a decision on the issue of the bonds secured by pledge.

4. The notarial certificate and the state registration of a decision on the issue of mortgage-secured bonds shall be carried out by the body that fulfils the state registration of the rights to real estate after the state registration of the issue of such bonds. The state registration of the mortgage shall be carried out simultaneously with the state registration of the decision on the mortgage-secured bonds.

Placement of bonds secured by pledge prior to the state registration of the mortgage shall be prohibited.

5. Where the fulfilment of commitments in respect of bonds is secured by an immovable property pledge (mortgage), for the state registration of the mortgage, instead of the mortgage contract and a copy thereof attested by a notary, as well as instead of the document confirming the origin of the commitment secured by the mortgage, there shall be submitted a decision on the issue of bonds secured by a mortgage and a copy of such decision attested and certified by a notary. When effecting the state registration of a mortgage, a registration entry on the mortgage to the uniform state register of rights to immovable property shall contain data on the initial pledgee, the state registration number of the bond issue and the date of the state registration thereof, as well as an indication that the owners of bonds of the issue that bears the said state registration number shall be the depositors.

In the event of declaring an issue of bonds secured by a mortgage as frustrated, the registration entry on the mortgage shall be cancelled on the basis of the depositor's application with the attached the document confirming the adoption by the registering body of the decision on recognising the appropriate bond issue as frustrated.

6. If securities are not registered, they may only be provided as security for bonds on condition of registering the rights to them with a depository.

7. Where bonds are secured by a pledge of the securities the rights to which are registered in the system of keeping the register (in the register) or with a depository, the depositor, after the state registration of an issue of such bonds and prior to the start of the placement thereof, shall register the charging of the appropriate securities by a pledge with the person engaged in recording the rights to these securities, and to present the proof of such registration to the body effecting the state registration of the appropriate issue of the bonds, when the state registration of the report on the results of the issue is effected.

8. In the event of failure to fulfil, or of an improper fulfilment of, commitments with regard to bonds secured by a pledge, the property in pledge shall be subject to sale by a request in writing of any owner of such securities directed to the depositor, to the person indicated in the decision on the issue thereof as the person that will sell the property in pledge, as well as to the issuer of such securities, if the depositor is a third person.

Owners of bonds secured by a pledge shall be entitled to advance such claims within two months as of the date of maturity thereof (of the expiry of the last day of the time period, if it is stipulated to fulfil the commitments within a certain period of time).

The sale of the property in pledge that secures the commitments in respect of bonds may not be effected prior to the expiry of the time period established for advancing claims by the said bond owners.

The monetary assets gained as a result of selling property in pledge shall be directed

to the persons owning bonds secured by a pledge who are entitled to enjoy the rights certified by the said securities and who have put in their claims within the time period established by this Article for directing claims to sell the property in pledge or on the expiry of this time period, but at the latest on the last day of the time period established by the decision on the issue of these securities for selling the property in pledge. Where the amount of money gained as a result of selling property in pledge exceeds the amount of claims secured by the pledge, the difference, after deducting therefrom the amount of money which is necessary for covering the expenses connected with recovery against this property and sale thereof, shall be returnable to the depositor.

The amount gained from selling property in pledge and left after allowing in the established procedure the claims of owners of bonds secured by a pledge, which does not exceed the amount of claims in respect of the bonds secured by a pledge, shall be subject to paying in a notary's deposit. The owners that have not directed the said written claims for the sale of property in pledge and have not gained funds from the sale thereof shall be entitled to get them through the notary's deposit in the established procedure.

If for the reasons provided for by laws of the Russian Federation property in pledge has to be transferred to the ownership of persons owning bonds which are secured by a pledge, the property that has been put in pledge of the bonds shall be transferred to the ownership in common of all owners of the bonds secured by a pledge.

Article 27.4. Bonds Secured by a Guarantee

1. A contract of guarantee that secures the fulfillment of commitments in respect of bonds shall be deemed made as of the time of origin of their first owner's rights to such bonds. With this, the written form of a contract of guarantee shall be deemed as observed.

2. As a guarantor under a contract of guarantee securing the discharge of commitments in respect of bonds shall be entitled to act:

1) profit-making organisations whose net wealth value is not less that the sum (extent) of the guarantee granted by it;

2) state corporations or a state company if granting of a guarantee by them is allowed by federal law;

3) the international financial organisations cited in Subitem 3 of Item 2 of Article 51.1 of this Federal Law.

3. A contract of guarantee securing the discharge of commitments in respect of bonds must provide for the following:

1) the joint responsibility of the guarantor and the issuer for the issuer's failure to fulfill, or an improper fulfillment of, these commitments;

2) the guarantee's term of validity to be at least one year longer that the time period for discharging these commitments.

Article 27.5. Bonds Secured by a Bank Guarantee, by the State or Municipal Guarantee

The bank guarantee granted to secure the fulfilment of commitments in respect of bonds may not be withdrawn.

The time period of a bank guarantee has to exceed by at least six months the date (the finishing time) of the retirement of the bonds secured by such guarantee.

The terms of a bank guarantee have to stipulate that the rights of claim in respect of the guarantor shall be transferred to the person to whom the rights to a bond are transferred.

A bank guarantee that secures the fulfilment of commitments in respect of bonds has solely to provide for the joint responsibility of the guarantor and the issuer thereof for the issuer's failure to fulfil, or an improper fulfilment of, the commitments in respect of the

bonds.

The state and municipal guarantee of bonds shall be granted in compliance with the budget laws of the Russian Federation and the laws of the Russian Federation on state (municipal) securities.”.

Article 27.5-1. The Details of Issuance of, and Trading in, Bonds of the Bank of Russia

1. Bonds of the Bank of Russia are issued in a documentary bearer form with compulsory centralised storage.

2. The issuance of bonds of the Bank of Russia is effected without the state registration of the issue (supplementary issue) of such bonds without a bond prospectus and without the state registration of a report on the results of the issue (supplementary issue) of the bonds.

A decision on the flotation of bonds of the Bank of Russia and also a decision on approval of a decision on an issue (supplementary issue) of bonds of the Russian Federation shall be taken by an authorised managerial body of the Bank of Russia in keeping with the Federal Law on the Central Bank of the Russian Federation (Bank of Russia).

An identification number is assigned to an (supplementary issue) of bonds of the Bank of Russia by the Bank of Russia in accordance with the procedure established by the federal executive governmental body charged with security market matters.

3. The flotation of, and trading in, bonds of the Bank of Russia shall be effected only among Russian credit organisations.

It is hereby prohibited to float bonds of the Bank of Russia earlier than three days prior to the date when information contained in the decision on the issue (supplementary issue) of the bonds of the Bank of Russia is publicised on the Bank of Russia’s Internet website.

4. The Bank of Russia has the duty to disclose information on the decision on flotation of bonds of the Bank of Russia, on endorsement of a decision on an issue (supplementary issue) of bonds of the Bank of Russia, on termination of the flotation of bonds of the Bank of Russia and on the discharge of obligations on bonds of the Bank of Russia.

The disclosing of the information specified in Paragraph 1 of the present item shall be effected by the Bank of Russia within five days of the onset of the pertinent event, in the official publication of the Bank of Russia and/or on the Bank of Russia’s Internet website.

Article 27.5-2. Specifics of Issuance and Circulation of Stock Exchange Bonds

1. Bonds may be issued without the state registration of an issue (additional issue) thereof, registration of the securities prospectus and the state registration of the report on the results of their issue (additional issue), concurrently meeting following conditions:

1) the bonds are placed by way of open subscription through an auction held by a stock exchange;

2) the issuer of bonds is an economic company, state corporation or international financial organisation if the quotation list of the stock exchange that clears such bonds for trading includes shares and/or bonds of said issuers;

3) the issuer of the bonds has been existing for at least three years and has annual accounting (financial) report documents for the last complete financial years approved in the proper way;

4) bonds do not confer other rights on their holders, except as the right to receive the

face value or the face value and interest on the face value;

5) the term for performing obligations on bonds shall not exceed three years after the date of commencement of the placement thereof;

6) the bonds are issued as documented bearer bonds with obligatory centralised custody of their certificates by a depository engaged in depository operations subject to the results of transactions in securities made through the stock exchange which is involved in the admittance of such bonds to an auction in the course of their placement on the basis of a contract under which the bonds are admitted to an auction and which is made with this stock exchange and (or) a clearing organisation;

7) payment for the bonds, when placed, as well as payment of their nominal value and interest on them shall be only effected by monetary funds.

2. Bonds complying with the conditions specified by Item 1 of this Article shall be referred to as stock exchange bonds.

3. Stock exchange bonds shall be issued without the state registration of their issue (additional issue), registration of the prospectus of stock exchange bonds and the state registration of the report on the results of their issue (additional issue) by decision of the issuer thereof.

4. The provisions of this Federal Law regulating the issuance and circulation of emissive securities shall apply to the relations connected with the issuance and circulation of stock exchange bonds, subject to the specifics established by this Article.

5. The restrictions connected with the issuance of bonds which are established by the federal laws shall not extend to stock exchange bonds, except for the limitation of the bonds' issuance pending full payment for the authorised capital of a company.

The nominal value of all stock exchange bonds shall not be accounted when determining the ratio of the nominal value of all bonds issued by a company to the amount of the company's authorised capital and (or) the amount of security. If at the issuer's discretion an issue (additional issue) of stock exchange bonds is secured, the security shall be provided subject to the specifics established by Articles 27.2, 27.4 and 27.5 of this Federal Law. Stock exchange bonds may not be secured by pledge.

6. Stock exchange bonds shall only be admitted to an auction held by the stock exchange which has affected the listing of stocks or bonds of the issuer of such stock exchange bonds.

Stock exchange bonds in the course of their placement and circulation shall be admitted to an auction held by a stock exchange.

Stock exchange bonds in the course of their placement shall only be admitted to an auction held by a single stock exchange. In this case, stock exchange bonds in the course of their circulation shall be admitted to an auction held by this stock exchange on the basis of the procedure for admittance to an auction in the course of their placement.

Stock exchange bonds in the course of their circulation may also be admitted to an auction held by other stock exchanges on condition of following the procedure for admittance of stock exchange bonds to an action established by Item 7 of this Article.

When admitting stock exchange bonds to an auction held by a stock exchange in the course of their circulation by a stock exchange that has not placed them, the depository engaged in operations on the basis of the results of the transactions with securities made through this stock exchange must register, for the purpose of accounting the rights to the stock exchange bonds, as the nominal holder thereof with the depository engaged in the obligatory centralised custody of certificates of the stock exchange bonds.

7. Stock exchange bonds shall be admitted to an auction held by a stock exchange on the basis of the issuer's application.

To the said application shall be attached the decision on the issue (additional issue) of the stock exchange bonds, the prospectus of the stock exchange bonds, the documents proving the issuer's compliance with the requirements of the legislation of the Russian Federation which determine the procedure for, and terms of, making the decision on bonds' placement, endorsement of the decision on an issue (additional issue) of bonds and the bonds' prospectus, as well as with the other requirements whose observance is necessary for issuing bonds. An exhaustive list of such documents shall be determined by the rules for admittance of stock exchange bonds to an auction held by a stock exchange endorsed by the stock exchange. The said rules must comply with the requirements of normative legal acts of the federal executive body in charge of the securities market. The requirements as to the composition of the data to be included in the prospectus of stock exchange bonds shall apply subject to the withdrawals determined by normative legal acts of the federal executive body in charge of the securities market.

The stock exchange engaged in the admittance of stock exchange bonds to an action shall be obliged to check the documents submitted for admittance of stock exchange bonds to an auction held by the stock exchange, as to the compliance of the data contained therein with the requirements towards the completeness thereof established by the legislation of the Russian Federation and normative legal acts of the federal executive body in charge of the securities market.

As the date of admittance of stock exchange bonds to an auction held by a stock exchange shall be deemed the date of rendering the appropriate decision by the authorised body of the stock exchange.

When admitting stock exchange bonds to an auction held by a stock exchange in the course of their placement, an individual identification number shall be assigned to their issue and, when admitting to an auction an additional issue of stock exchange bonds in the course of their placement, an individual identification number consisting of the individual identification number assigned to the issue of the stock exchange bonds and the individual number (code) of this additional issue.

Upon the expiry of three months as of the date of disclosing information about the results of an additional issue of stock exchange bonds the individual number (code) of the additional issue shall be cancelled.

A procedure for assigning identification numbers to issues of stock exchange bonds and for cancellation of individual numbers (codes) of issues of stock exchange bonds shall be established by the federal executive in charge of the securities market.

In the event of rendering the decision on admittance of stock exchange bonds to an auction held in the course of their placement, on each copy of the decision on an issue (additional issue) of stock exchange bonds and of the securities prospectus the stock exchange shall show its denomination, make a note as to the admittance of the stock exchange bonds to an auction held by the stock exchange and as to the date of such admittance, and shall indicate the identification number assigned to the issue (additional issue) of the stock exchange bonds of the stock exchange.

In the event of rendering a decision on the admittance of stock exchange bonds to an auction held by a stock exchange in the course of their circulation, on each copy of the decision on the issue (additional issue) of the stock exchange bonds and the prospectus thereof the stock exchange shall show its denomination, make a note as to the admittance of the stock exchange bonds to the auction and as to the date of such admittance, and shall indicate the identification number assigned to the issue (additional issue) of stock exchange bonds of the stock exchange that has admitted the stock exchange bonds to an auction in the course of their placement, and the denomination of this stock exchange.

After admitting stock exchange bonds to an auction held by a stock exchange in the

course of their placement, one copy of the decision on the issue (additional issue) of the stock exchange bonds shall be passed over by the issuer thereof for custody to the depository engaged in the obligatory centralised custody of stock exchange bonds.

As obligatory requisite elements of the certificate of stock exchange bonds, instead of the state registration number of an issue of the stock exchange bonds and the date of the state registration thereof shall be deemed the identification number assigned to the issue (additional issue) of the stock exchange bonds by a stock exchange and the date of admittance of the stock exchange bonds to an auction held by the stock exchange in the course of their placement.

8. A notice of including stock exchange bonds to the list of securities admitted to an action held by a stock exchange in the course of their placement provided for by Part Five of Article 9 of this Federal Law must specify the full firm's name of the issuer of the stock exchange bonds, the date of their admittance to an auction held by the stock exchange, identification number assigned to the issue (additional issue) of the stock exchange bonds, nominal value and number of the stock exchange bonds, as well as the price (procedure for determining the price) of the stock exchange bonds' placement.

9. If exchange bonds are cleared for trading at a stock exchange the issuer thereof shall disclose information according to Article 30 of the present Federal Law, with account being taken of the details established by the present Article.

If exchange bonds are cleared for trading at a stock exchange the issuer thereof and also the stock exchange that has cleared the exchange bonds for trading shall provide access to the information contained in the prospectus of the exchange bonds for any persons concerned, irrespective of the purpose of receiving this information, shall also disclose information at least seven days before the date of commencement of floatation (of the bonds' outstanding term) concerning the exchange bonds' being cleared for trading at the stock exchange in the procedure established by the rules for clearing exchange bonds for trading confirmed by the stock exchange.

10. The issuer of stock exchange bonds shall not be entitled to make amendments to the decision on an issue (additional issue) of the stock exchange bonds and (or) to the prospectus of the stock exchange bonds after starting their placement.

In the event of amending the decision on an issue (additional issue) of stock exchange bonds and (or) the prospectus of stock exchange bonds prior to the starting date of their placement, the issuer shall be obliged to disclose information about it in the procedure and within the time period specified for disclosing information on admittance of stock exchange bonds to an auction held by a stock exchange.

11. Placement of stock exchange bonds admitted to an auction held by a stock exchange may be suspended by decision of the federal executive body in charge of the securities market or by decision of the stock exchange, pending the elimination of violations within the limits of the time period for placement of the securities, in the event of detecting the following violations:

1) the issuer's failure to comply with the requirements of the legislation of the Russian Federation in the course of issuing the stock exchange bonds;

2) detecting unreliable information in the documents serving as a basis for admittance of the stock exchange bonds in the course of their placement to an auction held by a stock exchange.

12. Placement of stock exchange bonds shall be recommenced by decision of the federal executive body in charge of the securities market that has suspended their placement or, in the event of suspending placement of stock exchange bonds by a stock exchange, by decision of this stock exchange.

After recommencing placement of stock exchange bonds, the time period for placing the stock exchange bonds may be extended by the time period of suspending their placement by decision of the federal executive body in charge of the securities market which has suspended their placement or, in the event of suspending placement of stock exchange bonds by a stock exchange, by decision of this stock exchange.

In the event of suspending and recommencing placement of stock exchange bonds by a stock exchange, as well as in the event of declaring an issue (additional issue) of stock exchange bonds by a stock exchange as frustrated, the stock exchange at the latest on the day following the date of rendering the appropriate decision shall notify of it the federal executive body in charge of the securities market in the procedure established by it.

13. The issuer shall be obliged to complete placement of stock exchange bonds at the time established by the decision on their issue (additional issue) but at the latest in one month as of the starting date of the stock exchange bonds' placement. It shall not be required to submit the report on the results of an issue (additional issue) of stock exchange bonds.

At the latest on the following day after termination of the time period for placement of stock exchange bonds or at the latest on the day after placement of the last stock exchange bond, if all stock exchange bonds of an issue (additional issue) have been placed prior to the expiry of the said time period, the stock exchange shall be obliged to disclose information about the results of the issue (additional issue) of the stock exchange bonds and notify the federal executive body thereof in the procedure established by it. The disclosed information and the notice on the results of an issue (additional issue) of stock exchange bonds must contain the starting and finishing dates of the stock exchange bonds' placement, actual price (prices) of placing the stock exchange bonds, nominal value, volume on the basis of the nominal value and number of the stock exchange bonds placed.

14. Upon the expiry of the time period for placing stock exchange bonds, their issue (additional issue) shall be declared frustrated on the basis of a decision of the federal executive body in charge of the securities market or by decision of a stock exchange in the event of the following:

1) the delisting of shares or bonds of all categories and types of the issuer of the stock bonds, except for cases when bonds are delisted due to the expiry of their outstanding term or to the redemption of the bonds;

2) the issuer's failure to eliminate the violations that have served as a basis for suspending placement of the stock exchange bonds within the time period specified by the decision on suspending placement of the stock exchange bonds.

15. Circulation of stock exchange bonds before paying for them in full and completing placement thereof shall be forbidden.

Stock exchange bonds may be circulated solely through an auction held by a stock exchange.

The holders of exchange bonds are entitled to present them for early redemption if shares or bonds of all categories and types of the issuer of the exchange bonds have been deleted from the list of the securities cleared for trading at all the stock exchanges which have cleared exchange bonds for trading (except for cases when the bonds are delisted due to the expiry of their outstanding term or to the redemption of the bonds).

16. In the event of detecting incomplete information in the documents serving as a basis for admitting stock exchange bonds by a stock exchange to an auction, the federal executive body in charge of the securities market shall be entitled to suspend for a term of up to one year the admittance of stock exchange bonds to an auction by such stock exchange.

Article 27.5-3. Specifics of Issuance and Circulation of Russian Depository Notes

1. A depository established in compliance with the legislation of the Russian Federation complying with the requirements, established by normative legal acts of the federal executive body in charge of the securities market, for the amount of internal capital (own funds) and exercising depository activity within at least three years shall be deemed the issuer of Russian depository notes.

2. The provisions of this Federal Law regulating the procedure for issuance and circulation of securities shall apply to the relations connected with the issuance of Russian depository notes subject to the specifics established by this Article.

3. The issuance of Russian depository notes shall be allowable on condition that the rights of a depository to presented securities shall be registered on the account opened therefor as to a person acting in the interests of other persons. For this, the said rights have to be registered by the organisation engaged in the registration of rights to securities and included into the list endorsed by the federal executive body responsible for the securities market.

4. The issuance of Russian depository notes in respect of which the issuer of represented securities does not assume obligations towards owners of the Russian depository notes shall be only allowable on condition that the represented securities are included into the quotation lists of foreign stock exchanges whose list is endorsed by the federal executive body responsible for the securities market.

5. The procedure for issuance of Russian depository notes shall include the following stages:

1) endorsement of the decision on the issue of the Russian depository notes by the authorized body of the depository which is their issuer;

2) state registration of the issue of the Russian depository notes;

3) placement of the Russian depository notes.

6. An additional issue of Russian depository notes shall not be subject to state registration and shall be effected by way of making amendments to a decision on the issue of the Russian depository notes, as regards the increase of the maximum number of Russian depository notes of the issue which may be concurrently circulated.

7. The requirements of this Federal Law establishing an issuer’s duty to complete placement of securities at the latest in one year as of the date of the state registration of their issue shall not extend to placement of Russian depository notes.

8. Russian depository notes may be circulated after the state registration of their issue, while Russian depository notes pertaining to an additional issue may be placed and circulated after registration of amendments made to the decision on the issue of the Russian depository notes.

9. The following must be cited in a decision on an issue of Russian depository notes:

1) full name of the issuer’s of the Russian depository notes, its location and postal address;

2) date of endorsement of a decision on the issue of the Russian depository notes and name of the authorized body of the issuer of the Russian depository notes that endorsed the said decision;

3) name and location of the issuer of represented securities, as well as other data making it possible to identify it as a legal entity in compliance with the issuer’s personal law;

4) kind, category (type) of represented securities;

5) rights consolidated by represented securities;

6) number of represented securities whose ownership is certified by one Russian depository note of a given issue;

7) terms of placing the Russian depository notes;

8) maximum number of the Russian depository notes of the issue that may be concurrently circulated;

9) rights of owners of the Russian depository notes, as well as procedure for exercise (implementation) by owners of the Russian depository notes the rights consolidated by represented securities;

10) depository's obligation to present at the request of the owner of a Russian depository note the appropriate number of represented securities, or, if it is provided for by the decision on issuance of Russian depository notes, to sell an appropriate number of represented securities and transfer the assets derived from selling them;

10.1) depository's obligation to sell an appropriate number of represented securities in the event of making a claim for cancellation of a Russian depository note by the owner thereof, if the owner of the depository note in compliance with the legislation of the Russian Federation or foreign law may not be the owner of the presented securities;

11) if represented securities are stocks, the procedure for issuing (sending) by owners of the Russian depository notes instructions to a depository in respect of the procedure for voting on such stocks and obligation of the depository to ensure the exercise of the right of vote on stocks of a foreign issuer solely in compliance with the instructions of owners of the Russian depository notes, as well as obligation to present voting results to owners of the Russian depository notes;

12) depository's obligation to disclose information to the extent, in the procedure and within the time period which are provided for by this Federal Law and normative legal acts of the federal executive body responsible for the securities market;

13) depository's obligation to ensure the compliance of the number of represented securities, the rights to which are registered on the account opened therefor as a person acting in the interests of other persons, with the number of circulated Russian depository notes;

14) depository's obligation to render services related to the exercise by owners of Russian depository notes of rights concerning represented securities, in particular acquisition of income derived from represented securities and other payments due to the securities owners, as well as a procedure for and terms of rendering such services;

15) time period for making payment due to owners of the Russian depository notes in respect of represented securities;

16) provision to the effect that the remuneration to the depository shall be paid and/or the outlays connected with the discharge of their duties provided for by Subitems 10 - 14 of this item shall be reimbursed on account of owners of Russian depository notes;

17) information as to whether the issuer of represented securities assumes obligations towards owners of Russian depository notes;

18) procedure for storage and registration of, as well as for lapse of rights to, the Russian depository notes;

19) procedure for, and time of, drawing up a list of owners of Russian depository notes for the discharge of obligations in respect of the Russian depository notes;

20) possibility of, and procedure for, splitting Russian depository notes;

21) other data provided for by this article.

10. A decision on the issue of Russian depository notes has to be signed by the person exercising the functions of the executive body of the issuer of the Russian depository notes and certified by the stamp of the issuer of the Russian depository notes.

11. Where the issuer of represented securities assumes obligations towards owners of

Russian depository notes, the said obligations have to be provided for by an agreement made by the issuer of the represented securities and the issuer of the Russian depository notes. The consent of owners of Russian depository notes is not required for modification of the said agreement.

12. The prospectus of Russian depository notes, in addition to the data provided for by Article 22 of this Federal Law has to contain data on represented securities, as well as on the issuer of represented securities.

Requirements for the composition of the said data included into the prospectus of Russian depository notes shall be defined by normative legal acts of the federal executive body responsible for the securities market.

13. The state registration of an issue of Russian depository notes, registration of the prospectus of Russian depository notes, including the instances when the issuer of Russian depository notes are depositories - credit organizations, shall be effected by the federal executive body responsible for the securities market.

14. Where the issuer of represented securities assumes obligations towards owners of Russian depository notes, for the state registration of an issue of Russian depository notes shall be presented an agreement made by the issuer of the represented securities and the issuer of the Russian depository notes forming an integral part of a decision on the issue of such securities.

15. Where the issuer of represented securities assumes obligations towards owners of Russian depository notes, as a ground for the refusal to effect the state registration of an issue of Russian depository notes, apart from the grounds provided for by Article 21 of this Federal Law, shall be deemed the absence in the agreement made with the issuer of the represented securities of one of the following terms:

1) statement of the rights consolidated by the represented securities;

2) depository's obligation to ensure the compliance of the number of the Russian depository notes in circulation to the number of the represented securities the rights to which are registered on the account opened thereto as to a person acting in the interests of other persons;

3) indication to the effect that the represented securities are issued for placement of the Russian depository notes and (or) are circulated;

4) if the represented securities are stocks, procedure for issuance (sending) to owners of the Russian depository notes of instructions to a depository in respect of the procedure for voting on such stocks and a depository's obligation to ensure the exercise of the right of vote on stocks of a foreign issuer solely in compliance with instructions of owners of the Russian depository notes, as well as obligation to present voting results to owners of the Russian depository notes;

5) obligation of the issuer of the represented securities to present information in Russian in the volume and within the time period which make possible for the depository to disclose it to the extent, in the procedure and within the time period which are provided for by this Federal Law and normative legal acts of the federal executive responsible for the securities market;

6) depository's obligation to disclose the information provided for by Subitem 5 of this item which is received from the issuer of the represented securities at latest on the day following the date when it is received;

7) agreement on application of the law of the Russian Federation to the relations resulting from this agreement;

8) arrangement to consider the disputes resulting from failure to discharge, or improper discharge of, obligations under this agreement in the territory of the Russian

Federation by arbitration courts or arbitral tribunals whose decisions may be recognized in the territory of the country issuing the represented securities in compliance with an international treaty made by the Russian Federation;

9) provision on the liability of a depository and the issuer of the represented securities for failure to discharge, or improper discharge of, their obligations under the agreement towards owners of the Russian depository notes;

10) provision that the agreement may not be dissolved without sanction of owners of the Russian depository notes.

16. A depository shall be only entitled to amend a decision on the issue of Russian depository notes in respect of the following:

1) changing the number of the securities represented by one Russian depository note on condition that such changes are caused by reduction of the number of the securities represented by one Russian depository note (splitting of the Russian depository notes) or either splitting or consolidation of the represented securities;

2) modification of the procedure for the exercise (implementation) by owners of the Russian depository notes of the rights consolidated by the represented securities on condition that such modification is caused by changes in the volume and (or) procedure for the exercise of the rights consolidated by the represented securities in compliance with foreign law;

3) changes in the maximum number of the Russian depository notes pertaining to the issue that may be concurrently circulated;

4) changes in the terms of the agreement made by the issuer of the represented securities and the issuer of the Russian depository notes.

17. The changes specified in Item 16 of this Article shall be subject to the state registration by the federal executive body responsible for the securities market on the basis of a depository's application whereto the documents, whose exhaustive list is determined by normative legal acts of the federal executive body responsible for the securities market, are attached.

18. The federal executive body responsible for the securities market shall be obliged to effect the state registration of amendments to be made to a decision on the issue of Russian depository notes or to take a reasoned decision on the refusal to effect the state registration of such amendments within 10 days as of the date of receiving the documents submitted for registration. The federal executive body responsible for the securities market shall be entitled to verify the reliability of the data contained in the documents submitted for the state registration. In this case, the running of the time period provided for by this item may be suspended for the time of such verification but for 30 days at most.

19. A report on the state registration of amendments to be made to a decision on the issue of Russian depository notes, including the full text of the amendments, has to be sent (handed in) by the issuer of the Russian depository notes to owners of the Russian depository notes in the procedure and within the time period which are established by a decision on the issue of the Russian depository notes, while in the event of the state registration of the prospectus of Russian depository notes the report has to be disclosed in the procedure and within the time period which are provided for by this Federal Law for disclosure of information on significant facts.

20. Amendments to be made to a decision on the issue of Russian depository notes shall enter into force upon the expiry of 30 days as of the date of disclosure or sending (handing in) a report on such changes and, in respect of amendments of the terms of the agreement made by the issuer of represented securities and the issuer of Russian depository notes which are not specified in Item 15 of this Article, within the time period provided for by the said agreement.

21. A depository shall be obliged to submit on a quarterly basis to the federal

executive body responsible for the securities market reference data on the number of circulated Russian depository notes and on the number of represented securities kept on the account of the issuer of the Russian depository notes. The said data shall be submitted by the issuer of Russian depository notes as of the last day of the reporting period.

22. The register of Russian depository notes may be kept by the depository issuing them, regardless of the number of owners of the Russian depository notes.

22.1. The issuing depository engaged in keeping a register of Russian depository notes is entitled to block operations connected with the transfer of the rights to Russian depository notes on the personal account where are registered the rights to Russian depository notes whose owner has not discharged the duty of paying a remuneration to the issuing depository and/or of reimbursement of appropriate expenses thereto. The registrar keeping a register of Russian depository notes is bound to effect such blocking at the direction of the issuing depository.

23. Russian depository notes pertaining to the same issue may certify the ownership of represented securities of solely one foreign issuer and of solely one kind (category, type) of the securities.

24. The rights consolidated by represented securities, including those connected with deriving income from them, shall be exercised to the benefit of owners of Russian depository notes which are such on the date of drawing up the list of owners of the represented securities and are entitled to exercise the appropriate rights, in particular to deriving appropriate incomes.

25. Payments to owners of Russian depository notes shall be made by the issuer of the Russian depository notes in the currency of the Russian Federation, if not otherwise established by a decision on the issue of the Russian depository notes. The time period for discharging obligations connected with making the said payments may not exceed five days as of the date of receiving appropriate payments by a depository from the issuer of represented securities.

26. The splitting of Russian depository notes shall be effected in compliance with the list of owners thereof drawn up as of the date specified in the report on the state registration of amendments to be made to the decision on the issue of the Russian depository notes. For this, the said list may not be drawn up earlier than in three days as of the date of sending (handing in) to owners of Russian depository notes the report on the state registration of amendments to be made to a decision on the issue of the Russian depository notes or of disclosing the report on it. The splitting of Russian depository notes shall be allowed on condition that as a result of such splitting one Russian depository note certifies the ownership of at least one represented security.

27. If the issuer of a Russian depository note has received from a depository the number of represented securities corresponding to it, such Russian depository note possessed by the said owner shall be cancelled. For this, the maximum number of Russian depository notes which may be concurrently circulated in compliance with a decision on issuance of such securities shall not be changed.

28. In the event of registration of the prospectus of Russian depository notes the depository issuing the Russian depository notes shall disclose information about itself, as well as about the issuer of represented securities in the form of a quarterly report of the issuer of securities (a quarterly report) and communications on significant facts (events, actions) concerning financial and economic activities of the issuer of emissive securities (communications on significant facts), subject to the subtractions determined by normative legal acts of the federal executive body responsible for the securities market.

Article 27.5-4. The Specifics of Bonds' Issuance by a Business Company

1. The issuance of bonds by a business company shall be allowed after payment in full for the authorised capital thereof.

2. The nominal value of all bonds of a business company must not exceed the amount of the authorized capital thereof and/or the amount of the security provided to this end by third persons to the business company. Where there is no security provided by third persons, bonds' issuance shall be allowed at earliest on the third year of a business company's existence and on condition of proper endorsement of annual accounting reports/statement for the two complete fiscal years.

3. The restrictions provided for by Item 2 of this Article shall not apply:

1) to mortgage-covered bonds;

2) to business companies whose serial securities are included into a stock exchange's quotation list (have passed a listing procedure);

3) to business companies and/or bonds that have a credit rating of one of the rating agencies accredited with the federal executive power body, authorized by the Government of the Russian Federation, which is not below the level established by the federal executive power body responsible for the securities market;

4) to bonds intended for classified investors.

4. Bonds intended for classified investors may not be:

1) included into the assets of public unit investment funds;

2) included into assets of joint-stock investment funds, except for the joint-stock investment funds intended for classified investors;

3) an object for placing pension reserves and media for investing pension savings of non-governmental pension funds;

4) an object for placing insurance reserves of insurance organisations.

Chapter 6. The Circulation of Issued Securities

Article 27.6. Limitations on Turnover of Securities

1. The turnover of securities whose issue (supplementary issue) is subject to state registration shall be prohibited until they are completely paid up and until the state registration of a report (provision of a notice to the registration body) on the results of the issue (supplementary issue) of the said securities, except as established by federal laws.

2. The public turnover of securities, whose issue (supplementary issue) is subject to state registration, shall be only allowed if the following terms are concurrently observed:

1) the securities prospectus (the prospectus of the securities' issuance, the privatization plan registered as the prospectus of the securities issuance) is registered;

2) the issuer has disclosed information in compliance with the requirements of this Federal Law.

3. Securities intended for classified investors, as well as the provision (acceptance) of the said securities as a security for discharging obligations may be only acquired and alienated through brokers. The present rule shall not extend to classified investors by virtue of federal law when they make said transactions, as well as to the cases when a person has acquired the said securities as a result of universal legal succession, conversion, in particular in the course of re-organisation, distribution of property of a legal entity being liquidated, as well as to other cases established by the federal executive body in charge of the securities market.

4. If a person which is not a classified investor or has lost the status of classified investor becomes the owner of securities intended for classified investors, this person is only entitled to alienate such securities through a broker.

5. The circulation of serial securities intended for qualified investors at the sales arranged by a trade promoter in the securities market shall be allowed, if a prospectus of such securities is registered.

Article 28. The Form of the Certification of the Right of Ownership of Issued Securities

The rights of the owners to the issued securities of the documentary form of issue shall be certified by certificates (if certificates are held by the owners) or by certificates and records in the special custody accounts in depositories (if certificates have been put in custody in the depository).

The rights of the owners to the issued securities of the non-documentary form of issue shall be certified in the system of register keeping by records in the personal accounts of the registrar or in the event of accounting the rights to securities in the depository - by records in the specially custody accounts in depositories.

The holder of the register of securities owners and the custodian are bound to keep the documents related to the system of keeping the register of securities owners or of deposit registration, as well as the documents connected with registration and transfer of rights to securities, for at least five years from the date when they are received by the holder of the register of the securities owners or custodian and/or from the making of a transaction in securities, if such documents have served as grounds for making it. A list of the cited documents, as well as a procedure for keeping them, are defined by regulatory legal acts of the federal executive power body in charge of the securities market.

Article 29. The Transfer of Rights to Securities and the Realisation of Rights Fixed by Securities

The right to a bear documentary security shall pass to the acquirer in the following cases:

if its certificate is found out at the owner - at the time of the transfer of this certificate to the acquirer;

if the certificates of bearer documentary securities are kept in the depository and/or the rights to such securities are accounted in the depository - at the time of making a book record in the special custody account of the acquirer.

The right to a registered non-documentary security shall pass to the acquirer:

in the case of recording the rights to securities with a person conducting a depository activity - from the moment of making a credit entry in the depo account of the acquirer;

in the case of recording the rights to securities in the system of keeping a register - from the moment of making a credit entry in the personal account of the acquirer.

The rights fixed by the issued security shall pass to their acquirer from the time of the transfer of the rights to this security. The transfer of the rights fixed by the registered issued security shall be accompanied by the notice of the registrar or the depository, or the nominal holder of securities.

Under the bearer securities the rights shall be exercised upon their production by their owner or by his grantee.

If the certificates of issued documentary securities are kept in depositories, the rights fixed by securities shall be exercised on the basis of the certificates produced by these depositories on behalf of the owners under the depository agreements with the appended list of these owners.

In this case the issuer shall ensure the realisation of the rights under the bearer securities of the person indicated in this list.

Under the registered non-documentary securities the rights shall be exercised by the issuer in respect of the person referred to in the register keeping system.

If the data on the new owner of such security has not been communicated to the registrar of the given issue or to the nominal holder of the security by the time of closing the register for the execution of the issuer's obligations comprising the security (voting, receipt of income, etc.), the execution of the obligations in respect of the owner registered in the register at the time of its closing shall be recognised as proper. The responsibility for timely notification lies with the acquirer of securities.

Where laws of the Russian Federation or other normative legal acts of the Russian Federation establish restrictions on the contribution of foreign persons in the capital of Russian issuers, parties to a transaction of acquiring by foreign owners of shares issued by such Russian issuers have to inform of such transactions the federal executive body for the securities market and other bodies in the instances provide for by federal laws.

The authenticity of the securities of natural persons in documents on the transfer of the rights to securities and the rights fixed by securities (except for the cases provided for by the legislation of the Russian Federation) may be certified by a notary or by a professional securities market-maker.

Section IV. The Information Support of the Securities Market

Chapter 7. On the Disclosure and Provision of Information in the Securities Market

Article 30. Disclosure and Provision of Information

1. Disclosure of information in the securities market means making it accessible to all persons concerned, regardless of the purposes of receiving such information, in a procedure that guarantees its discovery and receipt. Disclosed information in the securities market shall be deemed such information in respect of which actions have been taken that are aimed at disclosing it.

2. Information that does not require privileges for access to it or is subject to disclosure in keeping with this Federal Law shall be deemed generally accessible information in the securities market.

3. Provision of information in the securities market means ensuring its accessibility for a definite circle of persons in compliance with a procedure that guarantees its discovery and obtainment by this circle of persons. Provided information in the securities market shall be deemed that in respect of which actions have been taken to make it accessible for a definite circle of persons. Information about serial securities intended for qualified investors and about their issuers shall be provided subject to the provisions of Item 2 of Article 30.2 of this Federal Law.

4. In the event of registering a securities' issue prospectus and/or in other cases provided for by this Federal Law, the issuer thereof is obliged to disclose or, in the event of registration of a securities issue prospectus intended for qualified investors - to provide, information in the securities market in the following form:

1) a quarterly report of the issuer of serial securities (a quarterly report);

2) the issuer's consolidated accounting (consolidated financial) reports;

3) reports on significant facts.

5. Where in respect of the same issuer a securities issue prospectus and a securities' issue prospectus intended for qualified investors have been registered, the rules of this article for information disclosure shall apply.

6. The following shall be included in a quarterly report for the first quarter:

1) the issuer's accounting (financial) reports for the last complete financial year with an audit opinion in respect of such reports attached thereto;

2) the issuer's quarterly accounting reports for the first quarter of the accounting financial year.

7. Quarterly reports for the second and third quarters shall comprise the issuer's quarterly accounting (financial) reports for the second and third quarters of the accounting financial year respectively. The issuer's accounting (financial) reports shall not be included in a quarterly report for the fourth quarter.

8. In the event of registering a secured bonds' prospectus or in the event of admission of secured exchange bonds to sales held by a stock exchange, data on the provided security and on the person that provided it shall be included in a quarterly report.

9. Apart from the information provided for by Items 6 - 8 of this article, a quarterly report must also contain other information specified by regulatory legal acts of the federal executive power body in charge of the securities market.

10. A quarterly report must be endorsed by the issuer's authorised body, if in compliance with the cited issuer's constituent documents (the charter thereof) a quarterly report is subject to endorsement by such issuer's authorised body, and it must be also signed by the person holding the position (exercising the functions) of the issuer's one-man executive body and by the issuer's chief accountant (by a different person exercising the functions thereof) who thereby confirm the reliability of all the information contained in it.

11. The person who has signed a quarterly report, the auditor who has drawn up an audit opinion in respect of the issuer's accounting (financial) reports and the auditor who has drawn up an audit opinion in respect of the accounting (financial) reports of the person that has provided security for the issuer's bonds, in particular in respect of their consolidated accounting (consolidated financial) reports, which is disclosed or presented within the composition of a quarterly report and, if in compliance with the issuer's constituent documents (charter) a quarterly report is subject to endorsement by the issuer's authorised body, also the persons that have endorsed the quarterly report (who have voted for endorsement of the quarterly report) shall be jointly held vicariously liable for the losses caused by the issuer to an investor and or to a securities' owner as a result of information contained in the report that is unreliable, incomplete and/or misleading and confirmed by them. The limitation period for reparation of losses for the reasons cited in this item shall start running from the date when an appropriate quarterly report is disclosed or provided.

12. The issuer's consolidated accounting (consolidated financial) reports shall be drawn up in compliance with the requirements of federal laws and other regulatory legal acts of the Russian Federation. The issuer's annual summary accounting (consolidated financial) reports for the last complete financial year with an audit opinion in respect of such reports attached thereto shall be disclosed or provided at the latest within three days from the date of drawing up the audit opinion but at the latest 120 days after the end date of the cited financial year, and shall be included in a quarterly report for the second quarter of the following financial year and, if it is drawn up before the end date of the first quarter of the following financial year, in a quarterly report for the first quarter of the following financial year. The issuer's interim summary accounting (consolidated financial) reports shall be disclosed or provided at the latest three days after the date when they are drawn up but at the latest 60 days after the end date of the second quarter of the current financial year, and shall be included in a quarterly report for the third quarter of the current financial year.

13. As significant facts shall be deemed the data which, should they be disclosed or provided, can significantly influence the cost and quotations of the issuer's serial securities.

14. The following data are subject to disclosure or provision in the form of reports on significant facts:

1) on convocation and holding of a general meeting of the issuer's participants (stockholders), as well as on decisions adopted by a general meeting of the issuer's

participants (stockholders);

2) on holding a meeting of the issuer's board of directors (supervisory board) and on its agenda, as well as on the following decisions adopted by the issuer's board of directors (supervisory board):

on placing the issuer's serial securities;

on acquisition by the issuer of the securities placed by it;

on establishing the issuer's executive body and on early termination (suspension) of the authority thereof;

on recommendations on payment of dividends on the issuer's stocks and on the procedure for their payment;

on endorsing the issuer's internal documents;

on approving transactions that are recognized in compliance with the legislation of the Russian Federation as major transactions and/or interested party transactions;

on other decisions a list of which is established by regulatory legal acts of the federal executive power body in charge of the securities market;

3) on instances when the issuer's board of directors (supervisory board) fails to render decisions that must be adopted in compliance with federal laws, as well as the decisions a list of which is established by regulatory legal acts of the federal executive power body in charge of the securities market;

4) on the issuer forwarding an application for making entries in the comprehensive state register of legal entities connected with the issuer's re-organisation, termination of activities or with liquidation thereof, or, if the body engaged in the state registration of legal entities renders a decision to deny making the cited entries, data on such decision's adoption;

5) on the appearance of an organisation that is controlled by the issuer and is of significant importance to it, as well as on termination of grounds for the exercise of control over such organisation;

6) on the appearance of a person controlling the issuer, as well as on termination of grounds for the exercise of such control;

7) on adoption of the decision on re-organisation or liquidation by an organisation which the issuer is controlled by, by an organisation which is controlled by the issuer that is of significant importance for it or by the person that has provided security for this issuer's bonds;

8) on making entries in the comprehensive state register of legal entities connected with re-organisation, termination of activities or with liquidation of an organisation controlling the issuer, of an organisation which is controlled by the issuer and which is of significant importance for it or of the person that has provided security for this issuer's bonds;

9) on the appearance of the signs of insolvency (bankruptcy) of the issuer, a person controlling it, an organisation controlled by the issuer or of the person that has provided security for this issuer's bonds, which are provided for by the legislation of the Russian Federation on insolvency (bankruptcy);

10) on acceptance by an arbitration court of an application on declaring bankrupt the issuer, a person controlling it, an organisation controlled by the issuer which is of significant importance to it or the person that has provided security for this issuer's bonds, as well as on adoption by an arbitration court of the decision to declare the cited persons bankrupt, on application in respect of them of one of bankruptcy procedures or on termination of bankruptcy proceedings in respect of them;

11) on the making against the issuer, a person controlling him, an organisation controlled by the issuer which is of significant importance to it or the person that has provided security for this issuer's bonds of a claim for ten and more per cent of the balance

sheet value of the cited persons' assets as of the end date of the accounting period (quarter, year) that precedes the making of the claim, in respect of which the fixed time period for submitting accounting (financial) reports/statements has expired or another claim whose satisfaction, in the issuer's opinion, may significantly influence the financial and economic position of the issuer or of the cited persons;

12) on the date as of which a list of owners of the issuer's serial securities or of certified bearer securities with obligatory centralized custody thereof is compiled for the purpose of exercising the rights consolidated by such serial securities;

13) on the stages of the procedure for issuance of the issuer's serial securities;

14) on suspending and resuming the issuance of the issuer's serial securities;

15) on declaring an issue (additional issue) of the issuer's serial securities frustrated or invalid;

16) on redemption of the issuer's serial securities;

17) on charged and/or paid income on the issuer's serial securities;

18) on the issuer making an agreement with a Russian trade promoter in the securities market on the inclusion of the issuer's serial securities in a list of securities admitted to sales by the Russian trade promoter in the securities market, as well as on an agreement with a Russian stock exchange on the inclusion of the issuer's serial securities in the quotation list of the Russian stock exchange;

19) on including the issuer's serial securities in a list of securities admitted to sales by a Russian trade promoter in the securities market or on their exclusion from the cited list, as well as on the inclusion in the quotation list of a Russian stock exchange of the issuer's serial securities or on their exclusion from the cited list;

20) on the issuer making an agreement on the inclusion of the issuer's serial securities or securities of a foreign issuer certifying rights in respect of serial securities of a Russian issuer in the list of securities admitted to sales in a foreign organised (controlled) financial market, as well as a contract with a foreign stock exchange on the inclusion of such securities in the quotation list of the foreign stock exchange;

21) on the inclusion of the issuer's serial securities or of a foreign issuer's securities certifying rights in respect of securities of a Russian issuer in the list of securities admitted to sales in a foreign organised (controlled) financial market and on the exclusion of such securities from the cited list, as well as the inclusion of such securities in the quotation list of a foreign stock exchange or on their exclusion from the cited list;

22) on the issuer making an agreement on maintaining (stabilizing) the prices of the issuer's serial securities (securities of a foreign issuer certifying rights in respect of securities of a Russian issuer), as well as on termination of such agreement;

23) on the issuer filing an application for obtainment of a permit of the federal executive power body in charge of the securities market to place and/or to organise circulation of serial securities thereof outside the Russian Federation, as well as on obtainment of the cited permit;

24) on the issuer's failure to discharge its obligations with respect to owners of serial securities thereof;

25) on acquisition by a person or termination of the rights of a person to dispose of, directly or indirectly (through the persons under control thereof) independently or jointly with other persons connected with it by an agreement of property fiduciary management and/or of ordinary partnership and/or of agency and/or of a joint-stock agreement and/or other agreement whose subject is the exercise of the rights certified by the issuer's stocks (shares), a definite number of votes associated with the voting stocks (shares) constituting the issuer's authorized capital, if the cited number of votes amounts to 5 per cent or has become more or less than 5, 10, 15, 20, 25, 30, 50, 75 or 95 per cent of the total number of votes

associated with the voting stocks (shares) constituting the issuer's authorized capital;

26) on the issuer receiving, in compliance with Chapter XI.1 of Federal Law No. 208-FZ of December 26, 1995 on Joint-Stock Companies (hereinafter referred to as the Federal Law on Joint-Stock Companies), a voluntary, and also competitive, or mandatory offer for sale of serial securities thereof, as well as on the amendments made in the cited offers;

27) on the issuer receiving, in compliance with Chapter XI.1 of the Federal Law on Joint-Stock Companies, a notice of the right to demand the redemption of the issuer's serial securities or the demand for redemption of the issuer's serial securities;

28) on the issuer disclosing or presenting the quarterly reports provided for by Subitem 1 of Item 4 of this Article;

29) on the issuer disclosing or submitting interim (quarterly) or annual summary accounting (consolidated financial) reports/statements, in particular those which are prepared in compliance with international standards of financial reports/statements and other foreign standards for financial reports/statements, as well as on presenting an audit opinion prepared in respect of such reports/statements;

30) on detecting errors in the issuer's previously disclosed or submitted accounting (financial) reports/statements;

31) on the issuer or the person that has provided security for the issuer's bonds making a transaction amounting to 10 or more per cent of the balance sheet value of assets of the issuer or of the cited person as of the end date of an accounting period (quarter, year) which precedes the making of the transaction and in respect of which the fixed time period for submitting accounting (financial) reports/statements has expired;

32) on an organisation that controls the issuer or is controlled by the issuer that is of significant importance to it making a transaction which is recognized as a major transaction in compliance with the legislation of the Russian Federation;

33) on the issuer making an interested party transaction whose obligatory endorsement by the issuer's authorized managerial body is provided for by the legislation of the Russian Federation, if the amount of such transaction exceeds the normative standard established by regulatory legal acts of the federal executive power body in charge of the securities market;

34) on changing the composition and/or the extent of the subject of pledge for the issuer's pledge-backed bonds or, if the composition and/or the extent of the subject of pledge for the issuer's mortgage-secured bonds have changed, data on such changes, if they exceed the normative standard established by regulatory legal acts of the federal executive power body in charge of the securities market;

35) on changes in the value of assets of the person that has provided security for the issuer's bonds which amount to 10 or more per cent or on any other significant, in the issuer's opinion, changes in such person's financial and economic position;

36) on obtainment by the issuer of the right or on termination of the issuer's right to dispose of, directly or indirectly (through the persons under control thereof) independently or jointly with other persons connected with it by an agreement of property fiduciary management and/or of ordinary partnership and/or of agency and/or of a joint-stock agreement and/or other agreement whose subject is the exercise of rights certified by stocks (shares) of an organisation whose serial securities are included in a list of securities admitted to sales by a trade promoter in the securities market or whose asset value exceeds the normative standard established by regulatory legal acts of the federal executive power body in charge of the securities market, a definite number of votes associated with the voting stocks (shares) constituting the cited organisation's authorised capital, if the cited number of votes constitutes 5 per cent or has become more or less that 5, 10, 15, 20, 25, 30, 50, 75 or 95 per cent of the total number of votes associated with the voting stocks (shares) constituting

such organisation's authorised capital.

37) on the making by the issuer, by a person controlling it or by an organisation controlled by the issuer of an agreement providing for the duty of acquiring serial securities of the cited issuer;

38) on obtaining, suspending, renewing, re-issuing, withdrawing (canceling) or on terminating for any other reasons the issuer's permit (licence) to exercise a certain kind of activities which is of significant financial and economic importance for the cited issuer;

39) on the expiry of the term of office of the one-man executive body and/or members of the collective executive body of the issuer;

40) on changing the stockholding in the authorized (pooled) capital of the issuer and of the organisations controlled by the issuer that are of significant importance to it:

of the persons who are members of the board of directors (supervisory board) or members of the collective executive body of the issuer, as well as of the persons holding the office (exercising the functions) of the issuer's one-man executive body;

of the persons who are members of the board of directors (supervisory board), members of the collective executive body of the management organisation, as well as of the person holding the office (exercising the functions) of the one-man executive body of the management organisation, if the authority of the issuer's one-man executive body have been transferred to the management organisation;

41) on the rise and/or termination of the right of owners of the issuer's bonds to demand of the issuer the early redemption of the issuer's bonds possessed by them;

42) on the awarding of a rating to serial securities and/or to the issuer thereof and/or its changing by a rating agency on the basis of an agreement made with the issuer;

43) on attracting or replacing organisations that render intermediary services to the issuer when the issuer discharges commitments under bonds or other serial securities of the issuer, citing their denominations, locations and amounts of remunerations for the services rendered, as well as on changes in the cited data;

44) on a dispute connected with the issuer's establishment, its management or participation therein, in particular on initiation of proceedings by an arbitration court and on taking over an application (a statement of claim), on changing the ground for and the subject of a previously made claim, on taking security measures, on rejecting a claim, on confession of a claim, on making an amicable agreement, on adoption of a judicial act whose adoption proceedings in respect of a case in an arbitration court of the first instance has finished;

45) on making claims against the person that has provided security for the issuer's bonds which are connected with the discharge of commitments under such bonds;

46) on placing bonds and other financial instruments certifying debt obligations to be discharged on the issuer's account outside the Russian Federation;

47) on the decision of the federal executive power body in charge of the securities market on relieving the issuer of the duty to disclose information in compliance with this Article;

48) on acquisition (alienation) of the issuer's voting stocks (shares) or securities of a foreign issuer certifying rights with respect to the issuer's voting stocks by the issuer and/or by organisations controlled by the issuer, in particular by organisations included in the group of organisations defined in compliance with the legislation of the Russian Federation for the purpose of drawing up the issuer's consolidated financial reports/statements. The cited requirements shall not extend to acquisition of securities by the mentioned controlled organisations, if the latter are brokers and/or fiduciary managers and have made a transaction in their own name but at the expense of a client that is not the issuer and/or an organisation controlled by it;

49) those which are forwarded or presented by the issuer to an appropriate body

(appropriate organisation) of a foreign state, a foreign stock exchange and/or other organisations in compliance with foreign law for the purpose of their disclosure or presentation to foreign investors in connection with placement or circulation of the issuer's serial securities outside the Russian Federation, in particular by way of acquisition of securities of a foreign issuer which are being placed (have been placed) in compliance with foreign law;

50) those which, in the issuer's opinion, significantly influence the value of serial securities thereof.

15. Copies of quarterly reports, consolidated accounting (consolidated financial) reports/statements, the audit opinion drawn up in respect of such reports/statements and reports on significant facts must be presented by the issuer to any persons concerned upon their demand for a payment that does not exceed the outlays on making such copies. An issuer of serial securities intended for qualified investors, which is not obliged to disclose information in compliance with this article shall present copies of the documents provided for by this item to the persons concerned, subject to the provisions of Item 2 of Article 30.2 of this Federal Law.

16. If information concerning the decision on the approval of a transaction adopted by the issuer's authorized body before making it is subject to disclosure or presentation, data on the terms of such transaction, as well as on the person (persons) which is (are) a party (parties) thereto or a beneficiary (beneficiaries) may not be disclosed or presented before making the transaction, if it is provided for by the decision on its approval adopted by the issuer's authorized managerial body.

17. Issuers that are obliged in compliance with this article to disclose or present information must disclose or present information on changing the address of the Internet page (site) thereof used by them for disclosing information in the procedure and at the time stipulated for disclosure or presentation of data in the form of reports on significant facts.

18. The person that has provided security for the issuer's bonds is obliged to supply to the issuer the data stipulated by Item 14 of this article, which concern the cited person or the financial-and-economic activities thereof, as well as the data required for drawing up the issuer's quarterly report, in particular the accounting (financial) reports/statements. The data required for drawing up a quarterly report shall be provided to the issuer at the time fixed by an agreement made with the issuer, while the data stipulated by Item 14 of this article, at the latest on the day following the day when the person that has provided security for the issuer's bonds learned or should have learned about the occurrence of appropriate significant facts. The person that has provided security for the issuer's bonds shall be held liable for the losses caused to an investor and/or the bonds' owner as a result of the issuer disclosing or presenting unreliable, incomplete and/or misleading information provided thereto by the cited person.

19. A participant (stockholder) of the issuer obliged to disclose or present information in compliance with this article, which holds 5 and more per cent of the voting stocks (shares) of such issuer, is bound to provide information about a person (the appearance of a person) that controls it or about the absence thereof (or termination of the grounds for such control).

20. The person cited in Subitem 25 of Item 14 of this article is obliged to present information about the obtainment or termination of the right to dispose of, directly or indirectly (through persons under control thereof) independently or jointly with other persons connected with it by an agreement of property fiduciary management and/or of ordinary partnership and/or of agency and/or of a joint-stock agreement and/or other agreement on the exercise of rights certified by the issuer's stocks (shares), a definite number of votes associated with the voting stocks (shares) constituting the authorized capital of the issuer which is bound to disclose information or present information in compliance with this article,

if the cited number of votes amounts to 5 per cent or has become more or less that 5, 10, 15, 20, 25, 30, 50, 75 or 95 per cent of the total number of votes associated with the voting stocks (shares) constituting such issuer's authorised capital.

21. An organisation controlled by the issuer bound to disclose or provide information in compliance with this article is obliged to provide information on acquisition (alienation) of voting stocks (shares) of such issuer or securities of a foreign issuer certifying the rights in respect of such issuer's voting stocks. The cited requirements shall not extend to acquisition of securities by organisations controllable by the issuer, if the former are brokers and/or fiduciary managers and have made a transaction in their own name but at the expense of a client that is not the issuer and/or an organisation under the control thereof.

22. The issuer's stockholder (stockholders) or other persons that have obtained the authority necessary for convocation and holding of an extraordinary general meeting of stockholders of the cited issuer, in compliance with the Federal Law on Joint-Stock Companies, are obliged at the latest on the day following the date when they learned or should have learned that they were charged with execution of the effective court decision on forcing the given issuer to hold an extraordinary general meeting of stockholders to provide information on the obtainment of the cited authority.

23. The persons cited in Items 19 - 22 of this article shall provide the information stipulated by the cited items by forwarding a notice to the issuer and to the federal executive power body in charge of the securities market. The requirements for the content, form, time of and procedure for forwarding such notice shall be established by regulatory legal acts of the federal executive power body in charge of the securities market.

24. A person acquiring serial securities of an open joint-stock company on the basis of a voluntary, and also competitive, or mandatory offer provided for by Chapter XI.1 of the Federal Law on Joint Stock Companies which concerns the acquisition of serial securities circulating at sales held by stock exchanges and/or other trade promoters in the securities market, is obliged to disclose the following in the procedure stipulated by regulatory legal acts of the federal executive power body in charge of the securities market:

1) information about forwarding a voluntary, and also competitive, or mandatory offer to the federal executive power body in charge of the securities market. The cited information shall be disclosed at the latest on the day following the date when the appropriate offer is forwarded to the federal executive power body in charge of the securities market;

2) the content of the voluntary, and also competitive, or mandatory offer. The appropriate offer shall be disclosed at the latest on the day following the end date of the time period fixed for its consideration by the federal executive power body in charge of the securities market, if within the cited time period the federal executive power body in charge of the securities market did not issue an order to bring the voluntary, and also competitive, or mandatory offer into accord with the requirements of the Federal Law on Joint-Stock Companies.

25. A professional participant in the securities market is obliged to disclose the information provided for by federal laws and regulatory legal acts of the federal executive power body in charge of the securities market.

26. The composition and volume of the information, procedure for and time for its disclosure and presentation in the securities market, as well as a procedure for and time of presenting reports by professional securities market participants, are defined by regulatory legal acts of the federal executive power body in charge of the securities market.

Article 30.1. The Issuer's Relief from the Duty to Disclose or Present Information on Securities

1. By decision of the federal executive power body in charge of the securities market

an issuer that is a joint-stock company may be relieved of the duty to disclose or present information in compliance with Article 30 of this Federal Law. The cited decision shall be rendered by the federal executive power body in charge of the securities market on the basis of such issuer's application (hereinafter referred to in this article as the issuer's application), if the following conditions are concurrently met:

1) if the decision on filing the application provided for by this article with the federal executive power body in charge of the securities market is adopted by the issuer in the procedure established by the Federal Law on Joint-Stock Companies;

2) if the issuer has no other serial securities, except for stocks in respect of which a prospectus of such securities has been registered;

3) if the issuer's stocks are not included in a list of securities admitted to sales held by a stock exchange and/or other trade promoter in the securities market;

4) if the number of the issuer's stockholders does not exceed 500.

2. The documents that prove the issuer meets the conditions established by Item 1 of this article shall be attached to the issuer's application. An exhaustive list of such documents shall be defined by regulatory legal acts of the federal executive power body in charge of the securities market.

3. The federal executive power body in charge of the securities market shall render a decision on the basis of the issuer's application within 30 days from the date when it is received. The federal executive power body in charge of the securities market is entitled to check the reliability of the data contained in the issuer's application and in the documents provided for by Item 2 of this article which are attached thereto. In such case, the running of the time period provided for by this item may be suspended for the period of checking but at most for 30 days.

4. The following shall be deemed grounds for the refusal to relieve the issuer of the duty of disclosing or presenting information in compliance with Article 30 of this Federal Law:

1) failure to meet the conditions established by Item 1 of this article;

2) detecting false data or data which are not true to fact (unreliable data) in the documents presented by the issuer;

3) the issuer's failure to present all necessary documents which prove it meets the conditions established by Item 1 of this Article;

4) failure to present the documents necessary for adoption of the decision to relieve the issuer of the duty of disclosing or presenting information in compliance with Article 30 of this Federal Law within 30 days at request of the federal executive power body in charge of the securities market.

5. The procedure for consideration of issuers' applications shall be established by regulatory legal acts of the federal executive power body in charge of the securities market.

Article 30.2. Information about Securities and about Derivative Financial Instruments Intended for Qualified Investors

1. Any information about securities, in particular about investment shares of unit investment funds and about derivative financial instruments intended for qualified investors, may not be disseminated to an unlimited number of persons, in particular through advertising, except for the information that is subject to disclosure where it is provided for by this Federal Law or other federal laws on securities.

2. Information about securities, in particular about investment shares of unit investment funds intended for qualified investors, as well as about issuers of such securities (about the persons liable under such securities), may be provided to owners of the cited

securities, to persons who are qualified investors, to state bodies and local authorities for the purpose of them exercising their functions, as well as to other persons stipulated by regulatory legal acts of the federal executive power body in charge of the securities market.

3. Information about the derivative financial instruments intended for qualified investors may be provided by parties to agreements that are such derivative financial instruments, to the persons who are qualified investors, to state bodies and local authorities for the purpose of them exercising their functions, as well as to other persons stipulated by regulatory legal acts of the federal executive power body in charge of the securities market.

4. Securities and derivative financial instruments intended for qualified investors may not be offered to an unlimited circle of persons, in particular through advertising, as well as to persons who are not qualified investors.

Chapter 8. On the Use of Official Information in the Securities Market

Abrogated upon the expiry of 180 days from the date of the official publication of Federal Law No. 224-FZ of July 27, 2010.

Chapter 9. On Advertisements in the Security Market

Abrogated from February 1, 2007.

Section V. The Regulation of the Securities Market

Chapter 10. The Principles of the Regulation of the Securities Market

Article 38. The Principles of the Regulation of the Securities Market

The securities market shall be regulated by the State by means of:

the establishment of compulsory requirements for the activity of professional securities market-makers and its standards;

the registration of issues of securities and issue prospectuses and the exercise of control over the observance by the issuers of the conditions and obligations envisaged by them;

the licensing of the activity of the professional securities market-makers;

the creation of a system of protecting the rights of owners and of controlling their observance by the issuers and the professional securities market-makers;

the prohibition and thwarting of the activity of the persons engaged in business on the securities market without the relevant license.

Chapter 11. The Regulation of the Activity of Professional Securities Market-Makers

Article 39. Licensing of the Activity of Professional Securities Market-Makers

1. The professional activity of all types in the securities market referred to in Chapter 2 of this Federal Law, shall be performed on the basis of a special permit, that is, the licence issued by the federal executive body responsible for the securities market, except for the case provided for by Part Two of this article.

2. The right to exercise some kinds of professional activities in the securities market may be granted to a state corporation by the federal law serving as a basis for establishment thereof.

3. Credit organizations and state corporations shall carry out professional activities in the securities market in the order prescribed by this Federal Law and other federal laws, as well as by normative legal acts of the Russian Federation adopted in compliance with them in respect of the professional securities market-makers.

4. As an additional ground for the refusal to issue to a credit organisation the licence for exercising professional activities in the securities market, for its suspension or

cancellation shall be deemed cancellation or withdrawal of the banking licence issued by the Bank of Russia.

5. The federal executive body responsible for the securities market shall exercise control over the activities of professional securities market-makers.

The bodies which have issued licenses shall control the activity of the professional securities market-makers and take a decision on the recall of the issued license in case of violation of the legislation of the Russian Federation on securities.

6. The activities of professional securities market-makers shall be licensed by licenses of three types: the license of the professional stock market-makers, the license for register keeping and the stock exchange license.

7. The condition for rendering by a broker and/or a dealer services related to the preparation of a securities issue prospectus shall be the compliance thereof with the requirements for the amount of their own capital and with the qualification requirements in respect of employees (workers) established by normative legal acts of the federal executive body responsible for the securities market.

Chapter 12. The Federal Executive Body for the Securities Market

Article 40. The Organisation of the Federal Executive Body for the Securities Market

The Federal Executive Body for the Securities Market (hereinafter referred to as the federal executive body) is a federal executive body which exercises control over the activity of the professional securities market-makers through the definition of the order of their activity, and determines the standards of the issue of securities.

The basic functions and powers of the federal executive body shall be determined by the Government of the Russian Federation.

Article 41. The Collegium of the Federal Executive Body Dealing with the Securities Market

The order of the formation and functioning of the collegium of the federal executive body dealing with the securities market shall be determined by the Government of the Russian Federation.

Article 42. The Functions of the federal executive body

The federal executive body shall:

1) elaborate the basic directions of the development of the securities market and coordinate the activity of the federal executive bodies in the regulation of the stock market;

2) approve the standards of the issue of securities, issue prospectuses of the issuers, including foreign issuers of securities on the territory of the Russian Federation, and the procedure for the state registration of the issue (additional issue) of emissive securities, the state registration of reports on the results of the issue (additional issue) of emissive securities and registration of a securities issue prospectus;

3) elaborate and endorse the uniform requirements for the rules of the professional operations with securities;

4) establish compulsory requirements for the operations with securities, the norms of admission of securities to their public placement, circulation, quotation and listing, and also accounting and depositary activity. The rules of record keeping and accounting by issuers and professional stock market-makers shall be established by the federal executive body together with the Ministry of Finance of the Russian Federation;

5) Introduce compulsory requirements for the order of register keeping;

6) establish the order and licence various kinds of professional activity on the

securities market, and also suspend or annul the said licences in case of breaking the legislation of the Russian Federation on securities;

7) Abolished

8) establish the procedure for issuing permits and issue permits for acquisition of the status of a self-regulated organisation of professional securities market-makers, keep the register of the said organisations, withdraw permits for acquisition of the status of a self-regulated organisation in the event of a failure to meet the requirements of the legislation of the Russian Federation on securities, as well as the standards and requirements endorsed by the federal executive body in charge of the securities market;

9) determine the standards of activity of investment, non-governmental pension and insurance funds and their managing companies, and also insurance companies on the securities market;

10) exercise control over the observance by the issuers, the professional stock market-makers, the self-regulated organisations of the professional stock market-makers of the legislation of the Russian Federation on securities, the standards and requirements endorsed by the federal executive body;

11) for the purposes of countering the legalisation (laundering) of earnings received illegally, it shall control the procedure by which professional participants in the securities market carry out transactions in amounts of money or other property;

12) ensure the disclosure of information about the registered issues of securities that are the professional stock-market-makers;

13) ensure the creation of a generally accessible system of disclosing information in the securities market;

14) establish the qualifying requirements with respect to employees of professional participants of the securities market, the requirements for the professional skills of the persons exercising the functions of the personal executive bodies of professional participants of the securities market, approve the programmes of qualification examinations for attestation of individuals in the field of professional activities in the securities market, determine the terms of, and procedure for, accreditation of organisations engaged in attestation of individuals in the field of professional activities in the securities market in the form of arranging qualification examinations and issuing qualification certificates, accredit such organisations, determine the types and forms of qualification certificates and keep the register of attested individuals;

15) draft legislative and other normative acts relating to the regulation of the securities market, the licensing of the activity of its professional market-makers, the self-regulated organisations of the professional stock-market-makers, to the control over the observance of the legislative and other normative acts on securities and carry on their expert examination;

16) develop recommendations with regard to the enforcement of the Russian Federation laws which regulate the relations connected with functioning of the securities market;

17) exercise the guidance of the regional branches of the Federal Commission;

18) defines the procedure for keeping a register of, and keeps the register of, professional participants in the securities market that contains information on licences for the pursuance of professional activity in the securities market that are issued, suspended and annulled. The federal executive governmental body charged with securities market matters shall amend the register of professional participants in the securities market within three days of the pertinent decision or after the receipt of a document deemed a ground for an amendment;

19) establish and define the order of access of the securities issued by, the issuers, registered in the Russian Federation, to their primary placement and circulation outside the territory of the Russian Federation;

20) apply to a court of arbitration with the claim for the liquidation of the legal entity that has violated the legislation of the Russian Federation on securities and for the application to the violators of the sanctions established by the legislation of the Russian Federation;

21) exercise supervision over the compliance of the amount of the issue of securities with their number in circulation;

23) determine a procedure for keeping the register of emissive securities and keep the said register containing information about issues (additional issues) of the emissive securities registered by the federal executive body in charge of the securities market, as well as on issues (additional issues) of the emissive securities which are not subject to state registration in compliance with this Federal Law or other federal laws, except for bonds issued by the Bank of Russia.

Article 43. Decisions by the Federal Executive Body Dealing with the Securities Market

The order of the decision-making by the federal executive body dealing with the securities market shall be determined by the Government of the Russian Federation.

Article 44. The Rights of the federal executive body

The federal executive body shall have the right:

1) Abolished

2) to qualify securities and derivative financial documents in the procedure established by the federal executive power body responsible for the securities market and to define their types;

3) to establish normative standards of sufficiency of own monetary assets obligatory for professional securities market-makers, except for credit organisations, and other requirements aimed at reducing the risks of professional activities on the securities market, and provisions - bonding on professional participants in the securities market - aimed at precluding a conflict of interests, in particular in the event of provision of the services of preparing a securities prospectus and of floating serial securities;

4) if professional participants on the securities market within one year repeatedly violate the securities legislation of the Russian Federation and/or on court enforcement action, it shall take a decision to suspend or annul their licences for the pursuance of professional activity on the securities market. Immediately after the Federal Commission's decision to suspend the licences becomes final, the licensor shall take measures to eliminate the irregularities or annul the licence;

if professional participants on the securities market within one year repeatedly violate the provisions of Articles 6 and 7 (except for Item 3 Article 7) of the Federal Law on Countering the Legalisation of Earnings Received in Illegally (Money Laundering), it shall take a decision to annul the licence for the pursuance of professional activities on the securities market;

if professional participants of the securities market, while exercising the functions of keeping the register, repeatedly fail within a year to satisfy creditors' claims, as well as the requirements established by Federal Law No. 127-FZ of October 26, 2002 on Insolvency (Bankruptcy), it shall render the decision to suspend or annul the licence for the exercise of professional activities in the securities market;

if during one year the professional participant in the securities market has repeatedly

violated the provisions of the Federal Law on Countering the Illegal Use of Inside Information and Market Manipulation and on Amending Some Legislative Acts of the Russian Federation and of the normative legal acts adopted pursuant thereto - to take a decision on suspension or cancellation of the licence to pursue professional activities on the securities market with due regard to the details established by said Federal Law;

4.1) to appoint the provisional administration where it is provided for by federal laws;

5) on the grounds stipulated by the legislation of the Russian Federation, to refuse to issue a permit to the self-regulated organisation of the professional stock market-makers and to withdraw the permit issued to it with the obligatory publication of the report about this in mass media;

6) to establish the procedure for holding inspections of issuers, professional securities market-makers and self-regulated organisations of professional securities market-makers, as well as of other organisations licensed by it, to inspect independently or jointly with appropriate federal executive bodies the activities of issuers, of professional securities market-makers and self-regulated organisations of professional securities market-makers, as well as of other organisations licensed by it, to appoint and recall inspectors controlling the activities of the said organisations;

6.1) gather and store information, including personal data, in connection with the performance of the functions envisaged by the present Federal Law;

7) to send orders binding for execution to the issuers and the professional stock market-makers, and also to their self-regulated organisations, and also to demand that they submit documents needed for the settlement of the questions coming under the jurisdiction of the federal executive body;

8) to send materials to the law-protective bodies and to lodge claims in courts of law (courts of arbitrations) on the questions relating to the jurisdiction of the federal executive body (including the invalidation of deals with securities);

8.1) to file an application for declaring a professional securities market participant bankrupt where it is provided for by the Federal Law on Insolvency (Bankruptcy);

9) to take decisions on the creation or liquidation of regional branches of the federal executive body;

10) to withdraw qualification certificates of natural persons in the event of repeated or gross violations by them of the laws of the Russian Federation on securities;

11) Abolished

12) to exchange confidential information, including personal data, with the relevant body (organisation) of a foreign state under an agreement with such a body (organisation) that contains a provision for mutual exchange of such information, on the condition that the legislation of the state of the body (organisation) at least has a provision of a level of protection of confidential information furnished that is not lower than the level of protection of confidential information furnished required by the legislation of the Russian Federation, and if information exchange relations are regulated by international treaties of the Russian Federation, in accordance with the terms of these treaties. The information received in accordance with said agreements may be provided to state bodies, for instance law-enforcement ones, only on the consent of the relevant body (relevant organisation) of the foreign state which as provided such information or under a court's judgement;

13) to define the securities and derivative financial instruments intended for classified investors, as well as to establish the requirements for the procedure for providing information connected with making transactions in such securities and agreements which are such derivative financial instruments;

14) to establish the requirements for securities, commodities and indices, depending on whose prices (whose values) the duties of the parties to the agreements which are derivative financial instruments are defined;

15) to establish the requirements to be satisfied by professional participants of the securities market when making and executing REPO agreements in the exercise by them of their professional activities in the securities market, as well as the conditions under which the conclusion of REPO agreements is only allowed at the expense of qualified investors.

16) to establish requirements for information technologies, in particular for formats of information in an electronic form applied when disclosing or presenting information on securities and derivative financial instruments;

17) to effect accreditation of news agencies that disclose or present information about securities and other financial instruments, if the procedure for disclosing or presenting information established by regulatory legal acts of the federal executive power body in charge of the securities market provides for its disclosure or presentation through news agencies, to define a procedure for, and terms of, effecting such accreditation, a procedure for withdrawal of such accreditation, the rights and duties of accredited news agencies, to establish a procedure for data exchange between accredited news agencies and the federal executive power body in charge of the securities market.

18) to exchange confidential information, in particular personal data, with the Central Bank of the Russian Federation on the basis of an agreement made with it, provided that the confidentiality of obtained information is preserved and it is used by the Central Bank of the Russian Federation for exercising the functions it is charged with.

Article 44.1. Duties of the Federal Executive Body for the Securities Market

While exercising the authority granted by this Federal Law, the federal executive body for the securities market shall be obliged:

1) to ensure the confidentiality of information provided to it, except for the information disclosed in compliance with the laws of the Russian Federation on securities;

2) when directing to issuers, professional securities market-makers and self-regulated organisations of professional securities market makers requests for presentation of information, to substantiate soundly the necessity of getting the information requested for;

3) to register the documents of professional securities market-makers and self-regulated organisations of professional securities market-makers subject to registration in compliance with this Federal Law, within a maximum of 30 days as of the date of receiving appropriate documents, or to give a reasoned refusal to register them within the established term, if another term for registration thereof is not established by this Federal Law;

4) to give within 30 days reasoned answers to requests of legal entities and citizens in respect of the issues within the scope of jurisdiction of the federal executive body for the securities market.

Article 45. Abolished

Article 46. The Provision of the federal executive body’s Activity

Expenses relating to the activity of the Federal Commission be covered from the federal budget resources used on the maintenance of the federal executive bodies.

The Federal Commission shall be a legal entity with its stamp depicting the National Emblem of the Russian Federation and its name.

The federal executive body shall have its settlement and other accounts, including its foreign currency account.

The seat of the federal executive body shall be the city of Moscow.

Article 47. Abolished

Chapter 13. The Self-regulated Organisations of the Professional Securities Market-makers

Article 48. The Concept of the Self-regulated Organisation of the Professional Stock Market-Makers

A voluntary association of professional stock market-makers acting in conformity with this Federal Law and functioning on the principles of a non-profit organisation shall be named the self-regulated organisation of stock market-makers.

A self-regulated organisation shall be set up by the professional stock market-makers for the provision of conditions for the professional activity of stock market-makers, the observance of standards of professional ethics in the securities market, the protection of the interests of the owners of securities and other clients of the professional stock market-makers who are members of the self-regulated organisation, the introduction of rules and standards for the conduct of operations with securities that ensure the effective activity on the securities market.

All the incomes of the self-regulated organisation shall be used by it exclusively for the fulfilment of its statutory tasks and shall not be distributed among its members.

In accordance with the requirements for the professional activity and the conduct of operations with securities endorsed by the Federal Commission, the self-regulated organisation shall introduce to the rules for professional activity on the securities market and the standards of the conduct of operations with securities, and shall exercise control over their observance.

Article 49. The Rights of the Self-regulated Organisations in the Regulation of the Securities Market

The self-regulated organisation shall have the right:

to receive information about the results of inspections of the activity of its members carried out in the order established by the federal executive body or its regional branch;

to endorse the rules for and standards of exercising by members thereof their professional activities, in particular operations in securities and operations connected with making and executing agreements which are derivative financial instruments;

to exercise control over the observance by members thereof of the rules and standards of exercising professional activities endorsed by the self-regulated organisation;

in conformity with the qualifying requirements of the Federal Commission to work out curricula and plans, to train the officials and the personnel of the organisations carrying out their professional activity in the securities market, and to determine the qualification of the said persons and to issue to them with qualifying certificates.

Article 50. Requirements Made for Self-regulated Organisations

An organisation set up by not less than 10 professional stock market-makers, shall have the right to file its application for acquiring the status of a self-regulated organisation with the federal executive body.

An organisation set up by the professional stock market-makers shall acquire the status of a self-regulated organisation on the basis of the permit issued by the federal executive body. The permit issued by the federal executive body to the self-regulated organisation shall include all the rights provided for by this Article.

The following documents shall be submitted to the federal executive body in order to obtain the permit:

the certified copies of documents on the setting up a self-regulated organisation;

the rules and regulations of the organisation adopted by its members and compulsory for implementation by all the members of the self-regulated organisation.

The rules and regulations of the self-regulated organisation shall contain the requirements for this organisation and its members in respect of:

1) the professional qualification of the personnel (with the exception of technical staff);

2) the rules and standards of the professional activity;

3) the rules limiting the manipulation of market;

4) documentation and record-keeping and reporting;

5) the minimum amount of their own assets;

6) the rules for joining the organisation for a professional stock market-maker and the withdrawal or expulsion from it;

7) equal rights to the representation in the elections to the organisation's management bodies and the participation in its management;

8) the procedure for the distribution of costs, payments, and dues among the organisation members;

9) the protection of the client's rights, including the order of considering the claims and complaints of the clients of the organisation members;

10) the obligations of its members to the clients and other persons in the compensation of losses due to errors and committing during the professional activity of the organisation's member or of its officials, and also due to the unlawful actions of the member of the organisation or its officials and/or its personnel;

11) the observance of the procedure for the consideration of claims and complaints lodged the organisation's members;

12) procedures for holding checks of the observance by the organisation's members of the established rules and standards, including the creation of a control body and the order of acquainting with the results of checks of other members of the organisation;

13) sanctions and other measures to be applied to the members of the organisation, their officials and/or the personnel and the order of their application;

14) the requirements for the supply of open information for checks to be carried out on the initiative of the organisation;

15) control over the implementation of sanctions and measures applicable to the organisation's members and the order of their record-keeping.

The entity which organises trade shall be obliged to establish and observe the following rules in addition to the observance of the requirements provided for by Item 3 of this Article and Article 10 of this Federal Law:

the rules of concluding, registering and conforming deals with securities;

the rules of operations ensuring trading with securities (clearing and/or payment operations);

the rules of drawing up and record keeping of documents used by the organisation's members and of carrying out operations with securities;

the rules of settling disputes arising between the members of the organisation during operations with securities and payments for them, including monetary ones;

the procedure for submitting information about the prices of demand and supply, about the prices and amount of deals with securities made by the organisation's members;

the rules of rendering services for persons who are not members of the organisation.

A permit may be refused if the documents submitted by the organisation of professional stock market-makers do not contain the appropriate requirements listed in this

Article, and also provide for at least one of the provisions:

the possibility of discrimination of the rights of customers who use the services of the organisation's members;

unjustified discrimination of the organisation's members;

unwarranted restrictions on the joining of the organisation and on withdrawal from it;

restrictions that prevent the development of competition among professional stock market-makers, including the regulation of the rates of remuneration and incomes from the professional activity of the organisation's members;

the regulation of questions that do not relate to the jurisdiction of the self-regulated organisation, and also do not correspond to the goals of its activity;

the provision of unreliable or incomplete information.

It shall be impermissible to refuse to issue permits on other grounds.

The permit for the self-regulated organisation shall be recalled if the federal executive body discovers breaches of the legislation of the Russian Federation on securities, the requirements and standards established by the federal executive body, the rules and regulations of the self-regulated organisation, the provision of unreliable or incomplete information.

The self-regulated organization shall be obliged to submit to the federal executive body data on all the changes to be introduced to the documents on the creation of a self-regulated organisation, its rules and regulations with a brief justification of the reasons and purposes of such changes.

Changes and additions shall be deemed to be adopted, unless within 30 calendar days of their receipt by the federal executive body a written notice on the refusal with its reasons has been sent to it.

Section VI. Concluding Provisions

Article 51. Responsibility for Breaches of the Legislation of the Russian Federation on Securities

1. For breaches of this Federal Law and other legislative acts of the Russian Federation the persons shall bear responsibility in cases and in the order provided for by civil, administrative or criminal legislation of the Russian Federation.

The damage caused as a result of violating the legislation of the Russian Federation on securities shall be compensated in the order established by the civil legislation of the Russian Federation.

1.1. The issuer shall be held liable for the losses caused by it to an investor and/or the owners of securities as a result of disclosure or presentation of unreliable, incomplete and/or misleading information, in particular that contained in a securities prospectus.

2. Abrogated upon the expiry of 180 days from the date of the official publication of Federal Law No. 224-FZ of July 27, 2010.

2.1. Abrogated upon the expiry of 180 days from the date of the official publication of Federal Law No. 224-FZ of July 27, 2010.

3. In respect of the issuers which issue securities with a failure to satisfy the requirements of the legislation of the Russian Federation on securities the federal executive power body responsible for the securities market shall:

take measures to suspend further placement of the securities issued as a result of such issuance;

insert data on its official Internet site on the fact of securities' issuance made in defiance of the requirements of the legislation of the Russian Federation on securities and on

the grounds for suspension of placing securities issued as a result of such issuance;

notify in writing of the need to remove the breaches, and also fix the time for removal of the breaches;

send the materials concerning the inspection of the facts of the securities issuance in defiance of the requirements of the legislation of the Russian Federation to organs of the prosecutor's office, if there are constituent elements of an offence in actions of the issuer's officials;

notify in writing of the permit to further place securities, should the issuer eliminate failures to satisfy the requirements of the legislation of the Russian Federation connected with the securities issuance;

file the claim with an arbitration court for declaring void an issue (additional issue) of securities for the reasons provided for by Article 26 of this Federal Law.

4. The officials of the issuer who have taken a decision on the issue of securities that have not passed state registration (except for issues (supplementary issues) of serial securities not subject to state registration in accordance with the present Federal Law) shall bear administrative or criminal responsibility in accordance with the legislation of the Russian Federation.

5. Abrogated upon the expiry of 90 days from the date of the official publication of Federal Law No. 205-FZ of July 19, 2009.

6. Professional activity in the securities market carried out without a licence shall be illegal.

In respect of the persons who carry out their activity without licences the federal executive body shall:

adopt measures to stop the unlicensed activity;

insert data on the official Internet site thereof of the facts of licence-free activities of a securities market participant;

inform in writing the persons concerned about the need to obtain a licence, and also fix the time for this;

send the materials of inspection of the facts of the unlicensed activity to a court of law for the enforcement of measures of administrative responsibility against the officials of the stock market-makers in conformity with the legislation of the Russian Federation;

file a claim with a court of arbitration on the recovery for the benefit of the State of incomes received as a result of unlicensed activity in the stock market;

file a claim with a court of arbitration on the forcible liquidation of the stock market-makers if it has failed to obtain a licence within the fixed period of time.

7. Abolished from February 1, 2007.

8. The professional stock market-makers and the issuers of securities shall have the right to appeal to an arbitration court the actions of a federal executive body aimed at the stoppage of breaches of the legislation of the Russian Federation on securities and at the application of measures of responsibility in the order prescribed by the legislation of the Russian Federation.

Natural persons whose qualification certificates concerning professional activities in the securities market have been withdrawn shall have the right to appeal against the relevant decision of the federal executive body in charge of the securities market to an arbitration court in the procedure provided for by the legislation of the Russian Federation.

9. In cases provided for by this Federal Law and other legislative acts of the Russian Federation on securities, the stock market-makers shall be obliged to ensure the property interests of the owners with security envisaged by the legislation of the Russian Federation, and also to insure the property and the risks associated with activity in the stock market.

Article 51.1. Specifics of Placement and Circulation of Foreign Issuers' Securities in the Russian Federation

1. Foreign financial instruments shall be admitted to circulation in the Russian Federation as securities of foreign issuers, if the following conditions are concurrently met:

1) the international identification code (number) of securities and the international classification code of financial instruments are assigned to the foreign financial instruments;

2) the foreign financial instruments are classified as securities in the procedure established by the federal executive authority responsible for the securities market.

2. The securities of foreign issuers complying with the requirements of Item 1 of this Article may be admitted to placement and/or public circulation in the Russian Federation, if these issuers are:

1) foreign organisations established in states which are members of the Organisation for Economic Cooperation and Development (OECD), members or observers of the Financial Task Force on Money Laundering (FATF) and/or members of the CE Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL);

2) foreign organisations established in the states whose relevant bodies (relevant organisations) have made agreements with the federal executive authority responsible for the securities market which provide for a procedure for their interaction;

3) international financial organisations included into the list endorsed by the Government of the Russian Federation;

4) the foreign states cited in Subitems 1 and 2 of this Item or central banks of such foreign states.

3. Securities of foreign issuers shall be admitted to placement in the Russian Federation provided that the prospectus of such securities is registered by the federal executive authority responsible for the securities market.

4. The securities of foreign issuers satisfying the requirements of Items 1 and 2 of this Article shall be admitted to public circulation in the Russian Federation, if the Russian stock exchange has adopted the decision on their admittance to auction sales. Such decision may be adopted by the Russian stock exchange, if the said securities of foreign issuers, except for securities of international financial organisations, have passed the listing procedure on a foreign stock exchange included into the list endorsed by the federal executive authority responsible for the securities market and under the personal law of the foreign stock exchange may be offered to an unlimited group of persons. The criteria of and procedure for inclusion of foreign stock exchanges into the said list shall be established by the federal executive authority responsible for the securities market.

In case of delisting foreign issuers' securities at a foreign stock exchange or exclusion of a foreign stock exchange from the list endorsed by the federal executive authority responsible for the securities market, auction sales of such securities in the Russian stock exchange shall be terminated.

5. Securities of international financial organisations shall be admitted to public placement and/or public circulation in the Russian Federation, if the terms of their issuance do not contain restrictions in respect of the circulation of such securities among an unlimited group of persons and/or in respect of the offer of such securities to an unlimited group of persons.

6. The decision to admit securities of a foreign issuer to auction sales which is provided for by Item 4 of this Article shall be adopted by the Russian stock exchange on the basis of an application of the foreign issuer or the broker that has signed the prospectus of the foreign issuer's securities. To the said application shall be attached the securities prospectus of the foreign issuer and the documents proving the compliance of the foreign issuer's

securities with the requirements established by this Article. A list of such documents shall be defined by the rules of the Russian stock exchange. The said rules shall satisfy the requirements contained in regulatory legal acts of the federal executive power body responsible for the securities market.

7. The securities of a foreign issuer satisfying the requirements of Items 1 and 2 of this Article which may not be admitted to public circulation in the Russian Federation on the basis of the decision of the Russian stock exchange cited in Item 4 of this Article shall be admitted to public placement and/or public circulation in the Russian Federation by decision of the federal executive authority responsible for the securities market. The said decision shall only be adopted if securities of a foreign issuer under the personal law of the foreign issuer may be offered to an unlimited group of persons and, with this, the indices thereof characterising the level of their liquidity (the supposed level of their liquidity) are not lower and the indices characterising their investment risk level are not higher that the similar indices estimated for securities of the appropriate kind (category, type) which have been already admitted to auctions sales on the Russian stock exchange. Concurrently with such decision, the decision on registration of the securities prospectus of the foreign issuer shall be adopted.

The composition of indices characterising the liquidity level and the investment risk level of securities and a procedure for their estimation shall be established by the federal executive authority responsible for the securities market.

8. The decision provided for by Item 7 of this Article shall be adopted by the federal executive authority responsible for the securities market on the basis of the application of the Russian stock exchange containing the substantiation of the possibility of admittance of a foreign issuer's securities to public placement and/or public circulation in the Russian Federation. The securities prospectus of a foreign issuer and other documents whose list is defined by regulatory legal acts of the federal executive authority responsible for the securities market shall be attached to the said application.

9. In case of the public placement and/or public circulation of foreign issuers' securities, the rights to such securities shall be registered by depositories which are legal entities in compliance with the legislation of the Russian Federation and appropriate requirements for such depositories of regulatory legal acts of the federal executive authority responsible for the securities market.

To ensure registration of rights to securities of foreign issuers, such depositories shall open the account of the person acting in the interests of other persons with the foreign organisation engaged in registration of rights to securities and included into the list endorsed by the federal executive authority responsible for the securities market. Such account may be likewise opened with the depositories satisfying the requirements of Paragraph One of this item that have the appropriate account opened with the said foreign organisation.

Depositories engaged in registration of rights to certified securities of foreign issuers shall ensure the centralised custody of the said securities' certificates, except when such custody is effected in compliance with the personal law of a foreign issuer outside the Russian Federation.

10. By decision of the federal executive authority, placement of a foreign issuer's securities in the Russian Federation may be suspended in the cases:

1) detection in the securities prospectus of the foreign issuer (in other documents serving as a basis for admittance of the foreign issuer's securities to placement in the Russian Federation) of unreliable or incomplete information and/or information which is misleading for investors;

2) failure of the foreign issuer and/or of the broker that have signed (has signed) the securities prospectus of the foreign issuer to satisfy the requirements of this Federal Law and

of regulatory legal acts of the federal executive authority responsible for the securities market that have been adopted in compliance with it;

3) receiving by the federal executive authority responsible for the securities market of the appropriate report from the body (organisation) regulating the securities market in the state where the foreign issuer is registered as a legal entity.

11. Placement of a foreign issuer's securities in the Russian Federation shall be resumed by decision of the federal executive authority responsible for the securities market in case of removal of violations or termination of the circumstances serving as a basis for suspension of their placement.

12. Upon termination of placement of a foreign issuer's securities in the Russian Federation the foreign issuer is obliged to file a notice of the said placement's completion with the federal executive authority responsible for the securities market. Circulation in the Russian Federation of a foreign issuer's securities which are placed in the Russian Federation shall be allowed after filing the said notice and disclosing data on completion of their placement in the Russian Federation.

13. Foreign issuers' securities which are not admitted to public placement and/or public circulation in the Russian Federation under this article, as well as foreign financial documents which are not classified as securities, may not be offered in any form and by any means, in particular with the use of advertising, to an unlimited (indefinite) group of persons, or to persons which are not classified investors.

14. If foreign issuers' securities are not admitted for public placement and/or public circulation in the Russian Federation in compliance with this Article, the requirements and restrictions established by this Federal Law in respect of circulation of the securities intended for classified investors shall extend to the circulation of such securities.

The securities of foreign investors cited in Paragraph One of this Item which comply with the requirements of Items 1 and 2 of this Article may be admitted to auction sales on the Russian stock exchange in conformity with the rules of the Russian stock exchange. The said rules shall satisfy the requirements of regulatory legal acts of the federal executive authority responsible for the securities market.

15. The securities prospectus of a foreign issuer shall be drawn up in Russian and signed by the broker satisfying the requirements established by regulatory legal acts of the federal executive authority responsible for the securities market and, where it is provided for by Item 17 of this Article, also by the foreign issuer. If the securities prospectus of an international financial organisation is signed by such organisation, its signing by a broker shall not be required.

16. The persons signing the securities prospectus of a foreign issuer on behalf of the foreign issuer shall be defined in compliance with the personal law of the foreign issuer or, when such issuer is an international financial organisation, in compliance with the constituent documents of this international financial organisation.

17. The securities prospectus of a foreign issuer shall be signed by the foreign issuer, if such prospectus is presented for admittance of the foreign issuer's securities:

1) to placement in the Russian Federation, in particular a to public one;

2) to public circulation in the Russian Federation, if the said securities do not circulate in a foreign organised (controllable) financial market.

18. The broker signing the securities prospectus of a foreign issuer confirms, in so doing, that:

1) there are no restrictions in respect of circulation of the foreign issuer's securities in the Russian Federation, their compliance with the requirements of Item 1 of this Article and, in case of their public placement and/or public circulation in the Russian Federation, also with the requirements of Items 2, 4 and 5 of this Article;

2) compliance of the information contained in the securities prospectus of the foreign issuer with the data disclosed and presented in a foreign organised (controllable) financial market and/or presented by the foreign issuer.

19. The foreign issuer that has signed the securities prospectus shall prove, in so doing, the reliability and completeness of the information supplied by it to the broker for preparation (drawing up) of its securities' prospectus and shall be held responsible for the damage caused to investors as a result providing unreliable and incomplete information, and/or information which is misleading for investors, as well as, if under this article the securities prospectus of a foreign issuer is not signed by the broker, for the damage caused to investors as a result of confirming by the foreign issuer unreliable and incomplete information and/or information which is misleading for investors contained in the securities prospectus of the foreign issuer.

20. The broker that has signed the securities prospectus of a foreign issuer shall be held responsible for the damage caused to investors as a result of supplying unreliable and incomplete information, and also information which is misleading for investors, confirmed by the broker. Confirmation by the broker of unreliable and incomplete information and also of information which is misleading for investors contained in the securities prospectus of a foreign issuer shall serve as a ground for suspending the licence for exercising broker's activities or, if such violation repeatedly occurs within a year, for cancellation of this licence.

21. The Russian stock exchange that has admitted foreign investors' securities to auction sales is obliged in the procedure and at the time which are established by regulatory legal acts of the federal executive authority responsible for the securities market to disclose information on such securities, in particular on the issuers thereof, in a foreign language with subsequent translation into Russian.

Information on the securities of foreign issuers admitted to auction sales in compliance with Item 4 of this Article shall be disclosed to the same extent to which the said information is disclosed by the foreign stock exchange where the said securities passed the listing procedure, while information on the foreign investors' securities admitted to auction sales in compliance with Item 7 of this Article and about the securities of foreign financial organisations only admitted to auction sales on the Russian stock exchange, shall be disclosed to the extent established by this Federal Law and regulatory legal acts of the federal executive authority responsible for the securities market adopted in compliance with it.

22. In case of admittance to auction sales on the Russian stock exchange of the foreign investors' securities intended for classified investors, in compliance with Item 14 of this Article the volume of information to be supplied to the auction sales participants shall be defined by the rules of the Russian stock exchange.

23. The requirements for the securities prospectus of foreign issuers and for the documents presented for its registration and/or admittance of foreign investors securities to auction sales on the Russian stock exchange, for the composition of data included into these documents, for their drawing up, as well as for the extent of and procedure for disclosing information about such securities and issuers thereof shall apply subject to the specifics defined by regulatory legal acts of the federal executive authority responsible for the securities market.

In the event of placing in the Russian Federation the foreign issuers' securities cited in Paragraph One of Item 14 of this Article and satisfying the requirements of Items 1 and 2 of this Article, the volume of information and procedure for supplying it to classified investors shall be defined by regulatory legal acts of the federal executive authority responsible for the securities market.

24. The provisions of Article 19 of this Federal Law shall not apply to relations connected with placement in the Russian Federation of foreign issuers' securities.

25. Bills of exchange, cheques, letters of consignment and other similar securities issued in compliance with foreign law may be circulated in the Russian Federation without meeting the conditions provided for by Item 1 of this Article.

Article 51.2. Classified Investors

1. As classified investors shall be deemed the persons cited in Item 2 of this Article, as well as the persons recognized as classified investors in compliance with Items 4 and 5 of this Article.

2. Classified investors shall include:

1) brokers, dealers and managers;

2) credit institutions;

3) joint-stock investment funds;

4) management companies of investment funds, unit investment companies and non-governmental pension funds;

5) insurance organisations;

6) non-governmental pension funds;

6.1) non-commercial organisations in the form of funds pertaining to the infrastructure of support of entities of small and medium business in accordance with Part 1 of Article 15 of Federal Law No. 209-FZ of July 24, 2007 on the Development of Small and Medium Business in the Russian Federation, whose sole founders are the entities of the Russian Federation and which were created for the purpose of acquiring investment shares of closed share investment funds attracting investments for entities of small and medium business - only with respect to such investment shares;

7) the Bank of Russia;

8) the State Corporation “Bank of Development and Foreign Trade Activity (Vnesheconombank)”:

9) the Agency for Deposit Insurance;

9.1) the state corporation “Russian Corporation of Nanotechnologies”, as well as a legal entity established as a result of its re-organisation;

10) international organisations, including the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, the European Bank for Reconstruction and Development;

11) other persons classified as classified investors by federal laws.

3. Persons may be recognized as classified investors if they comply with the requirements established by this Federal Law and regulatory legal acts of the federal executive body in charge of the securities market adopted in compliance with it.

4. A natural person may be declared a classified investor, if he/she meets any two requirements from among those which are cited below:

1) the total value of the securities which this person holds and/or the total amount of commitments resulting from agreements which are derivative financial documents and which are made at the expense of this persons satisfy the requirements established by regulatory legal acts of the federal executive power body responsible for the securities market. With this, the cited body shall define the requirements for the securities and other financial instruments which may be accounted in estimation of the cited total value (the total amount of

commitments), as well as a procedure for its estimation;

2) this person has the record of work, established by regulatory legal acts of the federal executive power body responsible for the securities market, in a Russian and/or foreign organisation which have made transactions in securities and/or have made agreements which are derivative financial instruments;

3) this person has made transactions in securities and/or have made agreements which are derivative financial instruments in the number, volume and at the time which are established by regulatory legal acts of the federal executive power body responsible for the securities market.

5. A legal entity may be recognized as a classified investor if it is a profit-making organisation satisfying any two requirements from among those cited below:

1) it has its own capital in the amount established by regulatory legal acts of the federal executive body in charge of the securities market;

2) it has made transactions in securities and/or agreements which are derivative financial instruments in the number, volume and at the time which are established by regulatory legal acts of the federal executive power body responsible for the securities market;

3) it has the volume of sales (proceeds from the sales) of commodities (works, services) in the amount and for the period which are established by regulatory legal acts of the federal executive body in charge of the securities market;

4) it has the amount of assets, proved by bookkeeping data for the last reporting date, which is established by regulatory legal acts of the federal executive body in charge of the securities market.

6. Abrogated from January 1, 2010.

7. A person shall be recognized as a classified investor on the basis of the application thereof by brokers, managers and other persons where it is provided for by federal laws (hereinafter referred to as the person engaged in recognition of classified investors) in the procedure established by the federal executive body in charge of the securities market.

8. In the event of recognizing a person as a classified investor on the basis of the unreliable information supplied by it, the effects provided for by Item 6 of Article 3 and by Part Eight of Article 5 of this Federal Law shall not apply. The recognition of a person as a classified investor on the basis of the unreliable information supplied by it shall not serve as grounds for invalidity of the transactions made at the expense of this person.

9. A person may be recognized as a classified investor in respect of one or several kinds of securities and other financial instruments, one or several kinds of services intended for classified investors.

10. A person engaged in recognition of classified investors is obliged to notify a classified investor, in respect of what kinds of securities and other financial instruments or services it is recognized as a classified investor.

11. A person engaged in recognition of classified investors is obliged to demand of a legal entity recognized as a classified investor that it prove its satisfaction of the requirements whose satisfaction is necessary for recognizing a person as a classified investor and to verify the compliance with the said requirements. Such verification must be carried out at the time established by a contract but at least once a year.

12. A person engaged in recognition of classified investors is obliged to keep a register of persons recognized as classified investors in the procedure established by the federal executive body in charge of the securities market. A classified investor shall be excluded from the said register on the basis of the application thereof or if it fails to satisfy the requirements necessary for recognition of a person as a classified investor.

13. The rights of owners of securities intended for classified investors, except for the persons provided for by Item 2 of this article, may be only accounted for by custodians in the procedure provided for by Article 7 of this Federal Law.

14. Requirements for the prospectus of securities intended for classified investors, as well as for the composition of data and for the procedure for disclosure of information about the said securities and issuers thereof, shall apply subject to the deletions and specifics determined by regulatory legal acts of the federal executive body in charge of the securities market.

Article 51.3. A REPO Agreement

1. As a REPO agreement shall be deemed an agreement under which a party to it (the seller under the REPO agreement) undertakes at the time fixed by this agreement to transfer securities to the other party for ownership (to the purchaser under the REPO agreement), while the purchaser under the REPO agreement undertakes to accept the securities, to pay for them a particular sum of money (the first part of the REPO agreement) and at the time fixed by this agreement to transfer the securities to the seller under the REPO agreement for ownership, while the seller under the REPO agreement undertakes to accept the securities and to pay for them a particular a sum of money (the second part of the REPO agreement).

A REPO agreement to be executed on account of a natural person may be made, if one of the parties to such agreement is a broker, dealer, depository, manager, clearing organisation or a credit institution or if the cited REPO agreement is made by a broker at the expense of such natural person.

2. Seen as securities under a REPO agreement may be serial securities of a Russian issuer, investment shares of a unit investment fund which are in fiduciary management of a Russian management company, stocks or bonds of a foreign issuer and securities of a foreign issuer certifying the rights in respect of the securities of a Russian and/or foreign issuer.

3. The term of a REPO agreement on securities shall be deemed coordinated, if the parties thereto have coordinated the denomination of the person (persons) that has issued the securities, their kind and number, as well as - in respect of stocks - their category (type) and in respect of investment shares of unit investment funds - the denomination of a unit investment fund. The term of a REPO agreement on securities may be coordinated by way of defining the requirements for such securities, as well as the number thereof. With this, a REPO agreement must stipulate which party to the cited agreement is granted the right to select the securities to be transferred under the first part of the REPO agreement. The term of a REPO agreement on the number of securities may be coordinated by way of establishing a procedure for defining the number of securities.

4. The term of a REPO agreement on the price of securities shall be deemed coordinated, if the parties thereto have coordinated the price of the securities to be transferred under the first and second parts of the REPO agreement or a procedure for its estimation.

5. The term of a REPO agreement on the time shall be deemed coordinated, if the parties have coordinated the time of paying the price under the first and second parts of the REPO agreement, as well as the time of discharging the parties' obligations as to the securities transfer. The time of discharging obligations under the second part of a REPO agreement may be fixed by the time of claiming.

6. The duty of transferring securities shall be deemed discharged at the time when certified securities are delivered or, if uncertified securities or certified securities with obligatory centralized custody are transferred, from the time when they are entered to the acquirer's personal account in the register of securities owners or to the acquirer's depo account.

7. The seller under a REPO agreement shall be obliged to transfer to the purchaser

under the REPO agreement securities which are clear of any rights of third persons thereto, except when the purchaser under a REPO agreement agrees to accept securities which are encumbered by third persons' rights. A failure of the seller under a REPO agreement to discharge this duty shall give the right to the purchaser under the REPO agreement to demand dissolution of the REPO agreement, if it is not proved that the purchaser under the REPO agreement knew or could know about the rights of third persons to these securities.

The purchaser under a REPO agreement shall be obliged to transfer to the seller under the REPO agreement securities which are clear of any rights of third persons, except when in pursuance of the first part of the REPO agreement the purchaser under the REPO agreement has received securities encumbered by third persons' rights.

8. After discharging obligations under the first part of a REPO agreement and/or their termination, the termination of obligations under the second part of the REPO agreement without discharging them in kind may be effected by way of setting them off or, if the cited obligations are admitted to clearing, in other ways provided for by clearing rules (the rules for exercising clearing activity) and also where it is provided for by Items 15.1, 16, 16.1 and 20 of this article.

9. Unless otherwise provided for by this article, the purchaser under a REPO agreement shall be obliged to transfer to the seller under the REPO agreement in compliance with the second part of the REPO agreement securities of the same issuer (of the person which has given securities) certifying the same extent of rights and in same number as the securities transferred to the purchaser under the REPO agreement in compliance with the first part of the REPO agreement.

10. If the securities transferred under the first part of REPO agreement have been converted, the purchaser under the REPO agreement in pursuance of the second part thereof shall transfer to the seller under the REPO agreement the securities into which the securities transferred under the first part of the REPO agreement have been converted. The stated rule shall likewise apply to the securities obtained by the purchaser under the REPO agreement in compliance with Items 11 and 12 of this article.

11. A REPO agreement may provide for the purchaser's right under the REPO agreement, prior to discharging the obligation to transfer securities under the second part of the REPO agreement, to demand of the seller under the REPO agreement to transfer instead of the securities obtained under the first part of the REPO agreement or the securities, which they are converted into, some other securities. On such occasion, the purchaser under a REPO agreement shall be obliged to transfer under the second part of the REPO agreement, instead of the securities obtained by him under the first part of the REPO transaction, the securities received as a result of such replacement. The cited rule shall likewise apply to the securities obtained by the purchaser under a REPO agreement as a result of replacement in compliance with this item and Item 12 of this article. With this, a REPO agreement must provide for the terms of making such replacement.

12. A REPO agreement may provide for the right of the seller under the REPO agreement to transfer to the purchaser under the REPO agreement, prior to the discharge of the obligation to transfer securities under the second part of the REPO agreement, other securities instead of the securities transferred under the first part of the REPO agreement or of the securities which they are converted into. On such occasion, the purchaser under a REPO agreement shall be obliged instead of the securities obtained by him under the first part of the REPO agreement to transfer under the second part of the REPO agreement the securities received as a result of such replacement. The cited rule shall likewise apply to the securities obtained by the purchaser under a REPO agreement as a result of the replacement in compliance with this item and Item 11 of this article. With this, a REPO agreement must

provide for the terms of making such replacement.

13. If a list of the persons entitled to receive from the issuer or the person that has given out securities monetary assets, as well as other property, in particular in the form of dividends and interest on the securities transferred under the first part of the REPO agreement or in compliance with Items 10-12 and 14 of this article (hereinafter referred to as securities transferred under a REPO agreement) is determined within the period after discharging the obligations concerning the transfer of securities under the first part of the REPO agreement and up to the discharge of obligations concerning the transfer of securities under the second part of the REPO agreement, the purchaser under the REPO agreement shall be obliged to transfer to the seller under the REPO agreement the monetary assets, as well as the other property, paid (transferred) by the issuer or by the person that has given out the securities, in particular in the form of dividends and interest on the securities transferred under the REPO agreement, at the time which is provided for, if the REPO agreement does not stipulate that the price of the securities transferred under the second part of the REPO agreement must be reduced subject to the cited sums of monetary assets and other property.

14. A REPO agreement may provide for the duty of one of the parties or of each party thereto to pay, if the price of the securities transferred under the REPO agreement changes or in other instances provided for by the REPO agreement, to the other party sums of money and/or to transfer securities. On such occasion, the price of the securities to be transferred under the second part of the REPO agreement and/or their number shall be increased subject to the sum of monetary assets (the number of securities) paid by the purchaser under the REPO agreement (transferred by the seller under the REPO agreement) in compliance with this item and shall be decreased subject to the sum of monetary assets (the number of securities) received by the purchaser under the REPO agreement (the seller under the REPO agreement) in compliance with this item, if the REPO agreement does not provide for the duty of the party thereto which has received the cited monetary assets and/or securities to return them while discharging obligations under the second part of the REPO agreement. With this, the REPO agreement must define the grounds for the rise of the duty provided for by this item, a procedure for estimating the amount of monetary assets (the number of securities) to be paid (transferred), as well as a procedure for and time of their payment (transfer). The rules of Items 10-13 of this article shall apply to the rights and duties of the party under a REPO transaction which has received securities in compliance with this item with respect to such securities.

15. A REPO agreement may provide for the grounds for the early discharge of obligations under the second part of the REPO agreement, in particular in the event of failure to discharge or improper discharge by a party to the REPO agreement of its obligations towards the other party under other agreements made by them, or of failure to discharge or improper discharge by a party to the REPO agreement of obligations under the agreements made with other persons.

15.1. In the event of full redemption (except for conversion) of the bonds transferred under a REPO agreement before the discharge of the obligations involved in securities transfer under the second part of the REPO agreement, the obligations under the second part of the REPO agreement shall be terminated without their discharge in kind in the ways and in the procedure which are provided for by the REPO agreement.

16. In the event of failure to discharge or improper discharge of obligations under the second part of a REPO agreement by one of the parties or by the both parties to the REPO agreement, the obligations under the REPO agreement shall be terminated, if one of the following conditions exists:

1) the purchaser under the REPO agreement has paid monetary assets (has transferred

securities or other property) in the amount (in the quantity) which is equal to the excess of the cost of the securities, other property and monetary assets in respect of which the obligations concerning their transfer have not been discharged by the purchaser under the REPO agreement, as well as the sum of a forfeit , if such forfeit is provided for by the REPO agreement, over the amount of the monetary assets (the cost of securities or other property), in respect of which the obligations concerning their transfer has not been discharged by the seller under the REPO agreement, as well as over the amount of the forfeit, where such forfeit is provided for by the REPO agreement;

2) the seller under the REPO agreement has paid the monetary assets (has transferred securities or other property) in the amount (in the quantity) which is equal to the excess of the amount of monetary assets (of the cost of securities or other property) in respect of which the obligations concerning their transfer have not been discharged by the seller under the REPO agreement, as well as of the sum of a forfeit, if such forfeit is provided for by the REPO agreement, over the cost of the securities, other property and monetary assets in respect of which the obligations concerning the transfer thereof have not been discharged by the purchaser under the REPO agreement, as well as over the amount of the forfeit where such forfeit is provided for by the REPO agreement;

3) the cost of the securities, other property and monetary assets in respect of which the obligations concerning their transfer have not been discharged by the both parties to the REPO transaction, as well as the sums of forfeits, if such forfeits are provided for by the REPO agreement, are equal. A procedure for estimating the cost of the securities, which is used when terminating obligations of the parties to a REPO agreement in compliance with this item, shall be established by the REPO agreement or other agreement made by the parties thereto.

16.1. A REPO agreement may stipulate that obligations under this agreement shall be terminated, if the cost of the securities transferred under the REPO agreement becomes more (less) that the value established by the REPO agreement or equal thereto. The termination of obligations in the cited case shall be allowed where there is one of the conditions provided for by Subitems 1 - 3 of Item 16 of this article.

17. A REPO agreement may provide for the obligation of the purchaser under the REPO agreement not to make transactions in the securities transferred under the REPO agreement. On such occasion, the cited restriction of the purchaser’s rights under the REPO agreement shall be fixed in the personal account or the depo account under the REPO agreement. A procedure for fixing the restriction of the purchaser’s rights under a DEPO agreement, a procedure for fixing termination of such restriction’s operation and the terms of making operations on the personal account or the depo account of the purchaser under the REPO agreement shall be established by the regulatory legal acts of the federal executive power body responsible for the securities market.

18. A REPO agreement may define the person which on the basis of the agreements made with the parties to the REPO agreement shall estimate the amount of the monetary funds (the number of the securities) which are subject to transfer under the REPO agreement, shall make the claims to the parties which are provided for by the REPO agreement and shall make the actions which are required for making operations on the depo account where the securities are registered, in respect of which the rights of their disposal is restricted in compliance with Item 17 of this article, and shall make other actions required for exercising the rights and discharging the duties by each party to the depo agreement. A clearing organization, broker or depository may act as such person.

19. Where the parties are intended to make more than one REPO agreement, a

procedure for making the cited agreements, as well as individual terms thereof, may be coordinated by the parties by way making by them a general agreement (a single agreement) and/or defined by the rules of trade promoters, the rules of a stock exchange and/or the rules for clearing. The provisions of such general agreement shall apply to the relations between the parties in connection with making and executing (terminating) a REPO agreement, if it is provided for by the REPO agreement.

A REPO agreement, as well as a general agreement (a single agreement), the rules of a trade promoter in the securities market and/or the rules for exercising clearing activity may stipulate that some provisions of such agreement (of the general agreement (the single agreement), the rules of the trade promoter in the securities market, the rules of the stock exchange and the rules for exercising clearing activity) are defined by the model rules of a REPO agreement worked out for the cited agreements by self-regulated organisations in the securities market, published in the press and placed on the Internet.

20. A general agreement (a single agreement), the rules of a trade promoter in the securities market, the rules of a stock exchange and the rules for clearing activity may provide for the following:

1) the terms of and a procedure for paying monetary assets and/or for transfer of securities in compliance with Item 14 of this article. With this, the amount of monetary funds to be paid and/or the number of securities to be transferred may be determined separately for each REPO agreement, for a group of REPO agreements and/or for all REPO agreements made by the parties under the terms which are provided for by such general agreement (single agreement) or such rules;

2) the grounds of and procedure for obligations' termination under a single REPO agreement, or a group of REPO agreements and/or under all REPO agreements made by the parties under the terms and conditions cited in such general agreement (single agreement) or such rules, including by request of either party in case of the other party's failure to discharge or of improper discharge of obligations under a REPO agreement. In so doing, termination of obligations shall be allowed where there is one of the conditions provided for by Subitems 1 - 3 of Item 16 of this article.

21. To a REPO agreement shall apply accordingly the general provisions of the Civil Code of the Russian Federation on purchase and sale, if it is not at variance with the rules of this article and the essence of a REPO agreement. In so doing, the seller under REPO agreement and the purchaser under the REPO agreement shall be recognized as the sellers of the securities which they must transfer in pursuance of the obligations under the first and second parts of the REPO agreement and purchasers of the securities which they must accept and pay for in pursuance of the obligations under the first and second parts of the REPO agreement.

Article 51.4. The Specifics of Making Agreements Which Are Derivative Financial Instruments

1. Making by the participants of trading held on a stock exchange of agreements which are derivative financial instruments shall only be allowed on condition that the other party under such agreements is a clearing organisation.

2. If the parties intend to make more than one agreement which is a derivative financial instrument, a procedure for making such agreements, as well as their individual provisions, may be coordinated by the parties through making by them a general agreement (a single agreement) and/or defined by the specifications and/or the rules of stock exchanges and/or the rules for exercising clearing activity. To the relations of the parties in connection

with making and executing (terminating) of the agreement which is a derivative financial instrument, the provisions of the general agreement shall apply, if it is provided for by the cited agreement.

3. An agreement which is a derivative financial instrument, as well as a general agreement (a single agreement), specification and/or the rules of a stock exchange and/or the rules for making clearing activity may provide that some terms and conditions of such agreement (of a general agreement, specification or the rules of a stock exchange, the rules for making clearing activity) are defined by the model terms developed for the cited agreement by self-regulated organizations in the securities market which published in the press or inserted in the Internet.

4. A general agreement (a single agreement), specification and/or the rules of a stock exchange and/or the rules for making clearing activity may provide for the grounds and procedure for termination of obligations under all the agreements which are derivative financial instruments made by the parties under the terms established by the cited general agreement (the single agreement), specification or the rules, in particular by request of one of the parties in case of failure to discharge or improper discharge by the other party of obligations under the agreement which is a derivative financial instrument. With this, a procedure for estimation of the amount of monetary assets (quantity of other property) which are subject to the transfer by a party (parties) in connection with termination of obligations under the agreements which are derivative financial instruments, as well the time for such transfer, must be established.

5. A contract which a derivative financial instrument may define the person on the basis of the agreements made with the parties to the cited agreement which shall estimate the amount of the monetary assets (the quantity of other property) to be transferred under the agreement which is a derivative financial instrument, shall make to the parties the claims provided for by such agreement, shall make other actions which are necessary for exercising the rights and the discharge of obligations by each of the parties to the cited agreement. A clearing organisation, a credit institution, broker or depository may act as such persons.

6. Making in the trading held by a stock exchange an agreement which is a derivative financial instrument providing for the duty of a party to pay monetary assets depending on the emergence of the circumstances proving a failure to discharge, or improper discharge by one or several legal entities, states or municipal entities of their duties shall be only allowed on condition that the parties to such agreement are trading participants, the person at whose expense such duty is discharged is a classified investor by virtue of federal law or a legal entity recognised as a classified investor, while the person at whose expense the other party acts, - as a legal entity.

The conclusion of the agreements cited in Paragraph One of this item outside a stock exchange trading shall only be allowed on condition that sums of money, depending on the occurrence of a circumstance proving a failure to discharge or improper discharge by one or several legal entities, states or municipal entities of their duties, shall be paid on account of a credit institution, broker or dealer, while the party holding the right to receive such sums of money or the person at whose expense it acts, is a legal entity.

7. The agreements which are derivative financial instruments intended for classified investors may only be made through brokers. The cited rule shall not extend to classified investors by virtue of federal laws, or to the instances established by the federal executive authority responsible for the securities market.

Article 52. The Transitional Provisions in Connection with the Entry of this Federal

Law into Force

The credit organisations shall have the right to engage in professional activity in the securities market on the basis of a licence for banking operations for one year from the entry of this Federal Law into force. The federal executive body shall have the right to prolong the said period for up to two years.

The investment institutions engaged in professional activity on the securities market on the basis of a licence issued before the entry of this Federal Law into force, and also the stock exchange, shall bring their constituent and internal documents into conformity with this Law within one year of the time of its official publication. The federal executive body shall have the right to prolong this period for up to two years.

Article 53. The Procedure for the Enforcement of the Present Federal Law

1. The present Federal Law shall inter into force from the day of its official publication.

2. The President of the Russian Federation shall be offered and the Government of the Russian Federation shall be instructed to bring their normative legal acts into conformity with the present Federal Law.

President of the Russian Federation Boris Yeltsin
The Kremlin, Moscow

FEDERAL LAW
NO. 121-FZ OF JUNE 3, 2009
ON AMENDING CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION IN CONNECTION WITH ADOPTION OF THE FEDERAL LAW ON THE ACTIVITY OF ACCEPTANCE OF NATURAL PERSONS' PAYMENTS EXERCISED BY PAYING AGENTS

Adopted by the State Duma on May 22, 2009
Endorsed by the Federation Council on May 27, 2009

Article 1

The following amendments shall be made in the Federal Law on Banks and Banking Activity (in the wording of Federal Law No. 17-FZ of February 3, 1996) (Vedomosti Syezda Narodnikh Deputatov RSFSR i Verkhovnogo Soveta RSFSR, 1990, No. 27, Article 357; Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 6, Article 492; 2001, No. 33, Article 3424; 2003, No. 27, Article 2700; No. 52, Article 5033; 2004, No. 27, Article 2711; 2005, No. 1, Article 45; 2006, No. 31, Article 3439; 2007, No. 31, Article 4011; No. 41, Article 4845):

1) Article 13.1 shall be stated in the following wording:

"Article 13.1. Performance of Some Banking Transactions by an Organisation Which Is Not a Credit Institution

A credit institution shall be entitled to attract an organization, which is not a credit

institution, and an individual businessman (hereinafter referred to as a bank paying agent) for acceptance from natural persons of monetary assets addressed to state power bodies, local authorities and state-financed institutions subordinate to them within the framework of exercising by them the functions established by the legislation of the Russian Federation, as well as for the discharge of pecuniary obligations of natural persons involving payment for commodities (works or services) or for entry to their bank accounts (hereinafter referred to as the acceptance of natural persons' payments) for making transactions with the use of payments cards, and also for the transfer to the credit institution, when making transactions with the use of payment cards, natural persons' orders to make settlements on their bank accounts and for drawing up the documents proving appropriate transactions which are not connected with the exercise by natural persons of business activity and private practice.

A bank paying agent for acceptance of natural persons' payments shall make with a credit institution a contract of exercising the activity of acceptance of natural persons payments under which the bank paying agent shall be entitled on own behalf thereof or on behalf of the credit institution and at the expense of the credit institution to accept natural persons' payments and shall be obliged to make subsequent settlements with the credit institution under the legislation of the Russian Federation, including the demands to spend the cash money received by the cash-desk of a legal entity or the cask-desk of an individual businessman.

The activities of an organisation which is not a credit institution or of an individual businessman involving the acceptance of natural persons' payments without making a contract of exercising the activity of acceptance of natural persons' payments satisfying the requirements of this article or of the Federal Law on the Activity of Acceptance of Natural Persons Payments by Paying Agents shall be prohibited.

A bank paying agent shall not be entitled to appoint subagents for acceptance of natural persons' payments.

The credit institution that has made with a bank paying agent a contract of exercising the activity of acceptance of natural persons' payments shall be obliged to exercise control over observance by the bank paying agent of the procedure for acceptance of natural persons' payments in compliance with the rules for making settlements in the Russian Federation which are established by the Bank of Russia, of the requirements of this article and of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism.

A bank paying agent's failure to follow the procedure for acceptance of natural persons payments in compliance with the rules for making settlements in the Russian Federation established by the Bank of Russia, the requirements of this article and of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism shall serve as a ground for dissolution by a credit institution of the contract of exercising the activity of acceptance of natural persons' payments.

A credit institution shall be obliged to keep a register of the bank paying agents with which it has made contracts of exercising the activity of acceptance of natural persons' payment citing in respect of each bank paying agent the addresses of places where natural persons' payments are accepted.

A natural person's pecuniary obligation to pay for commodities (works or services) shall be deemed discharged in the amount of the monetary assets entered to a bank paying agent, less the reward fixed in compliance with this article, starting from the time when they are transferred to the bank paying agent.

A bank paying agent when accepting natural persons' payments shall be entitled to collect a payer's reward in the amount to be fixed by the agreement made by the bank paying agent and the payer.

The discharge by a bank paying agent of obligations towards a credit institution when making appropriate settlements shall be secured by a forfeit, pledge, enforcement of a lien, suretyship, bank guarantee, advance money, insurance of civil liability for failure to discharge the duty of making settlements with the credit institution or in the other ways provided for by a contract of exercising the activity of acceptance of natural persons payments.

A bank paying agent when accepting natural persons payments shall be obliged:

1) to have the contract of exercising the activity of acceptance of natural persons payments provided for by this article;

2) to observe the procedure for acceptance of natural persons' payments in compliance with the rules for making settlements in the Russian Federation established by the Bank of Russia;

3) to use a separate bank account (accounts) for making settlements involving the acceptance of payments;

4) to deliver to the credit institution the cash money received from payers when accepting payments for their entry in full to a separate bank account (accounts) thereof.

A bank paying agent when accepting natural person's payments shall be obliged to use cash registers with a fiscal memory and a control tape, as well as to satisfy the requirements of the legislation of the Russian Federation on the use of cash registers in making settlements in cash money.

A bank paying agent when accepting natural persons payments shall be obliged to ensure the provision to payers at each place of payments' acceptance the following information:

1) addresses of payments' acceptance places;

2) denomination and location of the credit institution with which the bank paying agent has made the contract of exercising the activity of acceptance of natural persons' payments and its taxpayer's identification number;

3) number of the licence for making bank operations held by the credit institution with which the bank paying agent has made the contract of exercising the activity of acceptance of natural persons' payments;

4) requisite elements of the contract of exercising the activity of acceptance of natural persons' payments made by the bank paying agent and the credit institution;

5) rate of the reward to be paid by a natural person, if a reward is collected, as well as kinds and rates of other expenses of a natural person connected with acceptance of natural persons' payments;

6) contact telephone numbers of the bank paying agent and of the credit institution, as well as information about the ways of forwarding claims;

7) contact telephone numbers of the Bank of Russia, federal executive power bodies authorised by the Government of the Russian Federation to exercise the state control (supervision) over acceptance of natural persons' payments.

The acceptance of natural persons' payments by a bank paying agent shall be proved by issuance of a cashier's check which proves making the appropriate payment.

The cashier's check to be issued by a bank paying agent to a natural person which proves acceptance and making of the appropriate payment shall satisfy the requirements of the legislation of the Russian Federation on the use of control registration machinery when making monetary settlements in cash, as well as shall contain the following obligatory requisite elements:

1) document's denomination - cashier's check;

2) total amount of accepted monetary assets;

3) denomination of payment;

4) rate of the reward to be paid by a natural person, if it is collected, as well as kinds and rates of other expenses of a natural person connected with making appropriate payments;

5) date and time of acceptance of monetary assets, number of the cashier's check and of the cash register;

6) address of the place where monetary assets are accepted;

7) denomination and location of the bank paying agent which has accepted monetary assets and taxpayer's identification number thereof;

8) contact telephone numbers of the bank paying agent and of the credit institution with which the bank paying agent has made a contract of exercising the activity of acceptance of natural persons' payments.

All the requisite elements typed on a cashier's check shall be clear and easily readable within at least six months.

The cashier's check issued by a bank paying agent to a natural person which proves making the appropriate payment may likewise contain other requisite elements, if it is provided for by a contract of exercising the activity of acceptance of natural persons' payments.

A bank paying agent when accepting natural persons' payments shall be entitled to use payment terminals or automated teller machines.

Payment terminals or automated teller machines used by a bank paying agent when accepting natural persons' payments shall contain within them control registration machinery and shall ensure in the automated mode the following:

1) supply to natural persons the information provided for by this article;

2) acceptance from natural persons of information about the denomination of the payment's recipient, payment's denomination, amount of monetary assets entered to the bank paying agent, as well as of other information where it is provided for by a contract of exercising the activity of acceptance of natural persons' payments;

3) acceptance of the monetary assets entered by natural persons;

4) printing of cashier's checks and issuance thereof to natural persons after the acceptance of entered monetary assets.

The automated teller machines used by a bank paying agent when accepting natural persons' payments shall accept in the automated mode from natural persons monetary assets for entry thereof onto their bank accounts, transfer to the credit institution natural persons' orders to make settlements on their bank accounts, as well as draw up the documents proving appropriate operations.

Payment terminals or automated teller machines used by a bank paying agent when accepting natural persons' payments may likewise ensure in the automated mode the supply of other information and exercise of other functions, if not otherwise established by the legislation of the Russian Federation.

The payment terminals or automated teller machines used by a bank paying agent shall have within the composition thereof control registration machinery, as well as shall ensure printing on a cashier's check of its number and requisite elements provided for by this article in an uncorrectable form so that the information registered on the cashier's check, control tape and in the fiscal memory of cashier's registers was identical.

The control registration machinery forming part of payment terminals and automated teller machines which are used by a bank paying agent shall satisfy the requirements of the legislation of the Russian Federation on the use of control registration machinery in making monetary settlements in cash.

Should the address of the location of a payment terminal or of an automated teller machine be changed, a bank paying agent shall be obliged on the date of such change to

forward the appropriate notice to a tax authority citing the new address of the location of the control registration machinery forming part of the payment terminal or automated teller machine.

It shall not be allowed to use devices, other than payment terminals and automated teller machines, for acceptance of natural persons' payments without participation of an authorised person of a bank paying agent.

A bank paying agent shall identify, where it is so established, the natural person making payments in compliance with the requirements of the legislation on opposition to legalization (laundering) of incomes derived in a criminal way and to financing of terrorism.

The Government of the Russian Federation shall be entitled to establish a list of commodities, works and services in respect of which a bank paying agent has not rights to accept natural persons' payments.";

2) Part Thirteen with the following content shall be added to Article 26:

"Bank paying agents shall guarantee the secrecy of operations made on accounts and the secrecy of accounts of natural persons whose payments are accepted by them in compliance with Article 13.1 of this Federal Law.".

Article 2

Part Four of Article 37 of Law of the Russian Federation No. 2300-1 of February 7, 1992 on the Protection of the Consumers' Rights (in the wording of Federal Law No. 2-FZ of January 9, 1996) (Vedomosti Syezda Narodnikh Deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta RSFSR, 1992, No. 15, Article 766; Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 3, Article 140; 1999, No. 51, Article 6287; 2004, No. 52, Article 5275; 2006, No. 31, Article 3439) shall be stated in the following wording:

"If the cash form of settlements is used, commodities (works or services) shall be paid by a consumer in conformity with instructions of the seller (executor) by way of an entry of money cash to the seller (executor), or to the credit institution, or to a paying agent exercising the activity of acceptance of natural persons' payments, or to a bank paying agent exercising the activities under the legislation on banks and banking activity, if not otherwise established by federal laws and other regulatory legal acts of the Russian Federation. In so doing, a consumer's obligations towards the seller (executor) as to payment for commodities (works or services) shall be deemed discharged in the amount of entered monetary assets from the time of entering cash money accordingly to the seller (executor), to the credit institution, or to the payment agent exercising the activity of acceptance of natural persons' payments, or to the bank paying agent exercising the activities in compliance with the legislation on banks and banking activity.".

Article 3

The following amendments shall be made in Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Illegal Earnings (Money Laundering) and Financing of Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 33, Article 3418; 2002, No. 30, Article 3029; No. 44, Article 4296; 2004, No. 31, Article 3224; 2006, No. 31, Article 3446, 3452; 2007, No. 16, Article 1831; No. 31, Article 3993, 4011; No. 49, Article 6036):

1) Paragraph Eleven of Article 5 shall be stated in the following wording:

"operators engaged in payments' acceptance;";

2) in Article 7:

a) Item 1.1 shall be stated in the following wording:

"1.1. The identification of a client which is a natural person and the ascertainment and identification of the beneficiary shall not be effected when the organisations handling

operations in cash or any other assets make operations involving the acceptance from clients which are natural persons of payments, if their amount does not exceed 15 000 roubles or the sum in foreign currency which is equivalent to 15 000 roubles (except when employees of the organization handling operations in cash or other property suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way or of financing terrorism).";

b) Item 1.3 shall be declared invalidated;

c) Item 3.1 shall be declared invalidated;

3) Items 7.2 and 7.3 with the following content shall be added to Chapter II:

"Article 7.2. The Rights and Duties of Credit Institutions and Federal Postal Communication Organisations When Making Settlements on a Cashless Basis and Transferring Monetary Assets

1. The credit institution where a payer's bank account is opened when making settlements on a cashless basis on the payer's instructions at every stage thereof shall be obliged to ensure the exercise of control over availability, completeness, transfer within the settlement documents or in some other way and correspondence to the data available to the credit institution, as well as custody in compliance with Item 4 of Article 7 of this Federal Law, of the following information:

1) about a payer which is a natural person, individual businessman or a natural person engaged in private practice in the procedure established by the legislation of the Russian Federation: full name (if not otherwise results from a law or national tradition), bank account number, taxpayer's identification number (if any) or address of residence (registration), or place of stay;

2) about a payer which is a legal entity: denomination, bank account number, taxpayer's identification number or code of a foreign organization.

2. If in a settlement or other document containing a payer's order there is no information cited in Item 1 of this article or it is not received in some other way, the credit institution where the payer's bank account is opened shall be obliged to refuse to follow the payer's instructions, except as provided for by Item 3 of this article.

3. When making operations in monetary assets, in particular with the use program-technical facilities, credit institutions shall be entitled for the purpose of satisfying the requirements established by this article to fill in payers' settlement documents independently using the information received from payers, in particular in the course of identification procedure.

4. The correspondent bank participating in settlements on a cashless basis shall be obliged to ensure inalterability of the information contained in a received settlement document and its custody in compliance with Item 4 of Article 7 of this Federal Law.

5. The credit institution where the bank account of the monetary assets' recipient is opened shall be obliged to have procedures which are required for detecting incoming settlements documents without the information cited in Item 1 of this article.

6. If an incoming settlement document does not contain the information cited in Item 1 of this article and if employees of the credit institution where the recipient's bank account is opened suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way and of financing terrorism, such credit institution shall be obliged at latest on the working day following the date when the given operation is recognized as suspicious to forward to the authorised body data on this operation in compliance with this Federal Law.

7. A credit institution providing services to a payer, when transferring monetary assets on the instructions of natural persons without opening bank accounts, and a federal postal

communication organization, when effecting transfers of monetary assets by mail, at every stage thereof shall be obliged to ensure the exercise of control over the availability, completeness, transfer within the settlement documents, by mail or in some other way and correspondence to the data available to the credit institution or to the federal postal communication organisation, as well as custody in compliance with Item 4 of Article 7 of this Federal Law, of the following information:

1) about a payer which is a natural person, individual businessman or a natural person engaged in private practice in the procedure established by the legislation of the Russian Federation: full name (if not otherwise results from a law or national tradition), unique operation number assigned (if any), taxpayer's identification number (if any) or address of residence (registration) or place of stay;

2) about a payer which is a legal entity: denomination, unique operation number (code, password) assigned, taxpayer's identification number or code of a foreign organization.

8. If in a settlement or other document, or in a postal communication containing a payer's order there is no information cited in Item 7 of this article or it is not received in some other way, a credit institution or a federal postal communication organization rendering services to the payer shall be obliged to refuse to follow the payer's instructions.

9. A credit institution which participates in transferring monetary assets on natural persons instructions without opening bank accounts or a federal postal communication organization participating in postal transfer of monetary assets shall be obliged to ensure inalterability of the information contained in a received settlement document or postal communication and its custody in compliance with Item 4 of Article 7 of this Federal Law.

10. A credit institution providing services to the recipient of monetary assets transferred for the benefit thereof without opening a bank account or a federal postal communication organisation providing services to the recipient of monetary assets transferred by mail shall be obliged to have procedures which are required for detecting incoming settlements documents or postal sendings without the information cited in Item 7 of this article.

11. If an incoming settlement document, or other document, or a postal communication does not contain the information cited in Item 7 of this article and if employees of the credit institution or the federal postal communication organization suspect that a given operation is made for the purpose of legalization (laundering) of incomes derived in a criminal way and of financing terrorism, such credit institution or the federal postal communication organization shall be obliged at latest on the working day following the date when such operation is recognized as suspicious to forward to the authorised body data on this operation in compliance with this Federal Law.

12. The requirements of this article shall not extend to the following:

1) settlements on a cashless basis made by a credit institution on bank accounts at most to the amount of 15 000 roubles or to the amount in foreign currency which is equivalent to 15 000 roubles;

2) settlements on a cashless basis on bank accounts opened with the same credit institution;

3) settlements on a cashless basis made with the use of payment cards;

4) settlements on a cashless basis made between credit institutions or between a credit institution and a foreign bank on their own behalf and at their own expense;

5) monetary assets' transfers on the instructions of natural persons without opening bank accounts effected by credit institutions at most to the amount of 15 000 roubles or to the amount in foreign currency which is equivalent to 15 000 roubles.

Article 7.3. The Duties of Organisations Engaged in Operations with Monetary Assets or Other Property When Accepting for Servicing and Servicing Foreign Public Officials

1. Organisations engaged in operations with monetary assets and other property, in addition to the measures provided for by Item 1 of Article 7 of this Federal Law, shall be obliged to do the following:

1) to take measures which are reasonable and possible under the circumstances for detecting foreign public officials among the natural persons which are being serviced or are being accepted for servicing;

2) to accept for servicing foreign public officials solely on the basis of a decision in writing of the head of the organization engaged in operations with monetary assets or other property or of the deputy thereof, as well as of the head of the organisation's isolated unit engaged in operations with securities or other property to whom the head of the said organization or the deputy thereof has delegated the appropriate authority;

3) to take measures which are reasonable and possible under the circumstances for identifying the sources of origin of monetary assets or other property of foreign public officials;

4) to update on a regular basis the information available to the organisation engaged in operations with monetary assets or other property about the foreign public officials which are serviced by them;

5) to pay special attention to operations in monetary assets or other property made by the foreign public officials serviced by the organisation engaged in operations in monetary assets or other property, by their spouses, close relatives (relatives of the ascending and descending lines (parents and children, grandfather, grandmother and grandchildren), full-blood and half-blood (having the common father or mother) brothers and sisters, adoptive parents and adopted children) or on behalf of the said persons, if they are serviced by the credit institution.

2. The requirements established by Item 1 of this article shall not be applied by credit institutions when making operations at most to the amount of 15 000 roubles or to the amount in foreign currency equivalent to 15 000 roubles which are connected with purchase or sale of foreign currency in cash by natural persons or with transfers of monetary assets on the instructions of natural persons without opening a bank account, except when employees of the organisation engaged in operations with monetary assets or other property suspect that the given operations are made for the purpose of legalization (laundering) of incomes derived in a criminal way or of financing terrorism.".

Article 4

The following amendments shall be made in Federal Law No. 54-FZ of May 22, 2003 on the Application of Cash Registration Machinery in Settlement of Accounts in Cash and/or by Means of Payment Cards (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2003, No. 21, Article 1957):

1) paragraphs with the following content shall be added to Article 1:

"payment terminal meaning a device for making monetary settlements in cash in an automated mode (without participation of an authorized representative of an organisation or an individual businessman engaged in making settlements in cash);

automated teller machine meaning a device for making in an automated mode (without participation of an authorised person of a credit institution or a bank payment agent exercising the activities under the legislation on banks and banking activity) monetary settlements in cash and or settlements with the use of payment cards, transfer of orders of the credit institution to make settlements on the instructions of natural persons on their bank

accounts, as well as for drawing up documents proving the transfer of appropriate orders.";

2) Item 4 with the following content shall be added to Article 2:

"4. The provisions of Items 2, 2.1 and 3 of this article shall not extend to payment agents exercising the activity of acceptance of natural persons' payments, as well as to credit institutions and bank payment agents exercising the activities under the legislation of banks and banking activity.";

3) in Article 4:

a) in Paragraph Two of Item 1 after the words "cash registration machinery" shall be added the words "(except for cash registration machinery within payment terminals used by paying agents and bank paying agencies and automated teller machines used by bank paying agencies)";

b) Item 1.1 with the following content shall be added hereto:

"1.1. The cash registration machinery within a payment terminal used by a paying agent and a bank paying agent and an automated teller machine used by bank payment agents:

shall be registered with the tax authority at the place of a taxpayer's registration citing the place where it is installed within a payment terminal or automated teller machine;

shall be properly operating and sealed in the established procedure;

shall have a fiscal memory with fiscal memory storage devices, control tape and real time clock;

shall ensure non-correctable registration and non-volatile long-term storage of information about payments registered by the control tape and in fiscal memory storage devices, as well as shall provide information for printing a cashier's check by a payment terminal or an automated teller machine in an uncorrectable form;

shall operate in the fiscal mode and shall exclude the possibility of printing a cashier's check by a payment terminal or an automated teller machine in other modes;

shall transfer in the fiscal mode to a payment terminal or automated teller machine registered information about payments in an uncorrectable form ensuring the identity of the information registered on a cashier's check, control tape, in the fiscal memory and in basic accounting documents of the organisation or individual businessman using the payment terminal or automated teller machine;

shall have the certificate of the established type.";

4) in Article 5:

a) in Paragraph One the word "The organisations" shall be replaced by the words "1. The organisations", after the words "cash registration machinery" shall be added the words "(except for the control registration machinery within a payment terminal used by paying agents and bank paying agents and for automated teller machines used by bank paying agents)";

b) Item 2 with the following content shall be added hereto:

"2. Organisations (except for credit institutions) and individual businessmen using a payment terminal or an automated teller machine shall be obliged:

to use control registration machinery within the payment terminal and/or the automated teller machine;

to register the control registration machinery being used with the tax authorities at the place of an organisation's registration as a taxpayer;

to present when registering, repeatedly registering and striking off records control registration machinery and replacing fiscal memory storage devices at tax agencies the certificate of the control registration machinery and information registered in the fiscal memory of the control registration machinery;

to use properly functioning cash registration machinery which ensure registration of settlement operations on the control tape and in the fiscal memory;

to operate control registration machinery in the fiscal mode;

to issue to clients when making settlements in cash a cashier's check printed by the payment terminal or the automated teller machine;

to ensure keeping and storage of the documentation connected with acquisition, registration, repeated registration and striking off records at a tax agency, putting into operation, checking the intactness, repair, maintenance, replacement of hard-software, withdrawal from operation of control registration machinery, process of registration by control registration machinery of information on payments, as well as to provide for tax officials making inspections in compliance with Item 1 of Article 7 of this Federal Law free access to appropriate control registration machinery and documentation;

to supply to tax authorities in response to inquiries thereof information in the procedure provided for by federal laws.";

5) in Article 6:

a) in Paragraph One the word "Credit" shall be replaced by the words "1. Credit";

b) Item 2 with the following content shall be added hereto:

"2. A credit institution using payment terminals and automated teller machines, accepting payments in cash, which are fixed assets of this credit institution possessed solely by it shall be obliged:

to keep on a daily basis accounts with respect to each payment terminal and automated teller machine which accept payments in cash;

to use intact payment terminals and automated teller machines accepting payments in cash and ensuring proper registration of monetary assets when making settlements, as well as to show operations in the accounts of this credit institution in compliance with regulatory acts of the Bank of Russia.

If a credit institution uses a payment terminal or automated teller machine, accepting payment assets in cash, which are not fixed assets of this organisation and which are not solely possessed by it or which by virtue of the specifics of their design or peculiarities of their location do not enable it to discharge the duties provided for by this article, such payment terminal or automated teller machine shall be equipped with intact control registration machinery registered with tax authorities, sealed in the established procedure, operated in the fiscal mode and ensuring registration of settlement operations on a cashier's check, control tape and in the fiscal memory.".

Article 5

Part 15 with the following content shall be added to Article 155 of the Housing Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2995, No. 1, Article 14; 2008, No. 30, Article 3616):

"15. The lender of dwelling premises, managing organization or individual businessman to which payments are made for the dwelling premises and public utilities under this Code, as well as a representative thereof, shall be entitled to make settlements with tenants of dwelling premises pertaining to the state and municipal housing stock and with owners of dwelling premises, as well as to collect payment for the dwelling premises and public utilities with the participation of paying agents engaged in the activity of acceptance of natural persons' payments, as well as of bank paying agents exercising the activities under the legislation on banks and banking activity.".

Article 6

Item 2 of Article 1 of Federal Law No. 275-FZ of November 28, 2007 on the

Introduction of Amendments to Articles 5 and 7 of the Federal Law on Counteraction Against the Legalisation (Laundering) of Incomes Received by Crime, and Against Financing of Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2007, No. 49, Article 6036) shall be declared invalidated.

Article 7

The following amendments shall be made in the Code of Administrative Offences of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2002, No. 1, Article 1; No.18, Article 1721; 2003, No. 27, Article 2700, 2717; No. 46, Article 4440; No. 50. Article 4847; 2004, No. 31, Article 3229; 2005, No. 13, Article 1077; No. 30, Article 3131; No. 50, Article 5247; 2006, No. 31, Article 3420; 2007, No. 26, Article 3089; No. 30, Article 3755; No. 31, Article 4007; No. 41, Article 4845; 2008, No. 52, Article 6227):

1) Article 14.5 shall be stated in the following wording:

"Article 14.5. Selling Commodities, Carrying Out Works or Rendering Services in the Absence of Established Information or Failure to Use Control Registration Machinery Where It Is Provided for by Federal Laws

1. Selling commodities, carrying out works or rendering services by an organization, as well as by a citizen registered as an individual businessman, in the absence of the established information on the manufacturer (executor or seller) or of other information to be presented without fail under the legislation of the Russian Federation -

shall entail the imposition of an administrative fine on citizens in the amount of one thousand five hundred to two thousand roubles, on officials in the amount of three thousand to four thousand roubles and on legal entities in the amount of thirty thousand to forty thousand roubles.

2. The failure to use, in the instances established by federal laws, of cash registers, or the use of cash registers not meeting the established requirements, or the use of cash registers with a violation of the procedure and conditions for their registration and use established by the legislation of the Russian Federation, as well as a refusal of issuing, at the request of a buyer (customer) in the instance stipulated by a federal law, of a document (cash-memo, receipt or another document confirming the acceptance of monetary means for the respective commodity (or work, service),-

shall entail the imposition of an administrative fine on citizens in the amount of one thousand five hundred to two thousand roubles, on officials in the amount of three thousand to four thousand roubles and on legal entities in the amount of thirty thousand to forty thousand roubles.";

2) in Article 23.3:

a) in Part 1 the words "14.26, 14.5, Parts 3 and 4 of Article 14.16, by Articles" shall be replaced by the words "Parts 3 and 4 of Article 14.16, Articles 14.26,";

b) in Item 1 of Part 2 the words "14.26, 14.5, Parts 3 and 4 of Article 14.16, by Articles" shall be replaced by the words "Parts 3 and 4 of Article 14.16, Articles 14.26,";

3) in Part 1 of Article 23.5 the words "provided for by Article 14.5 (insofar as it concerns sale of commodities, carrying out of works and rendering of services without the use of cash registers)" shall be replaced by the words "provided for by Part 2 of Article 14.5";

4) in Part 1 of Article 23.49 the figures "from 14.4 to 14.8," shall be replaced by the words "14.4, Part 1 of Article 14.5, Articles 14.6-14.8.";

5) Part 3 of Article 32.2 shall be stated in the following wording:

"3. The amount of an administrative fine shall be brought in or transferred by the person, who has been made administratively responsible, to a bank or to other credit

organisation, or to a paying agent engaged in the activity of acceptance of natural persons' payments, or to a bank paying agent exercising the activities under the legislation on banks and banking activity, except as provided for by Part 1 of Article 32.3 of this Code.".

Article 8

1. This Federal Law shall enter into force from January 1, 2010, except for Paragraphs Eighteen, Twenty Seven - Thirty Seven, Forty - Forty Four and Forty Seven - Forty Nine of Item 1 of Article 1 and Article 3 of this Federal Law.

2. Paragraphs Eighteen, Twenty Seven - Thirty Seven, Forty - Forty Four and Forty Seven - Forty Nine of Item 1 of Article 1 of this Federal Law shall enter into force starting from April 1, 2010.

3. Article 3 of this Federal Law shall enter into force upon the expiry of 180 days from the date when this Federal Law is officially published.

4. The cash registration machinery which is included into the State Register of Cash Registration Machinery before the date of this Federal Law's entry into force and which does not satisfy the requirements of Article 13.1 of the Federal Law on Banks and Banking Activity (in the wording of this Federal Law) and the requirements contained in Federal Law No. 54-FZ of May 22, 2003 on the Application of Cash Registration Machinery in Settlement of Accounts in Cash and/or by Means of Payment Cards (in the wording of this Federal Law) may be used by bank payment agents for acceptance of payments made by natural persons (in particular at payment terminals and cash dispensers) pending January 1, 2014, provided that it is registered by a bank payment agent with tax authorities before January 1, 2011.

5. The cash registration machinery which is included into the State Register of Cash Registration Machinery after the date of this Federal Law's entry into force may only be used for acceptance of payments from natural persons by bank payments agents (in particular at payement terminals and cash dispensers), if it satisfies the requirements of Article 13.1 of the Federal Law on Banks and Banking Activity (in the wording of this Federal Law) and the requirements contained in Federal Law No. 54-FZ of May 22, 2003 on the Application of Cash Registration Machinery in Settlement of Accounts in Cash and/or by Means of Payment Cards (in the wording of this Federal Law).

6. After April 1, 2010 it shall not be allowed for bank payment agents to accept payments from natural persons without using the cash registration machinery cited in Parts 4 or 5 of this article.

7. The cash registration machinery which is included into the State Register of Cash Registration Machinery before the date of this Federal Law's entry into force and which does not satisfy the requirements contained in Federal Law No. 54-FZ of May 22, 2003 on the Application of Cash Registration Machinery in Settlement of Accounts in Cash and/or by Means of Payment Cards (in the wording of this Federal Law) may be used for acceptance of payments pending January 1, 2014, if it is registered by a payment agent with tax authorities before January 1, 2011.

8. The cash registration machinery included into the State Register of Cash Registration Machinery after the date when this Federal Law enters into force may be only used for acceptance of payments (in particular at payment terminals), if it satisfies the requirements contained in Federal Law No. 54-FZ of May 22, 2003 on the Application of Cash Registration Machinery in Settlement of Accounts in Cash and/or by Means of Payment Cards (in the wording of this Federal Law).

9. After April 1, 2010 it shall not be allowed to accept payments without using the cash registration machinery cited in Parts 7 and 8 of this article.

President of the Russian Federation D. Medvedev

The Kremlin, Moscow
June 3, 2009
No. 121-FZ

FEDERAL LAW
NO. 281-FZ OF DECEMBER 30, 2006
ON SPECIAL ECONOMIC MEASURES

Adopted by the State Duma on December 22, 2006
Approved by the Federation Council on December 27, 2006

Article 1. Legal Foundation for Taking Special Economic Measures

1. The legal foundation for applying special economic measures is made up of the Constitution of the Russian Federation, the generally accepted principles and norms of international law, international treaties of the Russian Federation, the present Federal Law, normative legal acts of the President of the Russian Federation, normative legal acts of the Government of the Russian Federation, and also the normative legal acts of federal executive governmental bodies adopted pursuant thereto.

2. Special economic measures shall be applicable when an entirety of circumstances emerge which require an expedient response to an international unlawful act or unfriendly action of a foreign state or its bodies and officials as posing a threat to the interests and security of the Russian Federation and/or violating the rights and freedoms of its citizens, and also in accordance with resolutions of the Security Council of the United Nations Organization.

Article 2. The Goals and Principles of Taking of Special Economic Measures

1. The goals of taking special economic measures are as follows: ensuring the interests and security of the Russian Federation and/or eliminating or minimizing a threat of violating the rights and freedoms of its citizens.

2. Special economic measures shall be taken on the basis of the following principles:

1) respect for law;

2) the transparency of taking the special economic measures;

3) the existence of a good reason for, and the objectiveness of, taking the special economic measures.

Article 3. Special Economic Measures

1. Special economic measures shall be of a temporary nature and they shall be applicable independently of other measures aimed at protecting the interests of the Russian Federation, safeguarding the security of the Russian Federation as well as the rights and freedoms of its citizens.

2. Special economic measures shall be as follows: a ban on committing actions in respect of a foreign state and/or foreign organisations and the citizens as well as the stateless persons who permanently reside on the territory of a foreign state and/or the vesting of the duty to commit the said actions, and other restrictions. Such measures may be aimed at:

1) suspending the implementation of all or part of programmes in the area of economic and technical assistance, and also programmes in the area of military-technical

cooperation;

2) prohibiting financial transactions or establishing restrictions on the carrying out thereof;

3) prohibiting foreign economic transactions or establishing restrictions on the carrying out thereof;

4) terminating or suspending international trade treaties and other international treaties of the Russian Federation in the area of foreign economic relations;

5) changing export and/or import customs duties;

6) prohibiting or imposing restrictions on calls at ports of the Russian Federation for vessels and the use of air space of the Russian Federation or some areas thereof;

7) establishing restrictions on tourist activity;

8) prohibiting participation in, or refusing to take part in, international scientific and science & technology programmes and projects, scientific and science & technology programmes and projects of a foreign state.

3. The taking of special economic measures shall be binding on governmental bodies, local self-government bodies, and also for the organisations and natural persons which are under the jurisdiction of the Russian Federation.

4. The liabilities of officials for improper execution of their duties relating to the implementation of special economic measures shall be defined by federal laws.

5. Special economic measures shall not have a more restrictive nature than required to eliminate the circumstances serving as the ground for the taking thereof.

Article 4. Taking Special Economic Measures

1. A decision on taking special economic measures in respect of a specific foreign state and/or specific foreign organisations and the citizens as well as the stateless persons who permanently reside on the territory of a foreign state and on the term of applicability of the special economic measures shall be taken by the President of the Russian Federation on the basis of proposals of the Security Council of the Russian Federation as involving an immediate notification of the Federal Council of the Federal Assembly of the Russian Federation and the State Duma of the Federal Assembly of the Russian Federation of such decision.

2. Proposals for the taking of special economic measures may be also laid before the President of the Russian Federation by the Federation Council of the Federal Assembly of the Russian Federation, the State Duma of the Federal Assembly of the Russian Federation or the Government of the Russian Federation.

3. On the basis of a decision of the President of the Russian Federation in keeping with the present Federal Law the Government of the Russian Federation shall establish a list of the specific actions whose committing is subject to a ban and/or which must be committed, and of other restrictions. If the implementation of special economic measures requires a decision of the Central Bank of the Russian Federation then a ban on the committing of, and/or the duty to commit, the actions and other restrictions shall be established by the Central Bank of the Russian Federation in cooperation with the Government of the Russian Federation.

4. Federal executive governmental bodies, the Central Bank of the Russian Federation and executive governmental bodies of subjects of the Russian Federation shall arrange for the implementation of special economic measures within the scope of their powers and in keeping with the legislation of the Russian Federation.

Article 5. The Term of Applicability of Special Economic Measures

1. The term of applicability of special economic measures shall be established by the

President of the Russian Federation.

2. The President of the Russian Federation shall take a decision on revoking special economic measures if the circumstances that served as the ground for the taking thereof have been eliminated. If the circumstances that served as the ground for taking the special economic measures had been eliminated before the expiry of the term established in accordance with Part 1 of the present article such decision shall be taken before due time, and if they have not been eliminated the term shall be extended.

3. A proposal for revoking special economic measures may be laid before the President of the Russian Federation by the Federation Council of the Federal Assembly of the Russian Federation, the State Duma of the Federal Assembly of the Russian Federation or the Government of the Russian Federation.

Article 6. Ensuring the Implementation of the Principles of Taking Special Economic Measures

For the purpose of ensuring the implementation of the principles of taking special economic measures established by Part 2 of Article 2 of the present Federal Law:

1) decisions on taking special economic measures, the term of applicability thereof, list of the specific actions whose committing is subject to a ban and/or which must be committed, and other restrictions, extension of applicability term and revoking them shall be immediately promulgated;

2) the President of the Russian Federation shall inform the Federation Council of the Federal Assembly of the Russian Federation and the State Duma of the Federal Assembly of the Russian Federation about the progress of implementation of special economic measures at least once every six months;

3) the Federation Council of the Federal Assembly of the Russian Federation and the State Duma of the Federal Assembly of the Russian Federation shall discuss information on the progress of implementation of special economic measures as new information becomes available and they shall lay their proposals before the President of the Russian Federation for enhancing the effectiveness of such measures, and also they may propose for them to be revoked and/or modified.

Article 7. The Entry into Force of the Present Federal Law

The present Federal Law shall enter into force as of the date of its official publication.

President
of the Russian Federation V. Putin
The Kremlin, Moscow

FEDERAL LAW
NO. 64-FZ OF APRIL 22, 2010
ON THE INTRODUCTION OF AMENDMENTS INTO ARTICLE 6 OF THE FEDERAL LAW ON THE STATE REGULATION OF ACTIVITY FOR ORGANISING AND CONDUCTING GAMES OF CHANCE AND ON THE INTRODUCTION OF AMENDMENTS INTO CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Passed by the State Duma on April 7, 2010
Approved by the Federation Council on April 14, 2010

Article 1

To introduce into Article 6 of Federal Law No. 244-FZ of December 29, 2006 on the State Regulation of Activity for Organising and Conducting Games of Chance and on the Introduction of Amendments into Certain Legislative Acts of the Russian Federation (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 1, 2007, Item 7), the following amendments:

1) the second part shall be extended by the words, ", as well as the persons with the previous unlifted or unserved criminal record for crimes in the area of economy, or for the premeditated crimes of medium gravity, or for grave crimes, or for particularly grave crimes";

2) in Item 2 of the sixth part, the words, "100 million roubles", shall be replaced by the words, "one billion roubles";

3) the eighth part shall be recognised as invalidated;

4) the 9^{th}-15^{th} parts of the following content shall be added:

"9. The minimum size of the authorised capital of a games of chance organiser at a bookmaker's office or at a totalisator shall be established in the amount of 100 million roubles. In remuneration for such authorised capital, only monetary funds may be entered. For the formation of such authorised capital cannot be used borrowed monetary funds. The procedure for the confirmation of the sources of origin of the monetary funds, entered in remuneration for such authorised capital, shall be established by the Government of the Russian Federation.

"10. To protect the rights and lawful interests of the participants in the games of chance, the performance of an activity involved in organising and conducting games of chance at a bookmaker's office or at a totalisator is allowed only if the games of chance organiser at the bookmaker's office or at the totalisator has a bank's guarantee for the fulfilment of the liabilities to the participants in the games of chance, the term of validity of which is equal to the term of validity of the licence, possessed by the games of chance organiser at the bookmaker's office or at the totalisator, for the performance of the said activity. To come out as a guarantor, who has granted a bank guarantee, may be only the bank, possessing a licence of the Bank of Russia for the performance of banking transactions. The given bank guarantee cannot be recalled. The size of this bank guarantee shall be defined in the relevant contract and cannot be less than 500 million roubles.

"11. The game of chance organiser is obliged to annually submit to the federal executive power body, authorised by the Government of the Russian Federation, information on the persons, who possess voting shares or a partner share in the authorised capital of the game of chance organiser in an amount of at least ten percent and who may correspondingly exert, directly and (or) indirectly, an essential impact upon the resolution of issues, referred to the competence of a general meeting of the founders (partners) of this games of chance organiser, as well as the documents, confirming this information. The composition and procedure for submitting this information and these documents shall be established by the Government of the Russian Federation.

"12. The accountancy (financial) reports of the games of chance organiser shall be subject to an annual audit.

"13. The information and documents, mentioned in the eleventh part of the present Article, and the auditor's conclusion on the results of an annual audit are obligatory enclosures to the accountancy (financial) reports of the games of chance organiser.

"14. An audit of the authenticity of information, the presentation of which is stipulated in the third, the ninth and the eleventh parts of the present Article, shall be conducted by the executive power body, authorised by the Government of the Russian Federation. The games of chance organiser is to be held responsible for the fullness and authenticity of the said information in conformity with the legislation of the Russian Federation.

"15. The Government of the Russian Federation may establish additional demands on the games of chance organisers, as well as on the reports of the games of chance organisers, on their composition and presentation procedure.".

Article 2

1. The present Federal Law shall come into force as from the day of its official publication.

2. From the day when this Federal Law entered into force, Item 2 of the sixth part and the ninth and the eleventh parts of Federal Law No. 244-FZ of December 29, 2006 on the State Regulation of Activity for Organising and Conducting Games of Chance and on the Introduction of Amendments into Certain Legislative Acts of the Russian Federation (in the wording of this Federal Law) shall not be applied to the gamble organisers at bookmaker's offices or at totalisators, who have received licences for the performance of an activity involved in organising and conducting gambling games at bookmaker's offices or at totalisators from the day of entry into force of the present Federal Law, until an expiry of such licences' validity.

President of the Russian Federation D. Medvedev

Moscow, the Kremlin,
April 22, 2010
No. 64-FZ

FEDERAL LAW
NO. 244-FZ OF DECEMBER 29, 2006
ON THE STATE REGULATION OF ACTIVITIES ASSOCIATED WITH THE ORGANISATION OF AND CARRYING ON GAMBLING AND ON AMENDING INDIVIDUAL LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Passed by the State Duma on December 20, 2006
Approved by the Federation Council on December 27, 2006

Chapter 1. General Provisions

Article 1. Scope of This Federal Law

1. This Federal Law determines the legal framework of state regulation of activities associated with organisation of and carrying on gambling in the territory of the Russian Federation and imposes restrictions on those activities with a view to protecting the morality, rights and legitimate interests of citizens.

2. This Federal Law shall not apply to activities associated with organisation and conduct of lotteries and operation of Stock Exchanges.

Article 2. Legislation on the State Regulation of Activities Associated with the Organisation of and Carrying on Gambling

The legal regulation of activities associated with the organisation of and carrying on gambling shall be effected in accordance with the Civil Code of the Russian Federation, this Federal Law, other federal laws, laws of the subjects of the Russian Federation and may also be realised by other statutory legal acts that were adopted in keeping with this Federal Law.

Article 3. State Regulation of Activities Associated with Organisation of and Carrying on Gambling

1. The state regulation of activities associated with organisation of and carrying on gambling shall be realised:

1) by establishing a certain procedure for conducting activities associated with the organisation of and carrying on gambling and also by imposing appropriate restrictions upon and binding requirements for organisers of gambling, gambling houses, visitors of gambling houses and gambling zones;

2) by setting aside areas intended for conduct of activities of organisation and carrying on gambling - gambling zones;

3) by issuing authorisation to conduct activities associated with organisation of and carrying on gambling within gambling zones;

4) by issuing licenses to conduct activities associated with organisation of and carrying on gambling at book-maker's offices and totalisers;

5) by detecting, banning and stopping the activity of persons engaged in activities associated with organization of and carrying on gambling in violation of legislation on the state regulation of activities associated with the organisation of and carrying on gambling.

2. The state regulation of activities associated with organisation of and carrying on gambling in accordance with this Federal Law shall be the competence of the Government of the Russian Federation, the federal executive body duly authorised by the Government of the Russian Federation to perform the functions of statutory legal regulation in the sphere of organisation of and carrying on gambling, of other federal executive authorities of the Russian Federation within the limits of their respective competence and also of state power structures of the subjects of the Russian Federation duly authorised to perform the functions of control over gambling zones.

3. The checking of the technical state of gambling facilities shall be effected by the executive power body duly authorised by the Government of the Russian Federation which performs the functions of control and supervision of compliance with the laws on taxes and fees.

Article 4. Basic Notions Used in This Federal Law

For purposes of this Federal Law the use shall be made of the following basic notions:

1) gamble - a risk-based agreement for possible winnings made by two or several parties to that agreement either between themselves or with the organiser of a gamble according to the rules established by the organiser of gambling;

2) wager - a gamble in which the outcome of the risk-based agreement for possible winnings made by two or several parties to the wager either between themselves or with the organiser of the gamble depends on an event the occurrence of which is doubtful;

3) stake - monies to be passed by a gambler over either to the organiser of gambling or to other gambler which serves as a condition for playing the gamble according to the rules

established by the organiser of gambling;

4) winnings - monetary funds or other property, including property-related rights, which shall be paid out or passed over to a gambler upon the occurrence of the result of the gamble as provided under the rules established by the organiser of gambling;

5) organiser of gambling - a legal person engaged in activities associated with the organisation of and carrying on gambling;

6) activities associated with the organisation of and carrying on gambling - activities aimed at making risk-based agreements for possible winnings with gamblers and/or at arrangement of such agreements made between two or several gamblers;

7) gambling zone - a part of the territory of the Russian Federation which is intended for carrying on activities associated with the organisation of and carrying on gambling whose boundaries are set in accordance with this Federal Law;

8) authorisation to engage in activities associated with the organisation of and carrying on gambling within a gambling zone - a document issued in accordance with this Federal Law which authorises the organiser of gambling to conduct activities associated with the organisation of and carrying on gambling within a single gambling zone without limiting the number and type of gambling houses;

9) license to conduct activities associated with the organisation of and carrying on gambling at book-maker's offices and totalisers - a document issued in accordance with this Federal Law which authorises the organiser of gambling to engage in activities associated with organisation of and carrying on gambling at bookmaker's offices and totalisers outside gambling zones, bearing obligatory reference in the attachment thereto as to the number and location of affiliates and other places where activities associated with the organisation of and carrying on gambling at bookmaker's offices and the totalisers are conducted;

10) gambler - an individual taking part in a gamble who makes a risk-based agreement for possible winnings either with the organiser of gambling or with the other participant in the gamble;

11) gambling house - a building, structure, construction (an undivided and separate portion of the building, structure, construction) which is used exclusively for activities associated with the organisation of and carrying on gambling and also with provision of gambling-related services (including an affiliate or other place for conducting activities associated with the organisation of and carrying on gambling and provision of gambling-related services);

12) casino - a gambling house in which activities associated with the organisation of and carrying on gambling is conducted by using gambling tables or both gambling tables and other gambling facilities stipulated under this Federal Law;

13) hall of gambling machines - a gambling house in which activities associated with the organisation of and carrying on gambling are conducted by using gambling machines or both gambling machines and other gambling facilities provided for under this Federal Law, except for gambling tables;

14) book-maker's office - a gambling house or part thereof in which the organiser of gambling makes a wager with participants in the given gamble;

15) totaliser - a gambling house or part thereof in which the organiser of gambling arranges for a wager made between participants in the given gamble;

16) gambling facilities - devices or attachments used in carrying on gambling;

17) gambling table - a gambling facility which represents a place with a single or several fields thereupon by using which the organiser of gambling carries on gambling between gamblers therein or acts as a gambler therein through its employees;

18) gambling machine - a gambling facility (mechanical, electric, electronic or other technical equipment) used to carry on gambling yielding a financial profit which is

determined by chance by a device placed inside the body of that gambling facility, without the organiser of gambling or its employees being involved;

19) book-maker's office cash-desk - a part of a gambling house in which the organiser of gambling makes a wager with participants in that gamble and which houses special equipment making it possible to register stakes, determine the results of a gamble and pay out winnings in cash;

20) totaliser cash-desk - a part of the gambling house in which the organiser of gambling arranges for a wager made between participants in that gamble and which houses special equipment making it possible to register stakes, determine the outcome of a gamble and pay out winnings in cash;

21) gambling house cash-desk - a part of the gambling house in which the organiser of gambling carries out operations with monetary funds and which houses special equipment making it possible to carry out said operations;

22) gamblers' servicing zone - a part of the gambling house which accommodates gambling facilities, gambling house cash-desk, totaliser, book-maker's office and also other equipment used by gamblers;

23) gambling house official zone - a separate part of the gambling house intended for employees of the organiser of gambling which is off limits to gamblers;

24) gambling-related services - hotel services, catering services, show and entertainment-related services.

Article 5. Restrictions on Carrying on Activities Associated with the Organisation of and Carrying on of Gambling

1. Activities associated with the organisation of and carrying on of gambling may be conducted exclusively by organisers of gambling subject to the requirements set under this Federal Law, other federal laws, laws of the subjects of the Russian Federation and other statutory legal acts.

2. Activities associated with the organisation of and carrying on of gambling may be conducted exclusively inside the gambling houses which are in compliance with requirements stipulated under this Federal Law, other federal laws, laws of the subjects of the Russian Federation, other statutory legal acts of the Russian Federation.

3. Activities associated with the organisation of and carrying on of gambling by using information - telecommunications networks, including the Internet, and also means of communication, including mobile communication shall be prohibited.

4. Gambling houses (except for book-maker's offices and totalisers) may be opened exclusively within the gambling zones in the procedure established under this Federal Law.

5. Gambling zones may not be set up on the lands of settlements.

Article 6. Requirements for Organisers of Gambling

1. The organisers of gambling may include exclusively legal entities duly registered in the established procedure in the territory of the Russian Federation.

2. The organisers of gambling may not include legal entities whose founders (participants) are the Russian Federation, the subjects of the Russian Federation or local self-government bodies, as well as the persons with the previous unlifted or unserved criminal record for crimes in the area of economy, or for the premeditated crimes of medium gravity, or for grave crimes, or for particularly grave crimes.

3. The organiser of gambling shall be obligated to furnish the data required for exercise of control over compliance with the requirements of legislation on the state regulation of activities associated with the organisation of and carrying on of gambling. The makeup of and procedure for furnishing those data shall be such as may be prescribed by the

Government of the Russian Federation.

4. The organiser of gambling shall be obligated to provide for the personal security of gamblers, other visitors of a gambling house and employees of the organiser of gambling during their stay in the gambling house.

5. The organiser of gambling shall be obligated to comply with the rules established by the Government of the Russian Federation in accordance with this Federal Law on operations with monetary funds effected in the organisation of and carrying on of gambling.

6. The value of the net assets of the organiser of gambling may not, throughout the period of conducting activities associated with the organisation of and carrying on of gambling, be less than|:

1) 600 million Rubles - in respect of organisers of gambling in casinos and halls of gambling machines;

2) one billion rubles - in respect of organisers of gambling at book-maker's offices and totalisers.

7. For purposes of this Federal Law the procedure for estimating the value of the net assets of organisers of gambling shall be established by the federal executive body duly authorised by the Government of the Russian Federation.

8. Abrogated.

9. The minimum size of the authorised capital of a games of chance organiser at a bookmaker's office or at a totalisator shall be established in the amount of 100 million roubles. In remuneration for such authorised capital, only monetary funds may be entered. For the formation of such authorised capital cannot be used borrowed monetary funds. The procedure for the confirmation of the sources of origin of the monetary funds, entered in remuneration for such authorised capital, shall be established by the Government of the Russian Federation.

10. To protect the rights and lawful interests of the participants in the games of chance, the performance of an activity involved in organising and conducting games of chance at a bookmaker's office or at a totalisator is allowed only if the games of chance organiser at the bookmaker's office or at the totalisator has a bank's guarantee for the fulfilment of the liabilities to the participants in the games of chance, the term of validity of which is equal to the term of validity of the licence, possessed by the games of chance organiser at the bookmaker's office or at the totalisator, for the performance of the said activity. To come out as a guarantor, who has granted a bank guarantee, may be only the bank, possessing a licence of the Bank of Russia for the performance of banking transactions. The given bank guarantee cannot be recalled. The size of this bank guarantee shall be defined in the relevant contract and cannot be less than 500 million roubles.

11. The game of chance organiser is obliged to annually submit to the federal executive power body, authorised by the Government of the Russian Federation, information on the persons, who possess voting shares or a partner share in the authorised capital of the game of chance organiser in an amount of at least ten percent and who may correspondingly exert, directly and (or) indirectly, an essential impact upon the resolution of issues, referred to the competence of a general meeting of the founders (partners) of this games of chance organiser, as well as the documents, confirming this information. The composition and procedure for submitting this information and these documents shall be established by the Government of the Russian Federation.

12. The accountancy (financial) reports of the games of chance organiser shall be subject to an annual audit.

13. The information and documents, mentioned in the eleventh part of the present Article, and the auditor's conclusion on the results of an annual audit are obligatory enclosures to the accountancy (financial) reports of the games of chance organiser.

14. An audit of the authenticity of information, the presentation of which is stipulated in the third, the ninth and the eleventh parts of the present Article, shall be conducted by the executive power body, authorised by the Government of the Russian Federation. The games of chance organiser is to be held responsible for the fullness and authenticity of the said information in conformity with the legislation of the Russian Federation.

15. The Government of the Russian Federation may establish additional demands on the games of chance organisers, as well as on the reports of the games of chance organisers, on their composition and presentation procedure.

Article 7. Requirements for Visitors of a Gambling House

1. The visitors of a gambling house shall be gamblers staying in a gambling house and other persons who are not banned from entering gambling houses under this Federal Law.

2. The visitors of a gambling house may not be persons who have not reached the age of eighteen.

3. The organiser of gambling shall have the right, using its own judgment, to establish the rules for visiting a gambling house that do not conflict with this Federal Law.

4. At the request of employees of the organiser of gambling, a visitor of a gambling house who is violating the rules for visiting a gambling house established under this Federal Law, shall be obligated to leave the gambling house without delay.

Article 8. General Requirements for a Gambling House

1. A gambling house must be divided into a gamblers' servicing zone and a gambling house official zone.

2. The text of this Federal Law, rules on gambling and for visiting a gambling house established by the organiser of gambling, the authorisation to conduct activities associated with organisation of and carrying on of gambling within a gambling zone or a license to conduct activities associated with the organisation of and carrying on of gambling at book-maker's offices and totalisers shall be posted in a place accessible to the visitors of a gambling house.

3. Organisation of gambling and gambling shall be conducted exclusively by employees of the organiser of gambling. The gambling organiser's employees may not include persons who have not reached the age of eighteen.

4. The gambling facilities used in a gambling house must be in compliance with the requirements of legislation of the Russian Federation on technical regulation, technical specifications, standards and also with other binding requirements and shall be held in the ownership of the organiser of gambling. The documents confirming compliance of gambling facilities with the said requirements shall be kept at all times in the premises of a gambling house.

5. The technically built-in average percentage of winnings of each gambling machine may not be less than ninety percent.

Chapter 2. Gambling Zones

Article 9. Setting up and liquidation of gambling zones

1. The territory of the Russian Federation shall be the site of four gambling zones. The territory of a subject of the Russian Federation may not be the site of more than one gambling zone. When a gambling zone comprises portions of territories of several subjects of the Russian Federation, other gambling zones may not be set up in the territories of relevant subjects of the Russian Federation.

2. Gambling zones shall be set up on the territories of the following subjects of the Russian Federation:

the Altai territory;

the Primorsky territory;

the Kalinin region;

the Krasnodar territory.

3. The procedure for setting up and liquidation of gambling zones and also their denomination, borders and other parameters of gambling zones shall be such as prescribed by the Government of the Russian Federation.

4. Decisions to set up and liquidate gambling zones shall be taken by the Government of the Russian Federation by agreement with the state power bodies of the subjects of the Russian Federation. Notably, the borders of gambling zones shall be fixed on the basis of proposals of the state power bodies of the subjects of the Russian Federation made to the Government of the Russian Federation.

5. Proposals on the borders of gambling zones comprising portions of territories of several subjects of the Russian Federation shall be made to the Government of the Russian Federation on the basis of agreement to be made between the state power bodies of relevant subjects of the Russian Federation.

6. The procedure for control of the gambling zones comprising portions of territories of several subjects of the Russian Federation, procedure for realising within those gambling zones the rights vested in the subjects of the Russian Federation by the legislation of the Russian Federation on taxes and fees, procedure for distribution between the budgets of relevant subjects of the Russian Federation of the funds resulted from payment of taxes and fees directed to the budgets of the subjects of the Russian Federation shall be determined on the basis of agreement between the state power bodies of relevant subjects of the Russian Federation.

7. The period of validity of the gambling zones may not be limited.

8. Decision to set up a gambling zone may establish additional requirements for individual types of gambling zones and other restrictions.

Article 10. Control of gambling zones

1. The control of gambling zones shall be effected by the duly authorised state power bodies of subject of the Russian Federation (hereinafter referred to as the bodies for control of gambling zones). The bodies for control of gambling zones covering parts of territories of several subjects of the Russian Federation shall be designated on the basis of agreements made between the state power bodies of relevant subjects of the Russian Federation.

2. The bodies for control of gambling zones shall:

1) perform the functions of organising the interaction between state power bodies, local self-government bodies, organisers of gambling and also other persons in connection with the implementation of the state regulation of activities associated with organisation of and carrying on of gambling;

2) in the procedure established under the legislation of subject of the Russian Federation (an agreement between state power bodies of relevant subjects of the Russian Federation of the Russian Federation) pass over to the organisers of gambling and also to other persons either into their ownership or for lease land plots situated within gambling zones;

3) perform the functions of issuing, re-execution and cancellation of authorisations to conduct activities associated with organisation of and carrying on of gambling within a gambling zone;

4) exercise control over compliance by organisers of gambling and also by other persons with the provisions of legislation on the state regulation of activities associated with the organisation of and carrying on of gambling.

3. The organisers of gambling within gambling zones shall have the right to set up non-commercial organisations whose goal is to organise the interaction between the organisers of gambling and bodies for control of a single gambling zone and also between other state power bodies and local self-government bodies (hereinafter referred to as associations of organisers of gambling).

4. A portion of the functions of the bodies for control of gambling zones may be passed over to the association of organisers of gambling under an agreement the procedure for whose conclusion shall be established by the legislation of subject of the Russian Federation (agreement between state power bodies of relevant subjects of the Russian Federation).

5. With a view to exercising control over compliance by the organisers of gambling with the requirements of this Federal Law and other statutory legal acts of the Russian Federation the bodies for control of gambling zones shall furnish reports and accounts the content of and procedure for whose submission shall be established by the federal executive body duly authorised by the Government of the Russian Federation.

Article 11. Criteria for Selection of Land Plots for Setting up Gambling Zones

1. At the time of setting up a gambling zone, the land plots making up such a zone, shall not be held in the ownership of and/or in use by citizens and legal entities, except for the land plots which were made available for location and use of engineering infrastructure facilities and which are the site of such facilities.

2. At the time of setting up a gambling zone, the land plots making up such a zone, may be the site of only such facilities which are held in the state and municipal ownership and which are not owned and/or used by citizens and legal entities, except for engineering and transport infrastructure facilities.

Article 12. Using the land plots of gambling zones

1. The land plots of gambling zones and/or facilities situated thereupon (except for engineering and transport infrastructure facilities and also land plots which are the site of those facilities) shall be passed into the ownership or for lease over to the organisers of gambling or to other persons.

2. The passing over to the organisers of gambling or other persons into their ownership or for lease of the land plots situated within gambling zones shall be effected by the bodies for control of gambling zones in the procedure established under the legislation of subject of the Russian Federation (agreement between the state power bodies of relevant subjects of the Russian Federation).

Article 13. Authorisation to Conduct Activities Associated with the Organisation of and Carrying on of Gambling

1. Authorisation to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone shall provide the organiser of gambling with the right to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone subject to the requirements and restrictions imposed by the decision to set up an appropriate gambling zone.

2. Authorisation to conduct activities associated with organisation of and carrying on of gambling within a gambling zone shall be given by the body for control of a gambling zone in accordance with the legislation of subject of the Russian Federation (agreement

between the state power bodies of relevant subjects of the Russian Federation), including by conducting an auction or tender.

3. Authorisation to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone shall be given without limiting the validity period and shall be valid until the time of liquidation of an appropriate gambling zone. The authorisation to conduct activities associated with organisation of and carrying on of gambling within a gambling zone shall specify the date from which the organiser of gambling is entitled to start appropriate activities and also the denomination of a gambling zone within which such activity may be conducted.

4. Authorisation to conduct activities associated with organisation of and carrying on of gambling within a gambling zone may be cancelled by the body for control of a gambling zone in the following cases:

1) liquidation in the established procedure of a legal entity that is the organiser of gambling;

2) failure of a gambling house to comply with the requirements set under this Federal Law;

3) violation by the organiser of gambling of the procedure established by this Federal Law for conducting activities associated with organisation of and carrying on of gambling, including when the activities associated with organisation of and carrying on gambling are conducted outside a gambling zone;

4) repeated violation by the organiser of gambling of the established procedure for providing information envisaged under this Federal Law or detection of facts of inaccuracy of such information;

5) application filed by the organiser of gambling.

5. Should the organiser of gambling fails, within three years from receipt of the authorisation to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone, to start the activities associated with the organisation of and carrying on of gambling within an appropriate gambling zone, that authorisation shall be cancelled.

6. Decision to refuse issuance, re-execution or to cancel authorisation to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone may be appealed in the established procedure before the court.

Chapter 3. The Organization and Carrying on of Gambling at Book-Maker's Offices and Totalisers Outside Gambling Zones

Article 14. Procedure for Opening Book-maker's Offices and Totalisers

1. Activities associated with the organisation of and carrying on of gambling at book-maker's offices and totalisers may be organised outside gambling zones in the procedure established by this Chapter.

2. Book-makers' offices and totalisers (except for those opened within a gambling zone) may be opened exclusively on the basis of licenses to conduct activities associated with the organisation of and carrying on of gambling at book-maker's offices and totalisers whose issuing procedure shall be determined by the Government of the Russian Federation.

3. Book-makers' offices and totalisers located outside gambling zones may not be sites for activities associated with the organisation of and carrying on of gambling by using gambling machines and gambling tables.

Article 15. Requirements for book-makers' offices and totalisers

1. Book-makers' offices and totalisers may be located only in buildings, structures

and constructions that are projects of capital construction.

2. Book-maker's offices and totalisers may not be located:

1) inside projects of the housing fund or projects uncompleted with construction or inside temporary structures, kiosks, under cover and in other similar buildings;

2) in buildings, structures and constructions which house children', educational, medical and sanatoria-resort institutions;

3) in buildings, structures and constructions of motor terminals, railway terminals, river terminals, river ports, airports, at stations and stops of any and all types of public transport (transport of public use) of city and local communications;

4) inside premises which are the site of activities not connected with the organisation of and carrying on of gambling or provision of gambling-related services;

5) in buildings, structures and constructions which are held in state or municipal ownership and which house federal state power bodies, state power bodies of the subjects of the Russian Federation, local self-government bodies, state-owned or municipal institutions and unitary enterprises (except for totalisators at which bets are made for horse races and which are situated at state or municipally owned hippodromes included in the list determined by the Government of the Russian Federation);

6) in buildings, structures and constructions which house organisations of worship and religious organisations.

3. Book-maker's offices and totalisers may not likewise be located on the land plots which are occupied by projects specified under Part 2 of this Article. The Government of the Russian Federation shall have the right to set additional requirements for book-maker's offices and totalisers.

Article 16. Final Provisions

1. The gambling houses holding appropriate licences subject to compliance with the requirements set under Part 6 of Article 6, Parts 1, 3-5 of Article 8, Parts 2 and 3 of Article 15 of this Federal Law, Part 2 of this Article, shall have the right to pursue their activities until June 30, 2009 without receipt of authorisation envisaged under this Federal Law to conduct activities associated with the organisation of and carrying on of gambling within a gambling zone. Notably, the requirements set under Part 2 of Article 15 of this Federal Law shall apply to all gambling houses regardless of their type.

2. Gambling houses shall comply with the following requirements:

1) gambling houses may be located only in buildings, structures and constructions that are projects of capital construction, occupy the said projects in full or be located in a single, alone-standing part of same;

2) a gambling house may not be located in buildings, structures and constructions of physical culture, health-improvement and sporting facilities (except for book-maker's offices and totalisers);

3) the area of the gamblers' servicing zone in a casino may not measure less than eight hundred square meters and shall accommodate a gambling house cash-desk, cloak-room, rooms for rest and recreation of the gambling house visitors and a toilet. In a place easily accessible to visitors of the gambling house there shall be posted a text of this Federal Law, the rules of gambling established by the organiser of gambling, the rules for visiting the gambling house, a licence for organisation and running of totalisers and gambling houses;

4) a gamblers' servicing zone in a casino shall accommodate no less than ten gambling tables; it may also house gambling machines and cash-desks of the totaliser and/or book-maker's office. Gambling tables and gambling machines installed in a casino shall be held exclusively in the ownership of the organiser of gambling;

5) an official zone of the gambling house shall accommodate premises for rest of employees of the organiser of gambling, specially fitted out premises for taking up, paying out and temporary safe-keeping monies and premises for organisation of the gambling house security service;

6) in case of gambling machines installed within a gamblers' servicing zone in a casino, the gambling house shall be subject to requirements specified under Items 8, 10 of this Part;

7) the area of a gamblers' servicing zone in the hall of gambling machines may not measure less than one hundred square meters and shall accommodate a gambling house cash-desk and a toilet;

8) a gamblers' servicing zone of the hall of gambling machines shall accommodate not less than fifty gambling machines and also cash-desks of the totaliser and/or book-maker's office;

9) an official zone of the hall of gambling machines shall house specially fitted out premises or equipment for taking up, paying out and temporary safe-keeping monies;

10) gambling machines installed in the hall of gambling machines shall be held in the exclusive ownership of the organizer of gambling. Technologically built-in average percentage of winnings in cash of each gambling machine must not be lower than ninety per cent.

11) a gamblers' servicing zone at a book-maker's office shall accommodate a book-maker's office cash-desk and it may also accommodate a totaliser cash-desk;

12) the organiser of gambling at a book-maker's office shall, by using special equipment, be obligated to provide for taking up, uniform registration and processing of stakes and also for paying out the winnings;

13) the organiser of gambling at a book-maker's office shall have the right, by its own judgment, to identify an event which may determine the outcome of a wager, except for instances established by federal laws;

14) the provisions of Items 11-13 of this part shall also apply in respect of cash-desks of book-maker's offices located inside casinos and halls of gambling machines;

15) gamblers' servicing zones at totaliser shall accommodate a totaliser cash-desk;

16) the organiser of gambling at totaliser shall, by using special equipment, be obligated to provide for taking up, uniform registration and processing of stakes and for paying out the winnings;

17) the organiser of gambling at totaliser shall be obligated to provide gamblers with the possibility to watch the development and outcome of events determining the result of the wager, including by using special equipment;

18) the provisions of Items 15-17 of this Part shall also apply to totaliser cash-desks located in casinos, halls of gambling machines and book-maker's offices.

3. Control over compliance by the organisers of gambling with the requirements set under Parts 1 and 2 of this Article shall be exercised by the federal executive body duly authorized by the Government of the Russian Federation which performs the functions of control and supervision over compliance with the legislation on taxes and fees.

4. In respect of the appropriate licences, the validity period of licenses issued prior to the effective day of this Federal Law and valid on the effective day of this Federal Law, for organisation and running of totalisers and gambling houses, shall be extended until June 30, 2009 regardless of the period fixed in the licenses held by those licensees.

5. Beginning from the effective day of this Federal Law, the issuance of fresh licenses to conduct the activities associated with the organisation of and carrying on of gambling and/or wagers shall cease, except for the licenses issued under this Federal Law to conduct the activities associated with the organisation of and carrying on of gambling within book-

maker's offices and totalisers.

6. The activity of gambling houses not in compliance with the requirements set under Parts 1 and 2 of this Article shall be terminated prior to July 1, 2007.

7. The state power bodies of the subjects of the Russian Federation shall have the right to take, prior to July 1, 2007, decision on banning, starting from July 1, 2007, on the territory of the subject of the Russian Federation (except for within gambling zones) the activities associated with organisation of and carrying on of gambling (including in respect of individual types of gambling houses).

8. Decisions taken by the state power bodies of the subjects of the Russian Federation prior to the effective day of this Federal Law on banning the activities associated with the organisation of and carrying on of gambling (including in respect of individual types of gambling houses) and on setting restrictions upon that activity on the territory of a subject of the Russian Federation (except for gambling zones) shall be held valid.

9. The gambling zones envisaged under this Federal Law shall be set up prior to July 1, 2007. The activity of gambling houses lacking authorisation provided for under this Federal Law to conduct activities associated with organisation of and carrying on of gambling within a gambling zone shall be terminated prior to July 1, 2009, except for book-maker's offices and totalisers corresponding to the requirements of this Federal Law.

10. Prior to the expiry of six months from the effective day of this Federal Law the Government of the Russian Federation and state power bodies of the subjects of the Russian Federation shall adopt statutory legal acts essential for realisation of the provisions of this Federal Law.

Article 17. On Amending Federal Law On the Licensing of Individual Types of Activity

To amend Item 1 of Article 17 of Federal Law No. 128-FZ of August 8, 2001 On the Licensing of Individual Types of Activity (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, 2001, No. 33, Item 3430; 2002, No. 11, Item 1020; No. 50, Item 4925; 2003, No. 2, Item 169; No. 11, Item 956; No. 13, Item 1178; 2005, No. 13, Item 1078; No. 27, Item 2719; 2006, No. 50, Item 5279) as follows:

1) Subitems 76 and 77 shall be invalidated;

2) to add Subitem 104 reading as follows:

"104) activities associated with the organisation of and carrying on of gambling at book-maker's offices and totalisers;

Article 18. On Amending Part Two of the Tax Code of the Russian Federation

To amend Item 1 of Article 333.33 of Part Two of the Tax Code of the Russian Federation (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, 2000, No. 32, Item 3340; 2004, No. 45, Item 4377; 2005, No. 30, Item 3117; No. 52, Item 5581; 2006, No. 1, Item 12; No. 27, Item 2881; No. 43, Item 4412) as follows:

1) Subitem 72) shall be invalidated;

2) to supplement with Subitem (85) reading as follows:

"85) in consideration of actions undertaken by duly authorised bodies connected with issuance of licences to conduct the activities associated with the organisation of and carrying on of gambling at book-maker's offices and totalisers:

review of application for a licence - Rbl. 300;

issuing of a licence - Rbl. 3000;

re-execution of a licence - Rbl. 1000."

Article 19. On Invalidation of Individual Provisions of Legislative Acts of the Russian Federation

To invalidate:

1) Paragraphs Four Hundred and Thirty - Four Hundred and Thirty Three of Item 5 of Article 2 of Federal Law No. 127-FZ of November 2, 2004 On Amending Part One and Two of the Tax Code of the Russian Federation and Certain Other Legislative Acts of the Russian Federation and also On Invalidation of Individual Legislative Acts (Provisions of Legislative Acts) of the Russian Federation (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, 2004, No. 45, Item 4377);

2) Paragraphs Seventy Eight and Seventy Nine of Subitem (a) of Item 9 of Article 1 of Federal Law No. 80-FZ of July 2, 2005 On Amending the Federal Law On the Licensing of Individual Types of Activity, the Federal Law On the Protection of Rights of Legal Persons and Individual Entrepreneurs In Exercise of State Control (Supervision) and the Code of the Russian Federation On Administrative Offences (Sobraniye zakonodatelstva Rossiiskoi Federatsii, 2005, No. 27, Item 2719).

Article 20. This Federal Law Taking Effect

1. This Federal Law shall take effect from January 1, 2007, except for Item 1 of Article 17, Articles 18 and 19 of this Federal Law.

2. Item 1 of Article 17, Item 1 of Article 18 and Article 19 of this Federal Law shall take effect from June 30, 2009.

3. Item 2 of Article 18 of this Federal Law shall take effect upon the expiry of one month from its official publication.

President of the Russian Federation V. Putin

The Kremlin, Moscow

FEDERAL LAW
NO. 176-FZ OF JULY 17, 1999
ON POSTAL COMMUNICATION
(WITH THE AMENDMENTS AND ADDITIONS OF JULY 7, 2003, AUGUST 22, DECEMBER 29, 2004, JUNE 26, 2007, JULY 14, 23, 2008, JUNE 28, 2009)

Adopted by the State Duma on June 24, 1999

Approved by the Federation Council on July 2, 1999

The present Federal Law is directed at providing everybody's constitutional rights to receive, transmit and disseminate information, to the secret of correspondence, postal, telegraph and other communications, it establishes a a system of legal guarantees for the setting up and effectively running postal communication system on the territory of the Russian Federation as aimed at strengthening and developing interaction between the participants in economic, social and political relations, meeting the demand of the populace for postal communication services.

Chapter I.
General Provisions

Article 1. The Subject Matter Governed by the Present Federal Law

The present Federal Law establishes legal, organizational, economic, financial fundamentals in the sphere of postal communication in the Russian Federation, defines the rights and duties of the bodies of state power of the Russian Federation, other participants in activities in the sphere of postal communication, sets forth a procedure for the regulation of activities in the sphere of postal communication and the management of such activities, regulate the relationships occurring between postal communication operators and postal communication services users, establishes the status of postal communication organizations and provides social guarantees for the employees thereof.

Article 2. Basic Terms

The following basic terms are used for the purposes of regulating relationships in the sphere of postal commutation:

"postal communication" means a kind of communication being a comprehensive production and technology complex of technical and transportation means whereby postal dispatches are accepted, processed, delivered (handed over) and cash is transferred;

"single postal territory" means a territory where uniform postal communication regulations and rules are in effect as establishing a common system for indexing postal communication objects on the territory of the Russian Federation, a uniform procedure for formatting, processing and forwarding all kinds of postal dispatches;

"general-access postal communication" means an integral part of the comprehensive postal communication system of the Russian Federation accessible on the terms of a public agreement to all citizens, the bodies of state power of the Russian Federation, the bodies of state power of the subjects of the Russian Federation, local self-government bodies and legal entity;

"international postal communication" means an exchange of postal dispatches between postal communication organizations being under the jurisdiction of different states;

"postal communication services" means the actions or activities of the acceptance, processing, carriage, delivery (handing over) of postal dispatches as well as of effecting postal orders;

"universal postal communication services" means the postal communication services of meeting the demand of postal communication users in the exchange of written correspondence within the territory of the Russian Federation at affordable prices;

"postal order" means the federal postal communication organizations' service of accepting, processing, carrying (passing), delivering (handing over) of cash through the use of postal and electric communication networks;

"the term of providing a postal communication service" means an aggregate of terms and rates set for the completion of specific technological operations constituting a specific postal communication service;

"postal communication service users" means the citizens, bodies of state power of the Russian Federation, bodies of state power of the subjects of the Russian Federation, local self-government bodies and legal entities using postal communication services;

"communication secret" means the secret of correspondence, postal telegraph and other communications included in the sphere of activities of postal communication operators as subject to non-disclosure without the consent of the postal communication user;

"postal communication operators" means the postal communication organizations and individual entrepreneurs having the right to provide postal communication services;

"postal communication organizations" means legal entities of any organizational and legal forms providing postal communication services as their main kind of activity;

“federal postal communication organizations” means postal communication organizations being unitary state enterprises and state institutions set up on the basis of federal property;

“postal communication network” means an array of postal communication facilities and postal routes;

“postal communication facilities” means isolated units of postal communication organizations (post offices, railway post offices, post carriage units at railway stations and airports, post communication centers) as well as the structural subunits thereof (post exchange centers, post office branches, post communication stations and other subunits);

“post route” means a postal transportation route between postal communication facilities;

“postal communication means” means buildings, structures, nonresidential premises, equipment and postal vehicles, post envelopes and post cards, postal tare used to provide postal communication services;

“postal dispatches” means addressed written correspondence, parcels, direct post containers;

“written correspondence” means ordinary and registered letters, post cards, secogrammes, “printed matter” dispatches and small parcels;

“the address details of postal communication service users” means information on citizens (full name, postal address) as well as other users of postal communication services (name and postal address);

“postal code” means a conventional digital designation of a postal address attributable to a postal communication facility;

“name thing” means a device (rubber stamp) intended for making imprints on documents and postal dispatches with the indication of the name of the postal communication facility (postal railway car route), date of receipt and delivery of a postal dispatch and other information;

“state postage stamps” means postage stamps and imprints on postal dispatches as evidence of payment for postal communication services;

“franking machine” means a machine intended to imprint on written correspondence of state postage stamps as evidence of payment for postal communication services, date of receipt of a given correspondence as well as other information;

“mail box” means a special-purpose box with a lock, intended for collection of ordinary letters and post cards;

“addressee” means a citizen or organization to which a postal dispatch, postal order, telegraph or other message is addressed;

“post office box” means a special-purpose box with a lock intended for addressees receiving postal dispatches;

“mail cabinet” means a special-purpose cabinet featuring cells with locks installed in apartment blocks and at delivery grounds intended for addressees receiving postal dispatches;

“rented mail cabinet” means a special-purpose cabinet installed at postal communication facilities and featuring cells with locks rented for a specific term by addressees to receive postal dispatches;

“base point mail cabinet” means a special-purpose cabinet intended for simultaneous storage of postal dispatches at delivery grounds or for addressees receiving postal dispatches.

Article 3. The Purpose of Postal Communication in the Russian Federation

The postal communication in the Russian Federation is an integral part of the social infrastructure of the society, it promotes the strengthening of social and political unity of the Russian Federation, the implementation of the constitutional rights and freedoms of citizens,

allows to create the necessary conditions for the pursuance of the state policy in the field of shaping up the single economic space, promotes a free movement of goods, services and funds as well as the freedom of economic activity.

The postal communication in the Russian Federation is carried on by postal communication state unitary enterprises and state enterprises, other postal communication operators and it is intended to provide postal communication services to citizens, bodies of state power of the Russian Federation, bodies of state power of the subjects of the Russian Federation, local self-government bodies and legal entities.

Article 4. The Legal Regulation of Relationships in the Sphere of Postal Communication

Relationships in the sphere of postal communications in the Russian Federation shall be governed by the Federal Law on Communications, the present Federal Law, other federal laws and other regulatory legal acts of the Russian Federation, international treaties of the Russian Federation as well as laws and other regulatory legal acts of the subjects of the Russian Federation within the competence thereof.

Relationships in the sphere of international postal communication may be governed by the decisions of the international postal organizations to which the Russian Federation is a party.

The procedure for the provision of postal communication services shall be governed by the rules of the provision of postal communication services endorsed by the federal executive body authorized by the Government of the Russian Federation. The peculiarities of the procedure for rendering services of postal communication concerning the delivery (handing over) of a judicial summons shall be established by the rules for rendering postal-communication services in accordance with the norms of procedural legislation of the Russian Federation.

Article 5. The Principles of Activities in the Sphere of Postal Communication

Activities in the sphere of postal communication in the Russian Federation shall be pursued on the basis of the following principles:

lawfulness;

access to all citizens and legal entities to postal communication services as a means of receiving and exchanging information;

observance of the rights of the users of postal communication services;

freedom of the transit of postal dispatches throughout the territory of the Russian Federation;

the equality of the rights of citizens and legal entities to participation in the activities in the sphere of general-access postal communication and to the use of the results of such activities;

the safeguarding of everybody's right to the secret of communication;

the maintenance of stability and manageability of the postal communication network;

the uniformity of the rules, standards, terms and conditions in the sphere of postal communication.

Article 6. The Powers of the Bodies of State Power of the Russian Federation in the Sphere of Postal Communication

The bodies of state power of the Russian Federation, acting within the competence thereof, shall:

formulate the state policy in the sphere of postal communication;

elaborate and adopt federal postal communication programs;

define the kinds of postal communications;

organize state supervision and monitoring in the sphere of postal communication;

establish uniform rules, standards, terms and conditions in the sphere of postal communication;

perform the state regulation of the tariffs for the provision of universal postal communication services;

define a procedure for financing the activities of federal postal communication organizations;

carry on the international cooperation of the Russian Federation in the sphere of postal communication.

Article 7. The Powers of the Bodies of State Power of the Subjects of the Russian Federation in the Sphere of Postal Communication

The bodies of state power of the subjects of the Russian Federation shall:

take part in the development and extension of the postal communication network and seek approvals for the operating mode of the federal postal communication facilities on the territories of respective subjects of the Russian Federation;

render assistance to the postal communication operators in extending the scope of the services provided to citizens and legal entities;

present proposals to the federal body of executive power in charge of the management of activities in the sphere of postal communication for improving and developing the postal communication network on the territories of respective subjects of the Russian Federation;

Article 8. Local Self-Government Bodies' Jurisdiction in the Sphere of Postal Communication

The local self-government bodies shall:

render assistance to postal communication organizations in deploying postal communication facilities on the territory of the municipal entity, consider the proposals of these organizations for the allocation of nonresidential premises or construction of buildings to accommodate post office branches and other postal communication facilities;

assist in the creation and maintenance of a steady operation of local postal routes, provide assistance to postal communication operators in the delivery of postal dispatches to impeded-access inhabited localities within set a reference term;

render assistance to postal communication organizations in placing mail boxes on the territory of the municipal entity, monitor the preservation and maintenance of addressees mail cabinets and post office boxes by the organizations maintaining residential buildings, the owners of residential houses.

Local self-government bodies are entitled to present proposals to the bodies of state power of the subjects of the Russian Federation for the development of the postal communication network on the territory of the municipal entity.

Article 9. The Kinds of Postal Communication in the Russian Federation

The following shall be operable in the Russian Federation:

the general-access postal communication carried on by postal communication state unitary enterprises, state institutions as well as other postal communication operators;

the special-purpose communication of the federal body of executive power in charge of activities in the sphere of communication;

the federal courier communication;

the courier-postal communication of the federal body of executive power in the sphere of defense.

Article 10. Regulation of Activities in the Sphere of Postal Communication and Management of Such Activities

Regulation of activities in the sphere of postal communication and management of such activities shall be performed by the federal bodies of executive power in charge of communications.

Article 11. The Federal Bodies of Executive Power Responsible for the Management of Activities in the Sphere of Postal Communication

The federal bodies of executive power in charge of communications shall arrange for the implementation of the uniform state policy in the sphere of postal communication and they shall carry on the general regulation of the activities of postal communication operators. The regulations on the federal bodies of executive power in charge of communications shall be endorsed by the Government of the Russian Federation.

The federal bodies of executive power charged with communications shall be granted the exclusive right to issue and organization the distribution of state postage stamps, assign postal codes to postal communication facilities on the territory of the Russian Federation as well as manufacture and use name things for the federal postal communication organizations, form up the State Collection of Postal Stamps, issue licenses for the use of franking machines and define a procedure for the use of such machines.

Article 12. Uniform Terms and Conditions Applicable in the Sphere of General-Access Postal Communication

In compliance with the present Federal Law and other normative legal acts of the Russian Federation the federal bodies of executive power in charge of postal communication shall elaborate instructions, manuals, regulations and other normative acts setting up uniform standards and requirements in the sphere of postal communication for general use.

The regulatory acts on the issues of the organizational and technical backup of a steady operation of the postal communication network as well as the issues of the operation of postal communication facilities issued by the federal body of executive power responsible for managing activities in the sphere of postal communication shall be binding on all general-access postal communication operators.

Article 13. The Management of Postal Communication Network in Emergencies

The postal communication network shall be managed in emergencies in compliance with the legislation of the Russian Federation.

The bodies of state power of the subjects of the Russian Federation and local self-government bodies shall render assistance to postal communication organizations in eliminating the aftermath of emergencies and natural disasters.

Chapter II.
The General-Access Postal Communication Services

Article 14. The Guarantees of Accessibility and Quality of General-Access Postal Communication Services

The basic guarantees of the accessibility and quality of generalaccess postal communication services shall be as follows:

postal communication services being provided on the territory of the Russian Federation with all users of postal communication services having equal right of access to

them;

the federal postal communication organizations ensuring the operation of the postal communication facilities in an operating mode convenient for the users of postal communication services, with due regard to the postal communication technologies;

the postal communication operators providing the proper quality of the postal communication services they provide;

the state rendering support to the federal postal communication organizations, promoting the development of the postal communication organizations having other organizational and legal forms;

the state regulating the tariffs for universal postal communication services in compliance with the present Federal Law and other federal laws.

Article 15. The Secret of Communication

The secret of correspondence, postal, telegraph and other messages covered by the activities of the postal communication operators is guaranteed by the state.

Postal dispatches are permitted to be inspected and opened up, their enclosures to be inspected as well as other limitation of the secret of communication are permitted only by a court decision.

All postal communication operators shall ensure the observance of the secret of communication.

Information on the address details of the users of postal communication services, on postal dispatches, postal orders, telegraph and other messages covered by the activities of the postal communication operators as well as the postal dispatches, cash being transferred, telegraph and other messages proper shall be deemed the secret of communication and disclosable only to the senders (addressees) thereof or their representatives.

The officials and other persons, employees of postal communication organizations who have violated the said provisions shall be held answerable under a procedure established by the legislation of the Russian Federation.

Article 16. Postal Communication Services

Postal communication services shall be provided by postal communication operators under a contract. Under a contract for the provision of postal communication services the postal communication operator undertakes on the sender’s instructions to send a postal dispatch put into his custody or to carry out a postal order at an address specified by the sender and deliver (hand over) the dispatch or cash to the addressee. The user of postal communication services shall pay for the services provided to him.

The postal communication operators shall arrange for the forwarding of written correspondence to users of communication services within a reference term. The rates of the frequency of written correspondence collection from mail boxes, the rates of the exchange, carriage and delivery thereof as well as the reference terms for the forwarding thereof shall be endorsed by the federal executive body authorized by the Government of the Russian Federation. The terms for providing other postal communication services shall be set by postal communication operators at their own discretion.

Postal communication operators shall provide information to postal communication users concerning the reference terms for the provision of postal communication services as well as concerning the rates relating to the delivery and the reference term for the forwarding of written correspondence.

The quality of postal communication services shall comply with the established standards as well as with the information on the terms of the provision of a specific kind of services announced by postal communication operators.

Article 17. Postal Communication Operators

Postal communication operators shall carry on the activities of providing postal communication services under licenses obtained in compliance with the Federal Law on Communications. The said licenses as well as certificates for postal communication means and services shall be made out and issued in compliance with the legislation of the Russian Federation by the federal body of executive power in charge of the management of activities in the sphere of postal communication. The license for the provision of a postal communication service is a permission to pursue an aggregate of operations making up a comprehensive production and technological process of providing postal communication services including accepting, processing and delivering (handing over) postal dispatches as well as carrying the employees accompanying postal dispatches. No additional licensing shall be admitted in respect of the operations making up the comprehensive production and technological process of providing postal communication services.

The postal communication operators shall have the necessary technological equipment and mechanization, automation and information technology means, information on the tariffs, rules of providing postal communication services, terms for forwarding postal dispatches, working hours as well as other necessary information facilitating access to postal communication services, such information being available to the users of postal communication services.

Postal communication operators shall inform postal communication users through the mass media of their activities, new services, advanced achievements in the field of postal communication equipment and technologies, they may publish annual reports, they have the right to prepare and disseminate advertising announcements under the legislation of the Russian Federation and they also take into account in their operation the proposals of postal communication services aimed at improving the services.

Article 18. General-Access Postal Communication Organizations

Postal communication organizations shall be set up for the purpose of providing general-access postal communication services. The postal communication organizations of the various organizational and legal forms shall enjoy equal rights in the field of the provision of general-access postal communication services. For the purpose of enhancing the reliability of postal communication in the Russian Federation the state will render support to the development of the postal communication network of the organizations ensuring the provision of postal communication services.

The management of the activities of the general-access federal postal communication organizations shall be performed by the federal body of executive power in charge of the management of activities in the sphere of postal communication. The federal postal communication organizations shall pursue their activities in compliance with by-laws (regulations).

The federal postal communication organizations shall arrange for the provision of universal postal communication services, provide other postal communication services of which the tariffs are not subject to state regulations, and also carry on under a contract the distribution of printed editions, delivery and disbursement of pensions, benefits and other target disbursements, sale of securities, collection and delivery of cash proceeds, receipt of utility bill payments, receipt of payment for goods (services), disbursement of cash through the use of plastic cards and other activities permitted under the legislation of the Russian Federation.

Federal postal communication organization, acting under the civil legislation of the Russian Federation, may accomplish specific technological operations of a kind of activities subject to licensing, under an agency agreement either in their own name but at the expense

of legal entities or individual entrepreneurs holding a special permission (license) for the pursuance of the kind of activity subject to licensing or in the name of and at the expense of the said legal entities or individual entrepreneurs.

The organizations' preparing and adopting decisions to set up, deploy and liquidate a postal communication facility on the territories of the subjects of the Russian Federation shall be performed with due regard to proposals of the bodies of state power of respective subjects of the Russian Federation.

Article 19. The Rights of Postal Communication Service Users

The rights of the users of postal communication services are protected by the present Federal Law, the Federal Law on Communications, the Law of the Russian Federation on the Protection of Consumers' Rights, the civil legislation of the Russian Federation, the rules of the provision of postal communication services, laws and other regulatory legal acts of the subjects of the Russian Federation.

Citizens and organizations have equal rights to use general-access postal communication services on the territory of the Russian Federation.

Postal communication service users have the right to free access to information on their rights, services provided, rules of the provision of postal communication services, tariffs for them, postal dispatch terms, things and substances prohibited for dispatching, the number and effective term of the license for the provision of postal communication services, responsibility of postal communication operators in respect of postal communication service users.

Postal communication service users have the right to receive postal dispatches and cash under postal orders at their postal address, poste restante or through the use of a rented mail cabinet. The addressee is entitled to waive a postal dispatch or postal order that came at his address.

Postal communication service users shall determine at their own discretion the value of the enclosure of a postal dispatch with announced value and shall select a package in compliance with the rules of the provision of postal communication services.

Article 20. Ensuring the Preservation of Postal Dispatches and Cash

Postal communication operators shall ensure the preservation of the postal dispatches and cash received from the users of postal communication services.

The receipt and forwarding of postal dispatches and cash between postal communication organizations shall be performed with an exact registration of the dispatches and cash forwarded and received in accordance with the procedure established by the federal body of executive power in charge of the management of activities in the sphere of postal communication.

Should defective postal dispatches be discovered (a discrepancy between the actual weight with the weight indicated in forwarding documents, the package, seals, binding ropes not being intact etc.) the postal communication operator shall do the formalities and hand over such postal dispatches in accordance with the procedure set forth in the rules of the provision of postal communication services.

The automobiles, postal railway cars, cabins in aircraft and sea vessels as well as inland waterway vessels in which postal dispatches and cash are being carried shall be equipped in such a way as to deny access thereto to unauthorized persons.

The premises where postal dispatches are processed and cash is stored shall be equipped with the necessary equipment as well as security and fire alarm systems and they shall comply with the rules of technical strength.

For the purpose of ensuring the preservation of postal communication facilities, postal

dispatches and cash the federal postal communication organizations are entitled to have postal security and guard units. The said units shall provide the security of postal communication facilities, postal transportation and employees of postal communication organizations as well as the guarding of postal dispatches and cash, they shall undertake measures aimed at preventing loss and theft of postal dispatches and cash, monitor the observance of the restrictions on the forwarding of things and substances via postal communication network.

Federal postal communication organizations have the right to acquire service weapons required to execute the duty vested in them by the present Federal Law of ensuring the preservation of postal communication facilities, postal dispatches and cash, in accordance with the procedure provided by the legislation of the Russian Federation for legal entities with special tasks as provided in their by-laws.

A list of the kinds of special means and service weapons with which the federal postal communication organizations are to be equipped, the procedure for the acquisition, registration, storage, repair and destruction thereof shall be defined in accordance with the procedure established by the Government of the Russian Federation.

For the purpose of protecting postal communication facilities, postal dispatches and cash as well as of human health and life the employees of federal postal communication organizations are entitled to apply the special means and service weapons they have. The application of special means and service weapons by the employees of the federal postal communication organizations shall be effected in accordance with the procedure established by the Federal Law on Departmental Guard Service for the application of special means and service weapons by departmental guard personnel.

A notice shall be made within 24 hours on each case of the use of service weapons by an employee of a federal postal communication organization to an internal affairs body at the location where the weapon was used, and in the case of a wound or death an immediate notice shall be made to the procurator and an internal affairs body at the location where the weapon was used.

Article 21. The Special Terms of the Provision of Postal Communication Services

A postal dispatch or cash under postal order which cannot be delivered (handed over) due to the inaccuracy or lack of the necessary address details of the user of postal communication services, the unavailability of the addressee or other circumstances precluding for the postal communication operator the possibility of performing under an agreement for the provision of postal communication services shall be returned to the sender. Should the sender refuse to receive the returned postal dispatch or returned cash they shall be placed in temporary storage as non-claimed postal dispatches and cash.

If in connection with the lack of the necessary address details of the user of postal communication services it was impossible to return to the sender non-delivered (non-handed over) postal dispatches or cash they shall be placed in temporary storage: the postal dispatch as nondistributed postal dispatches, the cash as unclaimed cash.

The non-distributed postal dispatches are subject to be opened up for the purpose of uncovering the address details of the user of postal communication services or other information for the purpose of delivering (handing over) to the addressee or returning to the sender. The opening up of non-distributed postal dispatches shall be effected only under a court decision.

The postal communication operator shall apply to the court as nondistributed postal dispatches come into temporary storage, but at least once a quarter, for a permission to open up the non-distributed postal dispatches. The consideration of the materials concerning the opening up of non-distributed postal dispatches shall be carried on by the court at the location

of the postal communication facility which does the temporary storage of the postal dispatches. The said materials shall be considered by a judge as sole person within a five-day term. The ground for the judge's decision to open up non-distributed postal dispatches shall be an official petition filed by a postal communication operator. If asked by the judge the operator shall provide to the judge other materials as may be required for the making of the decision to open up the non-distributed dispatches.

While non-distributed postal dispatches are being opened up the necessary security/safety precautions shall be observed. Should a preliminary investigation establish that the enclosures of the nondistributed postal dispatches contain things or substances which can be hazardous for human life and health if opened, the postal dispatches may be seized and destroyed without being opened up.

If it is possible to establish, as a result of the opening up of a non-distributed postal dispatch, the address details of the user of postal communication services, the postal communication operator shall sends again the postal dispatch to the addressee or return it to the sender.

If it is possible to establish, as a result of the opening up of a non-distributed postal dispatch, the address details of the user of postal communication services, the postal communication operator shall send again the postal dispatch to the addressee or return it to the sender. If it is impossible to establish, as a result of the opening up of a non-distributed postal dispatch, the address details of the user of postal communication services, such postal dispatches shall be put aside as non-claimed.

The temporary storage of non-claimed postal dispatches and cash shall be performed by the postal communication operator for six months.

Upon the expiration of the temporary storage term non-claimed written communications shall be subject to seizure and destruction. Other enclosures of non-claimed postal dispatches as well as non-claimed cash may be turned into the postal communication operator's property in accordance with the procedure provided in Article 226 of the Civil Code of the Russian Federation.

The procedure for the temporary storage of postal dispatches and cash as well as the seizure, opening up and destruction of postal dispatches shall be established by the federal executive body authorized by the Government of the Russian Federation.

Article 22. Restrictions on the Forwarding of Things and Substances via the Postal Communication Network

It is prohibited to send the following in the postal dispatches sent within the boundaries of the Russian Federation:

a) firearms, signal arms, pneumatic arms, gas arms, ammunition, cold steel arms (including throwing arms), electric shock devices and spark dischargers as well as the main parts of firearms;

b) narcotics, phsychotropic, strong-action, radioactive, explosive, poisonous, caustic, flammable and other hazardous substances;

c) poisonous animals and plants;

d) banknotes of the Russian Federation and foreign currency (excluding those forwarded by the Central Bank of the Russian Federation and the institutions thereof);

e) perishable foodstuffs;

f) the things and substances which can by the virtue of their nature or package be a danger for postal personnel, dirt or spoil (damage) other postal dispatches and postal equipment.

The federal postal communication organizations have the right to apprehend the postal dispatches the contents of which are prohibited to be sent and also to destroy or allow

to destroy the postal dispatches the contents of which causes a spoil (damage) of other postal dispatches, endangers the life and health of postal communication organization personnel or third persons if such a danger cannot be otherwise eliminated.

The procedure for the seizure of postal dispatches sent within the boundaries of the Russian Federation as well as the destruction of things and substances prohibited to be sent via the postal communication network shall be established by the Government of the Russian Federation.

A list of restrictions on the forwarding in international postal dispatches of things and substances, a procedure for the seizure from such postal dispatches and destruction of things and substances prohibited to be sent shall be set in compliance with the Customs Code of the Russian Federation.

The acceptance from the legal entities pursuing activities within the limits of the powers established by the legislation of the Russian Federation of postal dispatches containing information and things classified as state secret, precious metals and precious stones as well as articles made from them, banknotes of the Russian Federation and foreign currency, the carriage and delivery thereof shall be performed out of the special communication ways and means of the federal body of executive power in charge of the management of activities in the sphere of communications.

Chapter III.
The Fundamentals of Economic Activities in the Sphere of Postal Communication

Article 23. The Development of General-Access Postal Communication

The development of general-access postal communication shall be carried on as based on implementing the state economic, social, scientific and technological as well as investment policies.

The bodies of state power and local self-government bodies shall assist in meeting the demand of the population for general-access postal communication, help postal communication operators to broaden the scope and enhance the quality of the postal communication services provided.

No limitation of postal communication operators' rights as to the use of the general-access postal communicaiton network as dependent on their organizational and legal form is permitted.

The federal body of executive power in charge of the management of activities in the sphere of postal communication jointly with the federal anti-monopoly body shall assist in the development of product markets and competition, limitation and prevention of monopolistic activitieses and non-bona fide competition in the provision of postal communicaiton services.

The postal communcation operators having a dominating position on the postal communication services market and performing actions that have or can have as their result a significant limitation of competition, infringement on the interests of other citizens and organizations, the setting up and maintaining of a deficiency of postal communication services or an increase in the tariffs for these services, shall be liable under the legislation of the Russian Federation.

Article 24. The Right of Ownership and Other Rights in Rem Relating to Postal Communication Means

In the Russian Federation postal communication means may be federal property, property of citizens, legal entities.

For the purpose of carrying on the activities of providing postal communication services as well as other activities under the present Federal Law postal communication operators may acquire the necessary assets under the legislation of the Russian Federation. Postal communication means, access roads and other assets shall be provided to the federal postal communication organizations into the economic control or operative management thereof under the legislation of the Russian Federation.

The property of the federal postal communication organizations including the postal communication means shall be deemed federal property and it shall not be subject to privatization.

Decisions as to the distribution of postal railway cars among federal postal communication organizations shall be made by the federal body of executive power in charge of the management of activities in the sphere of postal communication.

For the purposes of pursuing the activities of providing postal communication services the postal communication operators may use property of citizens and legal entities under an agreement.

Article 25. Accomplishing Deals in the Property of Federal Postal Communication Organizations

For the purpose of pursuing their activities the federal postal communication organizations shall dispose at their discretion of the assets in their possession in compliance with the present Federal Law and other federal laws.

The federal postal communication organizations for which assets have been placed under their economic control shall dispose at their discretion of the assets fixed with them excluding the assets specified in Part 3 of the present article. The federal postal communication organizations for which assets have been placed under their operative management shall enjoy the rights of possession, enjoyment and disposal of the assets fixed with them in compliance with the purposes of their activities and the purpose of the assets, in accordance with the procedure defined by the Government of the Russian Federation excluding the assets specified in Part 3 of the present article.

Deals in real property owned by the federal postal communication organizations by the right of economic control or by the right of operative management, including leasing thereof or providing for use or the disposal of such property in another way shall be admissible unless they entail a modification of the right of federal ownership in respect of the respective property, excluding the cases provided in Part 4 of the present article and they shall be executive in compliance with the decisions of the federal body of executive power in charge of the management of activities in the sphere of postal communication.

On the consent of the federal body of executive power in charge of management of activities in the sphere of postal communication relating to assets not used for the purpose of providing postal communication services and fixed with the federal postal communication organization on the right of economic control deals shall be permitted as modifying the right of ownership, such deals being implemented under decisions of the federal body of executive power in charge of the management of state property. The federal body of state power in charge of the management of activities in the sphere of postal communication is entitled to seize in accordance with the procedure established by the Government of the Russian Federation property, being either in surplus, not used or used otherwise than earmarked, that has been fixed with a federal postal communication organization on the right of operative management.

The proceeds received by federal postal communication organizations from deals in assets including under leases shall remain at the disposal of these organizations and they may be allocated only towards the development of production facilities and construction of social-

purpose facilities.

Article 26. The State Support to Postal Communication Organizations

The state support shall be rendered to federal postal communication organizations by means of:

effecting investment in the creation and development of production, transportation, information and social infrastructure of the postal communication system;

rendering financial and logistical assistance for the purpose of ensuring the development and operation of postal communication;

extending in due course of credits. exemptions/privileges.

Specific measures for providing financial, logistical and other economic support in the sphere of postal communication shall be determined by the federal laws and other regulatory legal acts of the Russian Federation.

Article 27. Abolished as of January 1, 2005

Article 28. Investment Activities in the Sphere of Postal Communication

Investment in the development of postal communication shall be effected under the investment activities legislation of the Russian Federation.

The state investment in the development of postal communication shall be effected in compliance with the federal law on the federal budget for the current year.

Article 29. Payment for Postal Communication Services

Payment for postal communication services, excluding universal postal communication services, shall be determined by the tariffs set under an agreement.

Payment for universal postal communication services shall be determined in accordance with the procedure defined by the Government of the Russian Federation and it shall be evidenced by state postage stamps put on written correspondence. The state postage stamps sold shall not be subject to return or exchange.

The federal postal communication organizations' expenses towards the provision of universal postal communication services that exceed the amounts of proceeds from the payment for the said services at the tariffs subject to state regulation shall be reimbursable out of the federal budget.

In the events when federal laws or laws of the subjects of the Russian Federation provide for privileges and/or advantages for payment for postal communication services, the expenses incurred by postal communication operators in connection thereto shall be reimbursable out of a respective budget.

Chapter IV.
The Provision of the Activities
of Postal Communication Organizations

Article 30. Social Support to the Employees of Postal Communication Organizations

Social support to the employees of postal communication organisations shall be rendered in compliance with the laws of the Russian Federation, as well as with the international treaties made by the Russian Federation.

The postmen of federal postal communication organisations shall be provided exclusively for official purposes with travel documents for all types of urban passenger traffic, and in rural areas also to suburban and inter-city automobile transport of general use to be acquired by postal organisations from the appropriate transport organisations in the procedure established by the Government of the Russian Federation.

Article 31. The Location of Postal Communication Facilities and Means

While planning city and rural development, designing the construction and reconstruction of blocks, micro-districts, other elements of development as well as residential buildings the bodies of state power of the subjects of the Russian Federation and local selfgovernment bodies, acting in compliance with the state city development regulations and rules, shall make a provision for designing and erecting buildings as well as premises where postal communication facilities are to be located.

The plots of land intended to accommodate postal communication facilities shall be provided in accordance with the land legislation of the Russian Federation. The provision of plots of land to accommodate the postal communication facilities of the federal postal communication organizations shall be effected on the petition of the federal body of executive power in charge of the management of activities in the sphere of postal communication or of another body acting under its instructions as a customer for respective works, under the design documentation endorsed in due course.

Plots of land for the construction of buildings and structures for railway post offices, the mail transportation branches with motor vehicle, railway terminals, airports, sea and river ports, piers shall be granted in the proximity of the buildings of the stations/terminals and plots of land for the construction of city head post offices and postal communication centers shall be granted in city downtown area as providing conditions for the exchange of postal dispatches delivered by motor vehicles, postal railway cars, aircraft, sea vessels and inland waterway vessels.

The deployment of the postal communication facilities of the federal postal communication organizations at motor vehicle, railway terminals, airports, sea and river ports, piers shall be effected in compliance with the technological standards.

The bodies of state power of the subjects of the Russian Federation and local self-government bodies shall provide federal postal communication organizations with non-residential premises that comply with the technological standards in existing (or under construction) residential or other buildings in accordance with the procedure and on the terms defined by the bodies of state power of the subjects of the Russian Federation and local self-government bodies.

Addressees mail cabinets shall be installed by building organizations on the ground floors of high-rise buildings. Expenses towards the acquisition and installation of addressees mail cabinets shall be included in the cost estimate for the construction of these buildings. Representatives of federal postal communication organizations shall take part in the deliberations of the commissions as the buildings are commissioned. The maintenance, repair and replacement of addressees mail cabinets shall be the responsibility of the owners of residential buildings or the housing operation organizations which shall ensure the preservation of residential buildings, proper use thereof and they shall be performed at the expense of the owners of the residential buildings.

In low-rise building development areas the users of postal communication services shall install addressees mail boxes at their own expense to be able to receive postal dispatches.

The delivery of postal dispatches to organizations located in highrise buildings shall be effected through base point mail cabinets installed by these organizations on the ground floors of the buildings. The addressees shall be responsible for the installation and maintenance of such cabinets.

The federal postal communication organizations shall be entitled to free of charge placement of mail boxes on the walls of residential and administrative buildings, in other places convenient for the collection of ordinary letters and post cards.

The deployment of alien organizations on postal communication facilities is admitted on the permission of the heads of postal communication organizations on condition of the observance of the provisions concerning the security/safety of the storage of postal dispatches and cash and of such a deployment not disrupting the conditions of the provision of postal communication services.

Article 32. The Use of Vehicles for the Carriage of Postal Dispatches and Cash

The postal communication organizations are granted the right under an agreement to carry postal dispatches and cash via all the routes and lines of motor vehicle, railway, air, sea and river transportation in the accompaniment of the employees of the postal communication organizations or to hand over postal dispatches to transportation organizations to be carried under their liability. No transportation organization is permitted to refuse to enter into an agreement for the carriage of postal dispatches via the regular inter-city and international routes of its vehicles.

The federal body of executive power in the sphere of railway transportation, acting under an agreement, shall organize the travel of postal/baggage trains, include postal cars in fast trains and passenger trains and shall arrange for the receipt of a train with postal cars on platforms convenient for loading/unloading. It is prohibited to exclude postal cars from fast and passenger trains without the consent of postal communication organizations.

The postal vehicles of the postal communication organizations shall bear special insignia. The postal vehicles of the federal postal communication organizations shall have as insignia the following: a white diagonal strip against blue background, the emblem of the federal postal communication organizations, the inscription “Post of Russia” and it may be equipped with special light signals (flashlight). The said postal vehicles are entitled to free passage via all the streets of inhabited localities and roads or the Russian Federation as well as priority fuel filling just as operative and special service motor vehicles.

The postal vehicles of the federal postal communication organizations shall not be taken to provide services and perform works not relating to postal communication activities without the consent of such organizations.

The carriage of postal dispatches and cash by the federal postal communication organizations, the employees thereof who accompany postal dispatches and cash shall be performed as top priority and free of charge at the permanent and temporary crossings at rivers, canals and other water bodies as well as by toll motor roads.

The passage of postal vehicles of the federal postal communication organizations to postal communication facilities and cargo (baggage) facilities located at motor vehicle, railway terminals, airports, sea and river ports, piers for the purpose of exchanging the postal dispatches delivered by motor vehicles, postal railway cars, aircraft, sea vessels and inland waterway vessels shall be carried on as top priority and free of charge.

Chapter V.
Liability for Violation of the Postal Communication Legislation

Article 33. Liability for Violation of the Postal Communication Legislation of the Russian Federation

The federal bodies of executive power, bodies of executive power of the subjects of the Russian Federation, local self-government bodies or the officials thereof, postal communication operators which commit while pursuing activities in the sphere of postal communication a violation the present Federal Law, other federal laws as well as regulatory legal acts of the Russian Federation shall be held liable under the legislation of the Russian Federation.

The persons guilty of damaging mail boxes, addressees mail cabinets, addressees mail boxes, rented mail cabinets, base point mail cabinets, stealing, destroying or damaging postal dispatches as well as the persons guilty of damaging postal means of transportation, property and other equipment of postal communication operators shall be held liable under the legislation of the Russian Federation.

Article 34. The Liability of Postal Communication Operators

Postal communication operators shall be held liable for a default on or improper performance of the obligations to provide postal communication services postal communication operators shall be answerable to the users of postal communication services. The postal communication operators' liability shall occur in case of a loss, spoil (damage) of enclosures, underweight thereof, non-delivery or violation of set delivery term of postal dispatches, postal orders as well as another violation of the established provisions governing the provision of postal communication services.

The postal communication operator shall pay damages for a loss inflicted as postal communication services are being provided, at the following rates:

in the event of a loss or spoil (damage) of a postal dispatch with announced value: at the rate of the announced value and the tariff amount less the tariff pay for the announced value;

in the event of a loss or spoil (damage) of a part of the enclosure of a postal dispatch with announced value if posted with a list of enclosure: at the rate of the announced value of missing or spoilt (damaged) part of the enclosure specified by the sender in the list;

in the event of a loss or spoil (damage) of a part of the enclosure of a postal dispatch with announced value if posted without a list of enclosure: at the rate of a part of the announced value of the postal dispatch determined pro rata to the ratio of the missing or spoilt (damaged) part to the weight of the original enclosure (less the weight of the postal dispatch wrapping);

in the event of a default on the disbursement under a postal order: at the rate of the amount of the postal order and the amount of tariff pay;

in the event of a loss or spoil (damage) of other registered postal dispatches: at double-fold rate of the tariff pay; in the event of a loss or spoil (damage) of a part of the enclosure thereof: at the rate of the tariff pay.

Should the reference terms of the posting of postal dispatches and postal orders for citizens' personal (household) needs be violated the postal communication operators shall pay forfeit money at a rate of 3 per cent for the postal communication service per deferment day but not exceeding the amount paid for the service and shall also pay a difference between the payment for posting by air and surface transportation means for the violation of the reference terms of the posting of a postal dispatch by air.

The postal communication operators shall not be responsible for the loss, spoil (damage), non-delivery of postal dispatches or for the violation of the reference term of the posting thereof, should it be proven that they occurred as a result of force majeure circumstances or due to the properties of the enclosure thereof.

The issues of liability for the loss or spoil (damage) of international postal dispatches shall be governed by the legislation of the Russian Federation and the international treaties of the Russian Federation.

Liability and responsibility under the legislation of the Russian Federation for the loss of postal dispatches or violation of the reference term of the posting thereof, underweight or spoil (damage) of the enclosures of postal dispatches, the non-delivery of periodical printed matter, shortage of cash shall be borne by the employees of the federal postal communication organizations through whose fault the damage has been inflicted.

Administrative responsibility for violation of the rules for rendering postal-communication services concerning the delivery (handing over) of a judicial summons shall be established by the Code of the Russian Federation on Administrative Offences.

Article 35. The Liability of the Users of Postal Communication Services

The users of postal communication services shall be liable under the criminal, administrative law and otherwise under the legislation of the Russian Federation for a harm inflicted to other users of postal communication services or to employees engaged in the processing of postal dispatches, such a harm having occurred as a result of prohibited things and substances having been enclosed in postal dispatches or as a result of an improper package of an enclosure posted.

Article 36. Liability for Counterfeiting, Using or Issuing Counterfeit State Postage Stamps and Name Things

The persons guilty of manufacturing for the purposes of sale or guilty of the sale of apparently counterfeit state postage stamps and international reply coupons as well as using apparently counterfeit franking machine cliches and name things shall be held answerable under the legislation of the Russian Federation.

Article 37. Procedure for Filing Claims

In the event of a default on or improper performance of obligations for the provision of postal communication services the user of postal communication services shall be entitled to file a claim with the postal communication operator including among others the claim for damages.

Claims in relation to the non-delivery, late delivery, damage or loss of a postal dispatch or default on disbursement under a postal order shall be filed within six month after the date of the handing in of the postal dispatch or postal order.

Claims shall be filed in writing and shall be subject to mandatory registration in due course.

Replies to claims shall be issued in writing within the following terms:

to claims relating to postal dispatches and postal orders posted (transferred) within one inhabited locality: within five days;

to claims relating to all other postal dispatches and postal orders: within two months.

A claim relating to a federal postal communication organization may be filed either at the place of receipt or at the place of destination of the postal dispatch.

Claims relating to search for intentional postal dispatches shall be accepted and considered according to the procedure and within the terms provided by the legislation of the Russian Federation and international treaties of the Russian Federation.

Should the postal communication operator refuse to meet the claim, or should he agree to meet it partially, or should no reply come from the postal communication operator within a term set for the consideration of claim, the user of postal communication services shall be entitled to file a complaint with the court or arbitration court.

Article 38. Procedure for Damages

Damages for a harm inflicted in the course of the pursuance of activities in the sphere of postal communication shall be paid either voluntarily or under a decision of the court or arbitration court in accordance with the procedure established by the legislation of the Russian Federation.

Chapter VI.
The Peculiarities of Activities

in Postal Communication Sphere

Article 39. The Use of Languages in the Activities of Postal Communication Organizations

In accordance with the legislation of the Russian Federation service paperwork in postal communication organizations throughout the territory of the Russian Federation shall be performed in Russian as the state language of the Russian Federation.

The addresses of the sender and addressee of postal dispatches posted within the territory of the Russian Federation shall be made in Russian. The addresses of the sender and addressee of postal dispatches posted within the territories of the republics incorporated in the Russian Federation may be made in the state language of a respective republic incorporated in the Russian Federation, provided the addresses of sender and addressee are repeated in Russian.

International postal dispatches shall be made out and processed in compliance with the international treaties of the Russian Federation.

Article 40. Recording/Reporting Time

As activities are being pursued in the sphere of postal communication a single recording/reporting time, i.e. Moscow time, shall be applied in the technological processes in the postal communication organizations no matter the location thereof on the territory of the Russian Federation.

In international postal communication the recording/reporting time shall be determined in keeping with the international treaties of the Russian Federation.

Article 41. International Cooperation

The Russian Federation being a member of the World Postal Union is incorporated in the single postal territory for mutual exchange of written correspondence and it guarantees the freedom of transit throughout it own territory.

International cooperation in the sphere of postal communication shall be pursued in compliance with the legislation of the Russian Federation and the international treaties of the Russian Federation.

In the international activity in the sphere of postal communication the federal body of executive power in charge of the management of activities in the sphere of postal communication shall act as the postal administration of the Russian Federation and within the powers defined by the Government of the Russian Federation shall represent and protect the interests of the Russian Federation in the field of postal communication in interacting with the postal administrations of other states and in the international organizations, it shall arrange for effecting settlements with other postal administrations for international postal exchange in keeping with the acts of the World Postal Union.

Chapter VII.
Conclusive Provisions

Article 42. Bringing Legislative Acts in Conformity with the Present Federal Law

1. The Federal Law of August 9, 1995 on Postal Communication (Collection of the Legislation of the Russian Federation, item 3334, No. 33, 1995) shall be deemed invalid.

2. Abolished as of January 1, 2004.

Article 43. Putting Into Force the Present Federal Law

1. The present Federal Law shall come into force as of the date of the official publication thereof.

2. The President of the Russian Federation is hereby proposed and the Government of the Russian Federation is hereby instructed to bring their regulatory legal acts in conformity with the present Federal Law.

President
of the Russian Federation B.Yeltsin

FEDERAL LAW
NO. 75-FZ OF MAY 7, 1998
ON NON-STATE PENSIONS FUNDS

Article 34. State Regulation in the Area of Non-Governmental Pension Insurance, Obligatory Pension Insurance and Professional Pension Insurance. Supervision and Control Over Said Activities

1. For the purposes of meeting the requirements of this Federal Law, of protecting the rights and interests of participants and insured persons, other persons concerned and the state, state regulation of funds' activities in the area of non-state pension insurance, obligatory pension insurance and professional pension insurance, supervision and control over said activity shall be exercised by the authorized executive body.

2. The authorized federal body shall, within the scope of its authority, effect the state regulation of the activities of funds, management companies, specialized depositories and actuaries in the area of non-state pension insurance, obligatory pension insurance and professional pension insurance, as well as supervision and control over said activities.

The authorized federal body shall act in compliance with this Federal Law and the regulations endorsed by the Government of the Russian Federation.

3. The authorized federal body when exercising its functions:

shall adopt within the scope of its authority regulatory legal acts concerning regulation of funds' activities, including regulation of the relations involving non-governmental pension insurance, obligatory pension insurance and professional pension insurance between the fund and the fund's participants, insured persons and their legal successors, as well as regulation of the cited relations whose subject is the Pension Fund of the Russian Federation, in particular:

shall endorse a fund's model insurance rules, the model form of an agreement for rendering the services of a special custodian to a fund, the model form of an agreement made by a fund and an organisation on mutual certification of signatures, the model form of an agreement for obligatory pension insurance;

shall endorse forms of an insured person's applications for transfer to the Pension Fund of the Russian Federation, for transfer to a fund, for transfer from a fund to a fund, as well as instructions on completing forms of applications for an insured person's transfer from the Pension Fund of the Russian Federation to a fund, for transfer from a fund to the Pension Fund of the Russian Federation, for transfer from a fund to a fund and shall define a procedure for bringing the cited forms and instructions on completing them to the knowledge of insured persons;

shall endorse the requirements for the insurance schemes applied for non-governmental pension insurance, instructions and methodological directions in respect of establishing the standards for dissemination, presentation or disclosure of information and forms of reports/statements;

shall endorse the form of a notice of termination of an agreement for obligatory pension insurance where it is provided for by Item 6 of Article 36.5 of this Federal Law, the form of a notice to be forwarded to the authorized federal body of the amount of pension savings transferred by the previous insurer to a new insurer, the form of the information to be forwarded to insured persons about the state of the pension account of the accumulative part of the labour pension and about the results of pension savings' investing;

shall define a procedure for notifying the Pension Fund of the Russian Federation and the authorized federal body of newly-made agreements for obligatory pension insurance, as well as, by approbation of the Pension Fund of the Russian Federation, a procedure for exchanging data in the electronic form between a fund and the Pension Fund of the Russian Federation proved by the electronic digital signature in compliance with the legislation of the Russian Federation;

shall establish mandatory terms of a fiduciary management agreement to be made by a fund with a management company, requirements for the qualifications of actuaries engaged in the actuarial assessment of funds' activities, the qualification requirements for the persons exercising the functions of a fund's one-man executive body, for inspectors (heads of the internal control service), procedure for estimation of the results of pension savings' investing for their showing on the pension account of the accumulative part of the labour pension, report forms of the persons cited in Item 2 of this article, procedure for and time of their presentation, as well as shall establish, jointly with the federal executive body exercising the functions of formulation of the state policy and normative legal regulation of bookkeeping and presentation of accounting reports/statements, the rules for bookkeeping and presentation of accounting reports/statements by funds;

2) shall adopt within the scope of authority thereof regulatory legal acts concerning the exercise of control and supervision over funds' activities;

3) shall license the activities of pension provision and pension insurance;

4) shall carry out informative registration of funds which have filed an application in respect of their intention to exercise the activity of obligatory pension insurance as insurers in compliance with the requirements of this Federal Law;

5) shall register a fund's rules;

6) shall disclose information about the funds engaged in the activity of obligatory pension insurance, as well as about the funds in respect of which a ban has been imposed upon all or a part of operations thereof or whose licences have been annulled;

7) shall inform the Pension Fund of the Russian Federation about the funds engaged in obligatory pension insurance, as well as about the funds in respect of which a ban has been imposed on all or a part of operations thereof or whose licenses has been annulled, within 10 working days from the date when an appropriate ban is imposed or when an appropriate licence is annulled;

8) shall, within the scope of authority thereof, send to the persons cited in Item 2 of this article requests, including those initiated by the federal executive power body exercising the functions of formulation of the state policy and normative legal regulation in respect of social development, for presenting information connected with the exercise by them of the activity of forming and placing pension reserves, forming and investing pension savings and other information with the account taken of the requirements of federal laws;

9) shall issue to the persons cited in Item 2 of this Article, within the cope of authority thereof, orders to eliminate detected failures to satisfy the requirements of this Federal Law, as well as of the legislation of the Russian Federation on obligatory pension insurance;

10) shall consider funds' reports/statements, as well as audit and actuarial opinions;

11) shall consider audit opinions in respect of reports/statements of the persons cited in Item 2 of this Article and shall demand, where necessary, presentation of an audit opinion

in respect of such reports/statements;

12) shall publish annually in the mass media data on forming, and financial results of placing, pension reserves and on forming, and financial results of investing, pension savings in compliance with the requirements of the legislation of the Russian Federation. The forms of publishing the said data shall be established by the Government of the Russian Federation;

13) shall endorse programmes for qualification examinations intended for attestation of individuals as regards the activities of non-state pension insurance, obligatory pension insurance and professional pension insurance, as well as define the terms of and procedure for accreditation of organisations effecting the said attestation in the form of arranging qualification examinations and issuance of qualification certificates, and shall also effect accreditation of such organsations, determine the kinds and forms of qualification certificates and keep a register of attested persons;

14) shall annul qualification certificates in the event of repeated or gross violation by attested persons of this Federal Law, as well as of the legislation of the Russian Federation;

15) shall consider complaints (applications, petitions) of individuals and legal entities connected with violations of this Federal Law;

16) shall make funds, as well as officials thereof, answerable under the administrative legislation in the procedure established by federal laws;

17) shall file claims with court for liquidation of legal entities exercising the activities provided for by this Federal Law without holding appropriate licences, as well as lawsuits with court for protection of the interests of depositors, participants and insured persons in the event of violation of their rights and legitimate interests provided for by this Federal Law;

17.1) shall appoint the provisional administration where it is established by federal laws;

18) shall make other actions provided for by this Federal Law, other federal laws and regulatory legal acts of the Government of the Russian Federation.

4. Abrogated.

5. When exercising control, officials of the authorized federal body in compliance with the authority placed on them, upon producing official identification cards and the decision of the head (deputy head) of the said body on conducting an inspection, shall enjoy the right of unfettered access to the premises of funds, as well as the right of access to the documents and information (including information to which access is restricted or prohibited in compliance with federal laws) which are required for the exercise of control, as well as the right of access to the soft/hardware which ensure recording, processing and storage of the said information.

6. When exercising control and supervision over the persons cited in Item 2 of this Article, the authorised federal body is entitled to do the following:

to hold planned inspections once a year at most;

to hold extraordinary inspections in the event of detecting the signs of violations, in particular on the basis of statements/reports and notices of a specialized depository on detecting violations, complaints (applications, petitions) of individuals and legal entities, as well as data provided by the mass media;

to receive from the persons cited in Item 2 of this Article and employees thereof the required documents and information, including information to which access is restricted or prohibited in compliance with federal laws, as well as explanations in written and oral forms;

to make requests in the procedure established by the legislation of the Russian Federation to the agencies engaged in operative search activity for taking operative search measures.

FEDERAL LAW
NO. 270-FZ OF DECEMBER 22, 2008
ON AMENDING THE FEDERAL LAW ON INSURING NATURAL PERSONS' DEPOSITS IN BANKS OF THE RUSSIAN FEDERATION AND OTHER LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Adopted by the State Duma December 12, 2008
Approved by the Federation Council December 17, 2008

Article 1

The following amendments shall be made to Federal Law No. 177-FZ of December 23, 2003 on Insuring Natural Persons' Deposits in Banks of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5029, No. 52, 2003; item 3521, No. 34, 2004; item 4351, No. 43, 2005):

1) in Article 2:

a) the words "or for the benefit thereof" shall be added to Item 2 after the words "placed by natural persons";

b) Item 8 of the following wording shall be added:

"8) "counter claims" meaning monetary obligations of a depositor owing a bank under civil-law transactions and/or on the other grounds envisaged by the legislation of the Russian Federation on which a depositor is deemed a debtor of a bank.";

2) Item 1 of Part 2 of Article 5 shall be set out as follows:

"1) placed on bank accounts (deposits) of natural persons who are pursuing entrepreneurial activities without forming a legal entity if such accounts (deposits) have been opened to pursue an entrepreneurial activity for which there is a provision in a federal law, and also placed on bank accounts (deposits) of solicitors/barristers, notaries and other persons, if such accounts (deposits) have been opened to pursue a professional activity for which there is a provision in a federal law;";

3) Item 4 of Part 3 of Article 6 shall be set out as follows:

"4) keep record of the bank's obligations owing depositors and the bank's counter claims in respect of a depositor as supporting the bank's readiness to form a register of the bank's obligations owing the depositors in the procedure and according to the form established by the Bank of Russia on the Agency's proposal upon the onset of an insured accident and also as of any day if the Bank of Russia so demands (within seven calendar days after the receipt of said demand by the bank);";

4) Article 7 shall be supplemented with Part 3 of the following wording:

"3. When a contract of bank deposit (contract of bank account) is concluded for the benefit of a third person the rights of a depositor set out in the present Federal Law shall be acquired by the natural person for whose benefit such bank deposit has been made (bank account has been opened).";

5) Part 2 of Article 8 shall be set out as follows:

"2. An insured accident shall be deemed to have occurred as of the day when the bank's licence issued by the Bank of Russia is revoked (annulled) or as of the day when a moratorium is imposed on meeting the claims of creditors of the bank.";

6) in Article 9:

a) Part 2 shall be set out as follows:

"2. A person that has acquired a right of claim from a depositor in respect of a deposit (deposits) after the onset of the insured accident is not entitled to an indemnity for such

deposit (deposits), except for a natural person who has acquired a right of claim in line of succession in respect of a deposit for which no indemnity has been paid out to the depositor (hereinafter referred to as "heir"). A heir is entitled to use the rights of a deceased depositor which are described in the present Federal Law, starting from the time when a relevant certificate of right to inheritance is issued to the heir or another document confirming his/her right to inheritance or a right to use the funds of the testator.";

b) Part 3 of the following wording shall be added:

"3. When the rights of claim in respect of a depositor's deposit(s) is assigned in line of succession after the onset of an insured accident to several heirs each of them shall acquire a right to the portion of indemnity that has not been paid out to the depositor, in an amount pro rata to the amount of the right of claim he/she has acquired in respect of said deposit(s). In this case, the payment of an indemnity to a heir in respect of said deposit(s) shall not depend on the payment of an indemnity to the same heir in respect of other deposits.";

7) in Article 10:

a) in Part 1 the words "(his/her representative)" shall be replaced with the words "(his/her representative or heir (heir's representative)";

b) in Part 2:

in Paragraph 1 the words "(his/her heir)"shall be added after the words "the laches of the depositor", and the words "(his/her heir)" shall be added after the words "on an application of the depositor";

in Item 1 the words "the depositor" shall be deleted;

the word "(heir)" shall be added in Item 2 after the words "if the depositor";

Item 3 shall be set out as follows:

"3) if the cause of said laches is due to a grave illness of the depositor (his/her heir), the helpless condition of the depositor (his/her heir), the term for the depositor's heir accepting the inheritance and other reasons relating to the personality of the depositor (his/her heir).";

c) the words "(his/her heir)" shall be added in Part 3 after the word "by the depositor";

d) in Part 4:

the word "(heir)" shall be added in Paragraph 1 after the word "the depositor";

Item 2 shall be supplemented with the words "and if the heir applies also documents confirming his/her right to inheritance or a right to use the testator's funds";

e) the word "(heir)" shall be added in Part 5 after the words "of the depositor";

8) in Article 12:

a) the word "working" shall be added in Part 4 after the words "within three";

b) the second sentence of Part 7 shall be set out as follows: "Within ten calendar days after the receipt of said documents the bank shall consider them and if the depositor's claims are well-grounded it shall amend accordingly the register of the bank's obligations owing depositors and also send a message to the Agency on the results of the consideration of the depositor's claims and on the amendments made to the register of the bank's obligations owing depositors.";

9) in Article 13:

a) in Part 2, the words "winding-up proceedings in the bank" shall be replaced with the words "the bank's bankruptcy (liquidation)";

b) in Part 3, the words "(enforced liquidation) and in the procedures of bankruptcy (enforced liquidation)" shall be added after the words "In bankruptcy cases";

10) in Part 2 of Article 14 the words "by the present Federal Law and Federal Law No. 7-FZ of January 12, 1996 on Not-for-Profit Organisations" shall be replaced with the words "by the present Federal Law, Federal Law No. 7-FZ of January 12, 1996 on Not-for-Profit Organisations, the Federal Law on Banks and Banking Activities and Federal Law No.

40-FZ of February 25, 1999 on the Insolvency (Bankruptcy) of Credit Organisations (hereinafter referred to as "the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations")";

11) Article 15 shall be supplemented with Parts 4 and 5 of the following wording:

"4. In accordance with the Federal Law on Banks and Banking Activities and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations the Agency shall carry out the functions of an administrator (liquidator) in the bankruptcy of credit organisations.

5. The Agency is entitled to carry out transactions of sale of the property (the pledged items) deemed security for the performance of obligations of credit organisations being contractual partners of the Bank of Russia in respect of loans.";

12) the following words shall be added to Part 3 of Article 16: ", the Federal Law on Banks and Banking Activities" and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations";

13) in Article 19:

a) Paragraph 1 shall be set out as follows:

"The board of directors of the Agency shall:";

b) the words "and the procedure for using the profit of the Agency" shall be added to Item 9;

c) Item 17.1 of the following wording shall be added:

"17.1) establish a procedure for selecting on a competitive basis audit organisations to verify how the Agency uses the fund for compulsory insurance of deposits;";

d) the following words shall be added to Item 19: ", the Federal Law on Banks and Banking Activities and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations";

14) in Article 21:

a) Paragraph 1 shall be set out as follows:

"The governing body of the Agency shall:";

b) the following words shall be added to Item 10 after the words "Federal Law": ", the Federal Law on Banks and Banking Activities" and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations";

15) in Article 27:

a) Part 4 shall be set out as follows:

"4. Not later than the business day following the date of the relevant decision the Bank of Russia shall inform the Agency about:

1) the issuance of a permit of the Bank of Russia for the bank;

2) a decision taken on carrying out an inspection of the bank on the Agency's proposal;

3) the appointment of a temporary administration for the purpose of managing the credit organisation;

4) the revocation (annulment) of a licence of the Bank of Russia;

5) the imposition of a moratorium on meeting of creditors of a bank;

6) the replacement of a licence of the Bank of Russia;

7) the imposition of the ban on raising natural persons' funds and on opening natural persons' bank accounts envisaged by Article 48 of the present Federal Law.";

b) Part 4.1 of the following wording shall be added:

"4.1. Within seven business days after it takes a relevant decision or after the Bank of Russia receives relevant information from a territorial institution of the Bank of Russia or an empowered body the Bank of Russia shall inform the Agency about:

1) the deeming as no longer effective a licence of the Bank of Russia for a bank to raise natural persons' funds as deposits and to open and keep natural persons' bank accounts;

2) the imposition of measures to a bank by the Bank of Russia in the form of ban (limitation) on the raising of natural persons' funds and opening natural persons' bank accounts in accordance with Article 74 of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia)";

3) a re-organisation of a bank.";

16) in Part 3 of Article 28:

a) in Item 2 the words "of the termination of a right to raise natural persons' funds as deposits and to open natural persons' bank accounts in connection with the replacement of a licence of the Bank of Russia and of the bank's discharge of its obligations owing depositors" shall be replaced with the words "of the termination of a right to raise natural persons' funds as deposits and to open and keep natural persons' bank accounts in connection with the replacement or deeming as no longer effective in the procedure established by a normative act of the Bank of Russia a licence of the Bank of Russia for a bank to raise natural persons' funds and to open and keep natural persons' bank accounts and of the bank's discharging its obligations owing depositors";

b) Item 3 shall be supplemented with the words "(except a reorganisation in the form of transformation");

17) in Article 30:

a) Part 2 shall be set out as follows:

"2. After the day when a register of the bank's obligations owing depositors was submitted to the Agency and until the day when an arbitration court turns out a ruling on termination of winding-up proceedings or on termination of a forced liquidation of the credit organisation, and if a moratorium is imposed by the Bank of Russia on meeting the claims of the bank's creditors, until the expiry of the effective term of said moratorium, the bank shall amend the register of the bank's obligations owing depositors in the following cases:

1) if a discrepancy is discovered between the information included therein and the information on the actual condition of mutual obligations of the bank and of a depositor as of the date of occurrence of the insured accident, that is to be shown on the register of the bank's obligations owing depositors;

2) if the obligations contained in the register of the bank's obligations owing depositors has been terminated (in full or in part) after the onset of the insured accident;

3) if a change has occurred in the information on a depositor that has to be shown on the register of the bank's obligations owing depositors.";

b) Part 2.1 of the following wording shall be added:

"2.1. Amendments made by the bank in the register of the bank's obligations owing depositors shall be sent to the Agency on the day when the amendments are made, in the procedure established by the Agency and they shall be taken into account in the assessment of the rate of indemnity for deposits.";

18) in Article 36:

a) in Part 11 the words "five" shall be replaced with the figures "25";

b) Part 13 shall be set out as follows:

"13. An insurance contribution (penalty) amount paid in excess for a settlement period shall be accepted to set off the bank's debt owing as contribution (penalty) for other settlement periods or to set off future payments or refund in the event of termination of the bank's duty to pay insurance contributions in accordance with Article 35 of the present Federal Law.";

19) in Part 1 of Article 40 the word "shall be carried out" shall be replaced with the words "and also with the performance of the other functions envisaged by the Federal Law on Banks and Banking Activities and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations shall be financed";

20) the title of Chapter 6 shall be set out as follows:
"Chapter 6. Banks' Participation in the Deposit Insurance System.
Conclusive Provisions";

21) in Article 44:

a) the following words shall be deleted in the title: "Having a Permit of the Bank of Russia as of the Date of Entry into Force of the Present Federal Law";

b) in Part 1:

the words "or petitioning for a permit of the Bank of Russia" shall be added to Paragraph 1 after the words "the present Federal Law";

in Item 4 the words "No. 40-FZ of February 26, 1999" shall be deleted;

c) Item 6 of the following wording shall be added to Part 4:

"6) the bank's observance of the procedure established by the Bank of Russia for disclosing information to the general public concerning the persons substantially affecting (directly or indirectly) the decisions taken by its managerial bodies.";

22) the second sentence of Part 5 of Article 46 shall be set out as follows: "The additional funds received in a deposit (in an account) from the day when the Bank of Russia imposed said ban, except for the interest accrued in accordance with the terms of the contract of bank deposit (contract of bank account), shall not be entered in the deposit (account), and shall be refunded to the persons which have produced instructions for entering the funds in the deposit (in the account) or shall be remitted on an application of the natural person in the procedure established by the Bank of Russia to an account of the same natural person opened in another bank that has registered in the deposit insurance system.";

23) Part 4 of Article 47 shall be supplemented with the words "or on an application of a natural person shall be remitted in the procedure established by the Bank of Russia to an account of the same natural person opened in another bank that has registered in the deposit insurance system";

24) in Article 48:

a) Part 1 shall be set out as follows:

"1. The banks included in the register of banks shall comply with the requirements governing participation in the deposit insurance system established by Article 44 of the present Federal Law with account being taken of the details established by the present Article.";

b) Part 3 shall be set out as follows:

"3. A bank included in the register of banks does not comply with the requirements governing participation in the deposit insurance system if:

1) the bookkeeping and statements/reports of the bank have been deemed by the Bank of Russia as unreliable for three months in a row;

2) for six months in a row the bank has failed to observe one and the same compulsory ratio from those established by the Bank of Russia. The non-observance of a compulsory ratio in an accounting month is breach of the ratio on the basis of six and more operational days in the given month;

3) the financial stability of the bank is deemed insufficient by the Bank of Russia;

4) the bank has been subjected continuously for three months to one of the measures described in Item 4 of Part 2 of Article 74 of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia).";

c) Parts 3.1-3.4 of the following wording shall be added:

"3.1. For the purposes of the present article the financial stability of a bank is deemed insufficient by the Bank of Russia if:

1) the bank has the mark "unsatisfactory" for one and the same group of the indicators envisaged by Items 1, 2 and 5 of Part 4 of Article 44 of the present Federal Law as of six

accounting monthly dates in a row or as of two accounting quarterly dates in a row;

2) has the mark “unsatisfactory” for a group of the indicators envisaged by Items 3 and 6 of Part 4 of Article 44 of the present Federal Law for three months in a row;

3) has the mark “unsatisfactory” for a group of the indicators envisaged by Item 4 of Part 4 of Article 44 of the present Federal Law as of two accounting quarterly dates in a row.

3.2. The compliance of a bank included in the register of banks with the requirements governing participation in the deposit insurance system shall be assessed according to the results of inspections or in a documentary analysis of the bank’s statements/reports and also documentarily-formalised information received from the bank. If the irregularities established by an inspection or a documentary analysis as leading during the term defined by the present article to breach of the requirements set out in Items 1, 2 or 3 of Part 1 of Article 44 of the present Federal Law have been eliminated as of the time when these irregularities are discovered or in the course of the inspection that has discovered them or have been eliminated as of the time when the Bank of Russia considers the issue of imposing a ban on raising funds as natural persons’ deposits and on opening natural persons’ bank accounts the bank shall be deemed as complying with the requirements set out in Items 1, 2 or 3 of Part 1 of Article 44 of the present Federal Law.

3.3. If the bank fails to comply with the requirements governing participation in the deposit insurance system on the grounds specified in Parts 3 and 3.1 of the present article the Bank of Russia shall do the following in accordance with a decision of the Banking Supervision Committee of the Bank of Russia:

1) sending a demand for said bank to file a petition for termination of the right to handle deposits;

2) imposing a ban on said bank’s raising funds as natural persons’ deposits and on opening natural persons’ bank accounts, which ban being effective from the date of termination of the bank’s right to handle deposits in the procedure established by the present Federal Law and the normative acts of the Bank of Russia adopted pursuant thereto or until the date of revocation of said bank’s licence of the Bank of Russia for the bank’s raising funds as natural persons’ deposits and opening natural persons’ bank accounts.

3.4. If in the activities of the bank a threat has been discovered for the interests of creditors and depositors the Bank of Russia may take the decisions envisaged by Part 3.3 of the present article in accordance with a decision of the Banking Supervision Committee of the Bank of Russia if:

1) the bank’s bookkeeping and statements/reports are deemed unreliable by the Bank of Russia;

2) the bank has been failing to observe for two months in a row one and the same compulsory ratio from among those established by the Bank of Russia;

3) the bank has the mark “unsatisfactory” for one and the same group of the indicators envisaged by Items 1-3 and 5 of Part 4 of Article 44 of the present Federal Law for two months in a row.”;

d) Part 4 shall be set out as follows:

“4. A bank subjected in accordance with Parts 3.3 and 3.4 of the present article to the Bank of Russia’s ban on raising funds as natural persons’ deposits and on opening natural persons’ bank accounts shall do the following within 30 days after the imposition of the ban: sending a petition to the Bank of Russia in the procedure established by normative acts of the Bank of Russia for termination of the right to handle deposits.”;

e) Part 5 shall be supplemented with the words “or on an application of a natural person shall be remitted in the procedure established by the Bank of Russia to an account of the same natural person opened in another bank that has registered in the deposit insurance system”;

f) in Part 6 the words “Part 3” shall be replaced with the words “Parts 3.3 and 3.4”;

g) Part 9 shall be supplemented with the following sentence: “The “day of termination of a right to handle deposits” means the day on which the bank’s licence of the Bank of Russia for raising funds as natural persons’ deposits and opening natural persons’ bank accounts is deemed no longer effective in the procedure established by a normative act of the Bank of Russia.”;

25) Part 1 of Article 50 shall be supplemented with the words “, the Federal Law on Banks and Banking Activities and the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations”.

Article 2

In Subitem 2 of Item 3 of Article 50.36 of Federal Law No. 40-FZ of February 25, 1999 on the Insolvency (Bankruptcy) of Credit Organisations (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1097, No. 9, 1999; item 3536, No. 34, 2004; item 10, No. 1, 2007) the words “accounts are opened in connection with said activity” shall be replaced with the words “accounts (deposits) are opened to pursue an entrepreneurial activity envisaged by a federal law and also solicitors/barristers, notaries and other persons if such accounts (deposits) are opened to pursue a professional activity envisaged by a federal law”.

Article 3

The following amendments shall be made to Federal Law No. 96-FZ of July 29, 2004 on Disbursements of the Bank of Russia on Natural Persons’ Deposits in Banks Which Are Deemed Bankrupt and Are Not Party to the System of Compulsory Insurance of Natural Persons’ Deposits in Banks of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3232, No. 31, 2004; item 3449, No. 31, 2006; item 1350, No. 12, 2007; item 4699, No. 42, 2008):

1) in Article 4:

a) Item 1 of Part 2 shall be set out as follows:

“1) placed in bank accounts (deposits) of natural persons who pursue entrepreneurial activities without forming a legal entity if such accounts (deposits) are opened to pursue an entrepreneurial activity envisaged by a federal law and also places in bank accounts (deposits) of solicitors/barristers, notaries and other persons if such accounts (deposits) are opened to pursue a professional activity envisaged by a federal law;”;

b) Part 3 shall be set out as follows:

“3. A person that has acquired from a depositor a thing in action in respect of a deposit (deposits) after the revocation of the banking transactions licence issued by the Bank of Russia to a bank that is not party to the deposit insurance system is not entitled to receive a disbursement from the Bank of Russia, except for the acquisition in line of succession of a thing in action in respect of a deposit for which no disbursement of the Bank of Russia has taken place. In the event of assignment of a thing in action of a depositor in line of succession after the revocation of a banking transactions licence issued by the Bank of Russia to a bank not being party to the deposit insurance system in respect of a deposit (deposits) to several heirs each of them shall acquire a right to the portion of the Bank of Russia’s disbursement that has not been received by the depositor, pro rata to the amount of the thing in action acquired by him/her in respect of said deposit (deposits). The acquisition of the thing in action in respect of the deposit (deposits) in line of succession shall not affect the calculation of the Bank of Russia’s disbursement in respect of the heir’s own deposit(s) in a bank.”;

2) Paragraph 2 of Part 1 of Article 6 shall be supplemented with the following sentence: “The “counter claim of a bank to a depositor” means the monetary obligations of a depositor owing a bank under civil law transactions and/or on the other grounds envisaged by

the legislation of the Russian Federation when the depositor is a debtor of the bank.”.

Article 4

1. The present Federal Law shall enter into force from the date of its official publication, except for Subitem “c” of Item 21 of Article 1 of the present Federal Law.

2. Subitem “c” of Item 21 of Article 1 of the present Federal Law shall enter into force upon the expiry of one year after the official publication of the present Federal Law.

President of the Russian Federation D.Medvedev

The Kremlin, Moscow
No. 270-FZ
December 22, 2008

FEDERAL LAW
NO. 208-FZ OF JULY 27, 2010
ON CONSOLIDATED FINANCIAL REPORTING

Adopted by the State Duma July 7, 2010
Approved by the Federation Council July 14, 2010

Article 1. The Relationships Regulated by the Present Federal Law

1. The present Federal Law establishes general requirements applicable to the preparation, presentation and publication of consolidated financial statements by a legal entity formed in accordance with the legislation of the Russian Federation (hereinafter also referred to as “organisation”).

2. For the purposes of the present Federal Law the “consolidated financial reporting” means systematised information reflecting the financial state, the financial results of activities and changes in the financial state of an organisation or the organisations and/or foreign organisations being a group of organisations as defined by International Financial Reporting Standards (IFRS).

Article 2. The Applicability of the Present Federal Law

1. The present Federal Law extends to:

1) credit organisations;

2) insurance organisations;

3) the other organisations whose securities have been cleared for being traded on stock markets and/or other organisers of trade on the securities market.

2. If federal laws require the preparation and/or filing and/or publication of consolidated financial statements reporting (consolidated accounting statements, summary (consolidated) statements and a balance sheet) or if consolidated financial statements are to be filed and/or published according to the constitutive documents of an organisation not mentioned in Part 1 of the present article such statements shall be drawn up in accordance with the present Federal Law.

3. The procedure for credit organisations to file and/or publish another type of financial statements drawn up in accordance with International Financial Reporting Standards (IFRS), and also the procedure for using such statements and consolidated financial reporting

for the purposes of banking supervision are defined by the Central Bank of the Russian Federation.

4. The details of procedure for the filing and publishing of consolidated financial statements by the organisations carrying out a state defence order are established by the Government of the Russian Federation.

Article 3. Drawing Up Consolidated Financial Statements

1. Consolidated financial statements shall be drawn up in accordance with International Financial Reporting Standards (IFRS).

2. The consolidated financial statements of an organisation shall be prepared in addition to the accounting statements of this organisation drawn up in accordance with Federal Law No. 129-FZ of November 21, 1996 on Bookkeeping.

3. The following shall be applied on the territory of the Russian Federation: International Financial Reporting Standards (IFRS) and the Interpretations of International Financial Reporting Standards (IFRS) adopted by the Board of the IFRS Foundation and recognised in the procedure established with due regards to the provisions of the legislation of the Russian Federation by the Government of the Russian Federation by agreement with the Central Bank of the Russian Federation.

Article 4. Submission of the Consolidated Financial Statements

1. Annual consolidated financial statements shall be presented to the stakeholders of an organisation, including shareholders. Also annual consolidated financing statements shall be submitted:

1) by organisations, save credit organisations, to the empowered federal executive governmental body;

2) by credit organisations to the Central Bank of the Russian Federation.

2. Interim consolidated financial statements shall be presented to the stakeholders of an organisation, including shareholders, if such provision is available in the constitutive documents. Also credit organisations shall submit consolidated financial statements to the Central Bank of the Russian Federation in the cases established by the Central Bank of the Russian Federation.

3. Annual and interim consolidated financial statements shall be presented to the stakeholders of an organisation, including shareholders, in the procedure defined by the constitutive documents of the organisation.

4. The provision of annual consolidated financial statements by organisations, save credit organisations, to the empowered federal executive governmental body shall take place in the procedure defined by the Government of the Russian Federation.

5. The submission of annual and interim consolidated financial statements by credit organisations to the Central Bank of the Russian Federation shall take place in the procedure defined by the Central Bank of the Russian Federation.

6. Consolidated financial statements shall be presented to the users envisaged by the present article in the Russian language.

7. Annual consolidated financial statements shall be submitted before a general meeting of the stakeholders of the organisation but in any case within 120 days after the end of the year for which these statements have been prepared.

8. Consolidated financial statements shall be signed by the head of the organisation and/or the other persons empowered to do so by the constitutive documents of the organisation.

Article 5. An Audit of Consolidated Financial Statements

Annual consolidated financial statements are subject to a compulsory audit. An auditor's report shall be submitted and published together with said consolidated financial statements.

Article 6. Supervision over the Provision and Publication of Consolidated Financial Statements

1. Supervision over the observance of the due dates for the provision and publication of consolidated financial statements by organisations, save credit organisations, shall be exercised by the empowered federal executive governmental body designated by the Government of the Russian Federation.

2. Supervision over the submission and publication of consolidated financial statements by credit organisations shall be exercised by the Central Bank of the Russian Federation.

Article 7. Publishing Consolidated Financial Statements

1. An organisation shall publish annual consolidated financial statements.

2. The consolidated financial statements shall be deemed published if it has been placed in public information systems and/or published in the mass media accessible for the persons concerned and/or if the other actions have been committed in respect of said statements as ensuring access thereto for all persons concerned, irrespective of the purposes for which these statements are received in a procedure that guarantees the retrieving and receiving thereof.

3. The publication of the consolidated financial statements shall be effected by the organisation within 30 days after such statements were presented to the users envisaged by Article 4 of the present Federal Law.

Article 8. Conclusive Provisions

1. Organisations shall draw up, present and publish consolidated financial statements starting from the reporting for the year following the one in which the International Financial Reporting Standards (IFRS) are recognised for being used on the territory of the Russian Federation, except for the cases mentioned in Part 2 of the present article.

2. The organisations whose securities have been cleared for trading on stock markets and/other organisers of trade on the securities market and which prepare consolidated financial statements according to internationally recognised rules other than the International Financial Reporting Standards (IFRS), and also the organisations whose bonds have been cleared for trading on stock exchanges and/or other organisers of trade on the securities market shall submit and publish consolidated financial statements starting from the reporting for the year following the one in which the International Financial Reporting Standards (IFRS) are recognised for being used on the territory of the Russian Federation but not earlier than reporting for the year 2015.

President of the Russian Federation D. Medvedev

The Kremlin, Moscow

Moscow
July 27, 2010
No. 208-FZ

FEDERAL LAW
NO. 97-FZ OF MAY 4, 2011
ON AMENDING THE CRIMINAL CODE OF THE RUSSIAN FEDERATION AND THE CODE OF ADMINISTRATIVE OFFENCES OF THE RUSSIAN FEDERATION IN CONNECTION WITH IMPROVEMENT OF THE PUBLIC ADMINISTRATION IN RESPECT OF COUNTERACTION AGAINST CORRUPTION

Adopted by the State Duma on April 20, 2011
Endorsed by the Federation on April 27, 2011

Article 1

The following amendments shall be made in the Criminal Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 25, Article 2854; 2003, No. 50, Article 4848; 2006, No. 31, Article 3452; 2007, No. 49, Article 6079; 2008, No. 15, Article 1444; No. 52, Article 6235; 2009, No. 52, Article 6453; 2010, No. 19, Article 2289; No. 27, Article 3431; No. 30, Article 3986; 2011, No. 11, Article 1495):

1) Part Two of Article 46 shall be stated in the following wording:

"2. A fine shall be established in the amount of five thousand roubles to 1 000 000 roubles, or in the amount of the wage or salary, or any other income of the convicted person for a period from two weeks to five years, or shall be estimated in the amount which is multiple of the cost of the article, or of the sum of commercial subornation or bribe. A fine in the amount of 500 000 roubles or in the amount of the wage or salary or any other income of the convicted person for a period over three years may be only imposed for grave and especially grave crimes in the instances specified by the appropriate articles of the Special Part of this Code, except when the amount of a fine is estimated on the basis the value which is multiple of the sum of commercial subornation or bribe. A fine estimated on the basis of the value which is multiple of the amount of commercial subornation or bribe shall be fixed in the sum which is up to one hundred times as much as the amount of commercial subornation or bribe but it may not be below twenty five thousand roubles and over five hundred million roubles.";

b) in item (a) of Part One of Article 104.1 the words "Articles 146, 147" shall be replaced by the words "Article 145.1 (if a crime is made venally), Articles 146, 147, Articles 153-155 (if crimes are committed venally), Article";

3) Article 204 shall be stated in the following wording:

"Article 204.

1. The illegal transfer of money, securities or any other assets to a person who discharges managerial functions in a profit-making or any other organisation, and likewise unlawful rendering of property-related services, granting other property rights to him/her for commission of actions (inaction) in the interests of the giver, in connection with the official position held by this person -

shall be punishable with a fine in an amount which is from ten times to fifty times as much as the sum of commercial subornation or bribe with disqualification from holding specific offices or engaging in specified activities for a term of up to two years, or by restraint of liberty for a term of up to two years, or by deprivation of liberty for a term of up to five years.

2. The deeds provided for by Part One of this article, if they are:

a) committed by a group of persons by previous concert, or by an organised group;

b) committed for wittingly unlawful actions (omission to act) -

shall be punishable with a fine in an amount which is from forty times to seventy times as much as the sum of commercial subornation with disqualification from holding specific offices or engaging in specified activities for a term up to three years, or with an arrest for a term from three to six months, or with deprivation of liberty for a term up to six years.

3. The illegal receipt of money, securities or any other assets by a person who discharges managerial functions in a profit-making or any other organisation, and likewise the illegal use of property-related services or exercise of other property rights for commission of actions (inaction) in the interests of the giver, in connection with the official position held by this person,

shall be punishable with a fine in an amount which is from fifteen times to seventy times as much as the sum of commercial subornation with disqualification from holding specific offices, or deprivation of the right to be engaged in specific activity for a term of up to three years or with deprivation of liberty for a term of up to seven years accompanied by a fine in the amount of up to forty times as much as the sum of commercial subornation.

4. The deeds provided for by the third part of this Article, if they are:

a) committed by a group of persons by previous concert, or by an organised group;

b) attended by extortion of the subject of subornation,

c) made for unlawful actions (inaction) -

shall be punishable with a fine which is from fifty times to ninety times as much as the sum of commercial subornation with disqualification from holding specific offices or engaging in specified activities for a term up to three years, or with deprivation of liberty for a term up to twelve years accompanied by a fine in the amount which is fifty times as much as the sum of commercial subornation.

Note: A person who has committed the deeds stipulated in the first or second part of this Article shall be relieved of criminal liability, if he/she has been active in assisting to the crime's clearing and/or investigation, or if this person has been subjected to extortion or person has voluntarily informed the body that has the right to institute proceedings in a criminal case about subornation.

4) Note 5 to Article 285 shall be declared invalidated;

5) Article 290 shall be stated in the following wording:

"Article 290. Bribe-Taking

1. Bribe-taking by a functionary, a foreign functionary or a functionary of a public international organization in person or through an intermediary, in the form of money, securities or other assets or in the form of unlawful rendering thereto services of property nature, or granting of other property rights, for actions (inaction) in favour of a bribe-giver or the persons he/she represents, if such actions (inaction) form part of the functionary's official powers or if the latter, by virtue of his/her official position, may further such actions (inaction), and also for overall patronage or connivance in the civil service,-

shall be punishable with a fine in an amount which is from twenty five times to fifty times as much as of the sum of the bribe with disqualification from holding specified offices or engaging in specified activities for a term up to three years, or by deprivation of liberty for a term up to three years accompanied by a fine in the amount which is twenty times as much as the sum of bribe.

2. Taking a bribe by a functionary, a foreign functionary or a functionary of a public international organization on a considerable scale -

shall be punishable with a fine in the amount which is from thirty times to sixty times as much of the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years, or by deprivation of liberty for a term up to six years accompanied by a fine in the amount which is thirty times as much as the sum of the bribe.

3. Taking a bribe by a functionary, a foreign functionary or a functionary of a public international organization for unlawful actions (inaction) -

shall be punishable with a fine in the amount which is from forty times to seventy times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years, or by deprivation of liberty for a term from three to seven years accompanied by a fine in the amount which is forty times as much as the sum of the bribe.

4. The deeds provided for by Parts One-Three of this article and committed by a person who holds a government post of the Russian Federation or a government post of a subject of the Russian Federation, as well as by the head of a local self-government body -

shall be punishable with a fine in the amount which is from sixty to eighty times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term of up to three years, or by deprivation of liberty for a term of five to ten years accompanied with a fine in the amount which is fifty times as much as the sum of the bribe.

5. The deeds stipulated in Parts One-Three of this Article, if they have been committed:

a) by a group of persons by previous concert, or by an organised group;

b) with extortion of a bribe;

c) on a large scale -

shall be punishable by a fine in the amount which is from seventy times to ninety times as much as the sum of the bribe or by deprivation of liberty for a term of seven to twelve years with disqualification from holding specific offices or engaging in specified activities for a term of up to three years and with a fine in the amount which is sixty times as much as the sum of the bribe.

6. The deeds provided for by Parts One-Four of this article made on an especially large scale -

shall be punishable with a fine in the amount which from eight to one hundred times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term of up to three years or by deprivation of liberty for a term from eight to fifteen years accompanied by a fine in the amount which is seventy times as much as the sum of the bribe.

Notes. 1. As a bribe on a considerable scale in this article, in Articles 291 and 291.1 of this Code shall be deemed the sum of money, the cost of securities, other property, services of property nature, other property rights exceeding twenty five thousand roubles; as a bribe on a large scale shall be deemed those exceeding one hundred and fifty thousand roubles and a bribe on an especially large scale shall be deemed that exceeding one million roubles.

2. A foreign functionary in this article, Articles 291 and 291.1 of this Code means any appointed or elected person holding an office in the legislative, executive, administrative or judicial body of a foreign state, or any person exercising a public function for a foreign state, in particular for a public department or public enterprise; a functionary of a public international organization means an international civil servant or any person authorised by such organisation to act on behalf of it.':

6) Article 291 shall be stated in the following wording:

"Article 291. Bribe-Giving

1. Giving a bribe to a functionary, a foreign functionary or a functionary of a public international organization in person or through an intermediary,-

shall be punishable with a fine in the amount which is from fifteen times to thirty times as much as the sum of the bribe or with deprivation of liberty for a term up to two years accompanied by a fine in the amount which is ten times as much as the sum of the bribe.

2. Giving a bribe to a functionary, a foreign functionary or a functionary of a public international organization in person or through an intermediary on a considerable scale -

shall be punishable with a fine in the amount which is from twenty times to forty times as much of the sum of the bribe or with deprivation of liberty for a term up to three years accompanied by a fine in the amount which is fifteen times as much as the sum of the bribe.

3. Giving a bribe to a functionary, a foreign functionary or a functionary of a public international organization in person or through an intermediary for committing wittingly unlawful actions (inaction) -

shall be punishable with a fine in the amount which is from thirty times to sixty times as much as the sum of the bribe or with deprivation of liberty for a term up to eight years accompanied by a fine in the amount which is thirty times as much as the sum of the bribe.

4. The deeds stipulated in Parts One-Three of this Article, if they have been committed:

a) by a group of persons by previous concert, or by an organised group;

b) on a large scale -

shall be punishable with a fine in the amount which is from sixty times to eighty times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or with deprivation of liberty for a term of five to ten years accompanied by a fine in the amount which is sixty times as much as the sum of the bribe.

5. The deeds provided for by Parts One-Four of this article made on an especially large scale -

shall be punishable with a fine in the amount which is from seventy times to ninety times as much as the sum of the bribe or with deprivation of liberty for a term from seven to twelve years accompanied by a fine in the amount which is seventy times as much as the sum of the bribe.

Note. A person who has given a bribe shall be relived from criminal liability if he/she has been active in assisting to the crime's clearing and/or investigation, or this person has been subjected to extortion on the part of an official, or if this person after committing the crime has voluntarily informed the body that has the right to institute criminal proceedings about giving the bribe.";.

7) Article 291.1 with the following content shall be added hereto:

"Article 291.1. Mediation in Bribery

1. Mediation in bribery, that is, direct transfer of a bribe on the instructions of the bribe-giver or bribe-taker or other kind of assistance to the bribe-giver and/or bribe-taker in achieving or implementing of an agreement between them on taking or giving a bribe on a considerable scale -

shall be punishable with a fine in the amount which is from twenty times to forty times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or with deprivation of liberty for a term up to five years accompanied by a fine in the amount which is twenty times as much as

the sum of the bribe.

2. Mediation in bribe-taking for committing wittingly unlawful actions (inaction) or by a person using the official position thereof -

shall be punishable with a fine in the amount which is from thirty times to sixty times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or with deprivation of liberty for a term of three to seven years accompanied by a fine in the amount which is thirty times as much as the sum of the bribe.

3. Mediation in bribery effected:

a) by a group of persons by previous concert, or by an organised group;

b) on a large scale -

shall be punishable with a fine in the amount which is from sixty times to eighty times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or by deprivation of liberty for a term of seven to twelve years accompanied by a fine in the amount which is sixty times as much as the sum of the bribe.

4. Mediation in bribery effected on an especially large scale -

shall be punishable with a fine in the amount which is from seventy times to ninety times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or by deprivation of liberty for a term of seven to twelve years accompanied by a fine in the amount which is seventy times as much as the sum of the bribe.

5. A promise or proposal to mediate in bribery -

shall be punishable with a fine in the amount which is from fifteen times to seventy times as much as the sum of the bribe with disqualification from holding specific offices or engaging in specified activities for a term up to three years or with a fine in the amount of twenty five thousand to five hundred million roubles with disqualification from holding specific offices or engaging in specified activities for a term up to three years or with deprivation of liberty for a term up to seven years accompanied by a fine in the amount which is from ten times to sixty times as much as the sum of the bribe.

Note. A person acting as a intermediary in bribery shall be relieved from criminal liability, if he/she after committing the crime has been active in assisting to the crime's clearing and/or suppression, or if this person has been subjected to extortion on the part of an official and has voluntarily informed the body that has the right to institute criminal proceedings about his/her mediation in bribery.".

Article 2

The following amendments shall be made in the Code of Administrative Offences of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2002, No.1, Article 1; No. 44, Article 4295; 2003, No.1, Article 2; No. 27, Articles 2700, 2708, 2717; No. 46, Article 4434; No. 50, Articles 4847, 4855; 2004, No. 31, Article 3229; No. 34, Articles 3529, 3533; No. 44, Article 4266; 2005, No. 1, Articles 9, 13, 40; No. 10, Article 763; No. 13, Article 1077; No. 19, Article 1752; No. 27, Articles 2719, 2721; No.30, Articles 3104, 3131; No. 40, Article 3986; No. 52, Article 5574; 2006, No. 1, Articles 4, 10; No. 2, Articles 172, 175; N 6, Article 636; N 10, Article 1067; N 12, Article 1234; N 17, Article 1776; No. 18, Article 1907; No. 19, Article 2066; No. 23, Articles 2380, 2385; No. 31, Articles 3420, 3438, 3452; No. 45, Article 4641; No. 50, Articles 5279, 5281; No. 52, Article 5498; 2007, No. 1, Articles 21, 25, 29; No. 7, Article 840; No. 15, Article 1743; No. 16, Article 1825; No. 26, Article 3089; No.30, Article 3755; No. 31, Articles 4007, 4008, 4015; No. 41, Article 4845;

No. 43, Article 5084; No. 49, Articles 6034, 6065; 2008, No. 18, Article 1941; No. 20, Articles 2251, 2259; No. 30, Articles 3582, 3604; No. 49, Articles 5738, 5748; No. 52, Articles 6235, 6236, 6248; 2009, No. 1, Article 17; No. 7, Article 777; No. 23, Articles 2759, 2767; No. 26, Articles 3120, 3122, 3131, 3132; No. 29, Articles 3597, 3642; No. 30, Article 3739; No. 45, Article 5267; No. 48, Article 5711; No. 52, Article 6412; 2010, No. 1, Article 1; No.11, Article 1169; No. 18, Article 2145; No. 19, Article 2291; No. 21, Article 2525; No.23, Article 2790; No. 27, Article 3416; No. 30, Articles 4000, 4002, 4006, 4007; No. 31, Articles 4164, 4192, 4193, 4195, 4207, 4208; No. 41, Article 5192; No. 49, Article 6409; No.52, Article 6996; 2011, No. 1, Articles 10, 23, 33, 54; No. 7, Article 901):

1) Part 2 of Article 1.8 shall be stated in the following wording:

"2. A person who have committed an administrative offence outside the Russian Federation shall be held administratively liable under this Code where it is provided for by an international treaty made by the Russian Federation.";

2) in Part 3 of Article 3.5 the words "and in the case provided for" shall be replaced by the words "in the case provided for" and the words "and in the case provided for by Article 19.28 of this Code the one hundred-fold amount of monetary assets, the cost of securities, other property, services of property nature, other property rights which have been illegally transferred, rendered, promised or offered on behalf of the legal entity" shall be added thereto;

3) in Part 1 of Article 4.5 the words "and in the event of violating" shall be replaced by the words "in the event of violating", the words "on counteracting corruption" shall be deleted and the words "and for violating the legislation of the Russian Federation on counteraction against corruption upon the expiry of six years as from the date when an administrative offence is committed" shall be added hereto;

4) Article 19.28 shall be stated in the following wording:

"Article 19.28. Unlawful Remuneration on Behalf of a Legal Entity

Unlawful transfer on behalf or in the interests of a legal entity to a functionary, to the person exercising managerial functions in a profit-making or other organization, to a foreign functionary or a functionary of a public international organisation of money, securities or other property, as well as unlawful rendering thereto of services of a pecuniary nature or granting of property rights for making actions (for omitting to act) in the interests of the given legal entity by the functionary, by the person exercising managerial functions in the profit-making or other organization, by the foreign functionary or by the functionary of the public international organization connected with the official positions held by them -

shall entail the imposition of an administrative fine on legal entities in the amount of up to three times as much as the sum of money, the value of securities, other property, services of property nature or other property rights unlawfully transferred or rendered, or promised or offered on behalf of the legal entity but at least one million roubles accompanied by confiscation of the money, securities, other property or the cost of the services of property nature or other property rights.

2. The actions provided for by Part 1 of this article which are made on a large scale -

shall entail the imposition of an administrative fine on legal entities in the amount of up to thirty times as much as the sum of money, the value of securities, other property, services of property nature or other property rights unlawfully transferred or rendered, or promised or offered on behalf of the legal entity but at least one million roubles accompanied by confiscation of the money, securities, other property or the cost of the services of property nature or other property rights.

3. The actions provided for by Part 1 of this article which are made on an especially large scale -

shall entail the imposition of an administrative fine on legal entities in the amount of

up to one hundred times as much as the sum of money, the value of securities, other property, services of property nature or other property rights unlawfully transferred or rendered, promised or offered on behalf of the legal entity but at least one hundred million roubles accompanied by confiscation of the money, securities, other property or the cost of the services of property nature or other property rights.

Notes:

1. A functionary in this article means the persons cited in Notes 1-3 to Article 285 of the Criminal Code of the Russian Federation.

2. The person exercising managerial functions in a profit-making or other organisation means in this article the one cited in Note 1 to Article 201 of the Criminal Code of the Russian Federation.

3. A foreign functionary means in this article any appointed or elected person holding an office in the legislative, executive, administrative or judicial body of a foreign state, and any person exercising a public function for a foreign state, in particular for a public department or public enterprise; a functionary of a public international organization means an international civil servant or any person authorised by such organisation to act on behalf of it.':

4. As a large scale in this article is deemed the sum of money, the value of securities, other property, services of property nature or other property rights exceeding one million roubles and an especially large scale are deemed those exceeding twenty million roubles.";

5) in Paragraph One of Article 19.29 the words "labour activities" shall be replaced by the words "labour activities or carrying out works or rendering services under the terms and conditions of a civil law contract where it is provided for by federal laws";

6) Chapter 29.1 with the following content shall be added hereto:

"Chapter 29.1. Legal Aid in Respect of Cases on Administrative Offences

Article 29.1.1. Forwarding a Request for Legal Aid

1. If it is necessary to make in the territory of a foreign state the procedural actions provided for by this Code, the official carrying out proceedings on a case on an administrative offence shall forward a request for legal aid to an appropriate official or body of the foreign state in compliance with an international treaty made by the Russian Federation or on a reciprocal basis, which is supposed until proved otherwise.

2. A request for legal aid in respect of cases on administrative offences shall be forwarded through the following:

1) the Supreme Court of the Russian Federation - as regards the matters related to judicial activities of the Supreme Court of the Russian Federation;

2) the Higher Arbitration Court of the Russian Federation - as regards the matters related to judicial activities of arbitration courts of the Russian Federation;

3) the Ministry of Justice of the Russian Federation - as regards the matters related to judicial activities of courts, except as cited in Items 1 and 2 of this part;

4) the Ministry of Internal Affairs of the Russian Federation, the Federal Security Service of the Russian Federation, the Federal Service for Control over Traffic of Narcotics - as regards procedural actions related to the matters concerning their administrative activities;

5) the body authorized in compliance with an international treaty on rendering legal aid made by the Russian Federation to forward and receive requests connected with execution of an appropriate international treaty;

6) the Office of the Prosecutor General of the Russian Federation - as regards all other instances.

3. A request for legal aid in respect of cases on administrative offences and the documents attached thereto shall be accompanied by an attested translation thereof into the official language of the state whereto the request is to be forwarded, if not otherwise provided for by an international treaty made by the Russian Federation.

Article 29.1.2. The Content and Form of a Request for Legal Aid

A request for legal aid in respect cases on administrative offences shall be drawn up in writing, signed by the official forwarding it, certified by the official stamp of an appropriate body and shall contain the following:

1) denomination of the body forwarding the request for legal aid;

2) denomination and location of the body whereto the request for legal aid is forwarded;

3) denomination of the case on an administrative offence and the nature of the request for legal aid;

4) data on the persons in respect of whom the request for legal aid is forwarded, including data on the date and place of their birth, citizenship, occupation, place of residence or place of stay, and in respect of legal entities their denomination and location;

5) description of the circumstances to be clarified, as well as a list of requested documents, material and other kinds of evidence;

6) data on the fact of the committed administrative offence, its qualification, the text of the appropriate article of this Code and, where necessary, also data on the extent of harm caused by this offence.

Article 29.1.3. The Legal Force of Evidence Obtained in the Territory of a Foreign State

Evidence obtained in the territory of a foreign state by officials thereof in the course of executing by them a request for legal aid in respect of cases on administrative offences or forwarded to the Russian Federation as the enclosure to the instructions to carry out administrative prosecution in compliance with international treaties made by the Russian Federation or on the reciprocal basis, attested and transferred in the established procedure, shall have the same legal force as if they were obtained in the territory of the Russian Federation in compliance with the requirements of this Code.

Article 29.1.4. Summoning a Witness, Complainant, Their Representatives or Expert Who Are Staying Outside the Territory of the Russian Federation

1. A witness, complainant, their representatives or an expert staying outside the territory of the Russian Federation may be summoned with their consent by the official who has taken over the case on an administrative offence for making procedural actions in the territory of the Russian Federation.

2. A request for such summoning shall be forwarded in the procedure established by Part 2 of Article 29.1.1 of this Code.

3. Procedural actions with participation of the persons cited in Part 1 of this article who have appeared as a result of their summoning shall be made in the procedure established by this Code.

4. The persons cited in Part 1 of this article who have appeared as a result of their summoning may not be brought to responsibility in the territory of the Russian Federation as accused persons, taken into custody or subjected to any other kind of limitation of their personal liberty for the deeds or on the basis of sentences that had taken place before crossing by them the State Border of the Russian Federation. The operation of such guarantee shall be terminated, if a person who has appeared as a result of summoning thereof and is free to leave

the territory of the Russian Federation before the expiry of the unbroken 15-day period from the time when this person was officially notified that his/her presence was no longer necessary for the official who had summoned him/her keeps staying in this territory or after his/her departure returns to the Russian Federation.

5. A person who is held in custody in the territory of a foreign state shall be summoned in the procedure established by this article on condition that this person is temporarily delivered into the territory of the Russian Federation by a competent authority or by an official of the foreign state for making the actions cited in the request for summoning thereof. Such person shall be kept in custody within the whole time period of his/her stay in the territory of the Russian Federation, and, in so ding, as the ground for keeping him/her in custody shall serve the appropriate decision of the foreign state's competent authority. This person must be returned into the territory of the appropriate foreign state at the time cited in the answer to the request for summoning thereof. The terms of transfer or of its denial shall be defined by international treaties made by the Russian Federation or by obligations in writing to interact on the reciprocal basis.

Article 29.1.5. The Execution in the Russian Federation of a Request for Legal Aid

1. A court and officials of federal executive power bodies shall execute the requests for legal aid in respect of cases on administrative offences delivered to them in the established procedure which have come from appropriate competent authorities and officials of foreign states in compliance with international treaties made by the Russian Federation or on the basis of reciprocity which is implied, if not proved otherwise.

2. When executing a request for legal aid, the rules of this Code shall apply. If a request applies for using procedural rules of the legislation of a foreign state, the official executing the request shall apply the legislation of this foreign state, provided that its application is not at variance with the legislation of the Russian Federation and is feasible.

3. Representatives of a foreign state may attend execution of a request for legal aid, if it is provided for by international treaties made by the Russian Federation or by obligations in writing on interaction on the basis of reciprocity.

4. If a request for legal aid cannot be executed in full or in some part of it, the received documents shall be returned citing the reasons impeding its execution through the authority that has received it or through diplomatic channels to the same competent authority of a foreign state that has forwarded the request.

5. A request for legal aid shall be returned in full or in some part thereof, if:

1) it contradicts in full or in some part thereof to the legislation of the Russian Federation or the international treaty of the Russian Federation under which it has been forwarded;

2) the request's execution in full or in some part thereof can do harm to the sovereignty or security of the Russian Federation;

3) similar requests of the state bodies of the Russian Federation are not executed in the foreign state on the basis of reciprocity.

Article 29.1.6. Forwarding Materials of a Case on an Administrative Offence for Carrying Out Administrative Prosecution

In the event of making an administrative offence in the territory of the Russian Federation by a foreign legal entity or by a foreign citizen that afterwards happened to be outside it and if it is impossible to make procedural actions with the participation thereof in the territory of the Russian Federation, all the materials of the case that has been initiated and is being investigated shall be transferred to the Office of the Prosecutor General of the Russian Federation for it to resolve the issue of their forwarding to the competent authorities

of the foreign state for carrying out administrative prosecution.

Article 29.1.7. Execution of a Request for Carrying Our Administrative Prosecution or for Initiation of a Case on an Administrative Offence in the Territory of the Russian Federation

A request of a competent authority of a foreign state for carrying out administrative prosecution in respect of a citizen of the Russian Federation who has committed an administrative offence in the territory of the foreign state and returned to the Russian Federation or in respect of a Russian legal entity that has committed an administrative offence outside the territory of the Russian Federation shall be considered by the Office of the Prosecutor General of the Russian Federation. Proceedings in respect of a case on an administrative offence and its consideration in such instances shall be carried out in the procedure established by this Code.".

Article 3

Item 5 of Article 7 of Federal Law No. 280-FZ of December 25, 2008 on Amending Certain Legislative Acts of the Russian Federation in Connection with Ratification of the United Nations Convention against Corruption of October 31, 2003 and the Convention on Criminal Liability for Corruption of January 27, 1999, as Well as with Adoption of the Federal Law on Counteracting Corruption (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2008, No. 52, Article 6235) shall be declared invalidated.

President of the Russian Federation D. Medvedev

The Kremlin, Moscow
May 4, 2011
No. 97-FZ

FEDERAL LAW
NO. 7-FZ OF JANUARY 12, 1996
ON NON-PROFIT ORGANISATIONS

Adopted by the State Duma on December 8, 1995

Chapter I. General Provisions

Article 1. The Object of Regulation and the Sphere of Effect of the Present Federal Law

1. The present Federal Law shall determine the legal status, the procedure for creation, activity, reorganization and liquidation of non-profit organizations as juridical persons, the formation and use of the property of non-profit organizations, the rights and duties of their founders (participants), the bases of the management of non-profit organizations and the possible forms of their support by the bodies of State Power and the local self-government bodies.

2. The present Federal Law shall be applicable with respect to all non-profit organizations which have been or are being created on the territory of the Russian Federation

unless otherwise laid down by the present Federal Law and any other federal laws.

2.1. This Federal Law shall determine a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations.

2.2. The provisions of this Federal Law that determine a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations shall apply to structural subdivisions of international organizations (associations), insofar as they do not contravene international treaties made by the Russian Federation.

3. The present Federal Law shall not extend to consumer cooperatives, partnerships of apartment owners, fruit gardens, vegetable gardens and allotment garden non-profit associations of citizens.

4. Article 13 - 19, 21 - 23, 28 -30 of the present Federal Law shall not extend to religious organizations.

4.1. The operation of Article 13.1, Items 1, 1.1-1.3 of Article 15, Articles 23 and 23.1, Paragraph One of Item 2 of Article 24 (as regards acquisition and sale of securities and participation in limited partnerships as a depositor), Item 1 of Article 30, Items 3, 3.1, 5, 7 and 10 of Article 32 of this Federal Law shall not extend to budget-financed institutions.

4.2. The operation of Article 13.1, Items 1, 1.1-1.3 of Article 15, Articles 18, 19, 20, 23 and 23.1, Paragraph One of Item 2 of Article 24 (as regards acquisition and sale of securities and participation in limited partnerships as a depositor), Item 3 and Item 4 (except for paragraph four) of Article 24, Item 1 of Article 30, Items 3, 3.1, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not extend to state institutions.

5. The operation of this Federal Law shall not extend to state power bodies, other state bodies, managerial bodies of state non-budgetary funds, local self-government bodies, as well as to autonomous institutions, if not otherwise established by a federal law.

Article 2. A Non-profit Organization

1. A non-profit organization is one not having profit-making as the main objective of its activity and not distributing the earned profit among the participants.

2. Non-profit organizations may be created for achieving social, charitable, cultural, educational, scientific and managerial goals, for the purposes of protecting the health of citizens, developing the physical culture and sports, satisfying the spiritual and other nonmaterial requirements of citizens, protecting the rights and legitimate interests of citizens and organizations, settling disputes and conflicts, rendering legal aid, and also for any other purposes directed towards the achievement of public weal.

2.1 As people-centered non-profit organisations shall be deemed non-profit organisations established in the forms provided for by this Federal Law (except for state corporations, state companies and public associations which are political parties) and exercising activities aimed at solving social problems, development of civil society in the Russian Federation, as well as other kinds of activities provided for by Article 31.1 of this Federal Law.

3. Non-profit organisations may be created in the form of social or religious organizations (combinations), communities of the aboriginal small peoples of the Russian

Federation, Cossack communities, non-profit partnerships, institutions, autonomous non-profit organizations, social, charitable and any other funds, associations and unions, and also in any other forms stipulated by the federal laws.

4. A foreign non-profit non-governmental organisation in this Federal Law shall mean an organisation for which profit making is not the principal goal of its activities, which does not distribute derived profits to participants thereof, which is established outside the Russian Federation in compliance with the legislation of a foreign state, which is not founded by state bodies and in which they do not participate.

5. A foreign non-profit non-governmental organisation shall exercise its activities on the territory of the Russian Federation through its structural subdivisions, that is, branches, affiliates and representative offices.

A structural subdivision which is a branch of a foreign non-profit non-governmental organization shall be deemed a form of a non-profit organization and shall be subject to state registration in the procedure provided for by Article 13.1 of this Federal Law.

Structural subdivisions which are affiliates and representative offices of foreign non-profit non-governmental organizations shall become legally capable on the territory of the Russian Federation as of the date of entering to the register of affiliates and representative offices of international organizations and foreign non-profit nongovernmental organizations data of the appropriate structural subdivision in the procedure provided for by Article 13.2 of this Federal Law.

Article 3. Legal Status of Non-profit Organizations

1. A non-profit organization shall be deemed to have been created as a juridical person from the moment of its State registration in the statutory procedure, it shall have separate property in ownership or in operating management, it (except as provided for by law) shall be liable with that property for its obligations, may in its name acquire and exercise property and nonproperty rights, perform duties, sue and be sued in court.

A non-profit organization must have an independent balance and/or estimate.

2. A non-profit organization shall be created without limitation of the period of activity, unless otherwise laid down by the constituent documents of the non-profit organization.

3. A non-profit organization may in the established procedure open accounts at banks on and outside the territory of the Russian Federation, except as established by federal law.

4. A non-profit organization shall have a seal with the full designation of the said non-profit organization in the Russian language.

A non-profit organisation may have stamps and forms with its designation, and also an emblem registered in the established procedure.

Article 4. Designation and Location of a Non-profit Organization

1. A non-profit organization shall have a designation containing an indication of its legal organizational form and of the character of its activity.

A non-profit organization whose designation has been registered in the established procedure shall have an exclusive right of using it.

2. The location of a non-profit organization shall be determined by the place of its State registration.

3. The designation and the location of a non-profit organization shall be indicated in its constituent documents.

4. The inclusion in the name of a non-profit organisation, except social associations having the all-Russia status, and centralised religious organisations whose structures have

acted on the territory of the Russian Federation on legal grounds for at least fifty years as on the moment when such religious organisation applies for state registration, of the official name “Russian Federation” or “Russia” shall be allowed by a permit issued in the procedure established by the Government of the Russian Federation.

In the event of withdrawal of a permit for inclusion in the name of a non-profit organisation of the official name “Russian Federation” or “Russia” and also of the words derivative from this name, the non-profit organisation shall introduce the relevant amendments into its constituent documents within three months.

Article 5. Branches and Representative Offices of a Non-profit Organization

1. A non-profit organization may create branches and open representative offices on the territory of the Russian Federation in accordance with the legislation of the Russian Federation.

2. A branch of a non-profit organisation shall be deemed to be its isolated unit situated outside the location of the non-profit organisation and performing all its functions or a part thereof, including the functions of a representative office.

3. A representative office of a non-profit organization shall be deemed to be an isolated unit situated outside the location of the non-profit organization which unit represents the interests of the non-profit organization and carries out its protection.

4. A branch and a representative office of a non-profit organization shall not be juridical persons, they shall be vested with the property of the non-profit organization which has created them and shall act on the basis of the Regulations approved by the said organization. The property of the branch or representative office shall be recorded on a separate balance sheet and on the balance sheet of the non-profit organization which has created them.

The heads of a branch and a representative office shall be appointed by the non-profit organization and shall act on the basis of a proxy issued by the non-profit organization.

5. A branch and a representative office shall carry out activity in the name of the non-profit organization which has created them. The responsibility for the activity of its branch and representative office shall be borne by the non-profit organization which has created them.

Chapter II. Forms of Non-profit Organizations

Article 6. Social and Religious Organizations (Combinations)

1. Social and religious organizations (combinations) shall be deemed to be voluntary combinations of citizens who have combined in the statutory procedure on the basis of the community of their interests for the satisfaction of their spiritual or any other nonmaterial requirements.

Social and religious organizations (combinations) may carry on business activity corresponding to the objectives for the achievement of which they have been created.

2. The participants (members) of social and religious organizations (combinations) shall not retain the rights to the property transferred by them in ownership to the said organizations, including the right to the membership fees. The participants (members) of social and religious organizations (combinations) shall not be liable for the obligations of the said organizations (combinations), and the latter shall not be liable for the obligations of their members.

3. The peculiarities of the legal status of social organizations (combinations) shall be determined by other federal laws.

4. The peculiarities of the legal status, formation, reorganization and liquidation of

religious organizations, the management of religious organizations shall be defined by a federal law on religious associations.

Article 6.1. The Communities of the Aboriginal Small Peoples of the Russian Federation

1. The communities of the aboriginal small peoples of the Russian Federation (hereinafter referred to as the community of small peoples) shall be recognised to mean the forms of the self-organisation of the persons relating to native small peoples of the Russian Federation, and united according to the blood relationship (family or kind) and/or territorial and neighbourhood principles, for the purpose of protecting their long-standing habitat, conserving and developing the traditional way of life, economic management, sea fishery or fur trade and culture.

2. The community of small peoples shall have the right to engage in business that meets the purposes for the attainment of which it was set up.

3. The members of the community of small peoples shall have the right to receive a part of its property or the compensation of the value of such a part when they leave the community of small peoples or when it is liquidated.

The procedure for determining a part of the property of the community of small peoples or the compensation of the value of this part shall be established by the legislation of the Russian Federation on the communities of small peoples.

4. The special aspects of the legal status of the communities of small peoples, of their creation, reorganisation or liquidation and the management of the communities of small peoples shall be determined by the legislation of the Russian Federation on the communities of small peoples.

Article 6.2. Cossack Communities

1. Cossack communities are deemed to be forms of self-organisation of citizens of the Russian Federation who have united on the basis of common interests for the purpose of reviving the Cossacks, protecting their rights and preserving the traditional way of life, management and culture of the Russian Cossacks Cossack. Cossack communities shall be created in the form of khutor (farmstead), stanitsa (village), town, district (yurt), circuit (division) and army Cossack communities, whose members assume, in the established procedure, obligations to do state or other service. Cossack communities shall be subject to entering in the State Register of Cossack Communities in the Russian Federation.

2. A Cossack community may carry out business activity conforming to the purposes for whose achievement it has been created.

3. Property transferred to a Cossack community by its members and also property acquired at the expense of incomes from its activity, shall be property of the Cossack community. Members of a Cossack community shall not be responsible for its liabilities and the Cossack community shall not be responsible for the liabilities of its members.

4. The peculiarities of the legal status of Cossack communities, of their creation, reorganisation and liquidation, and of the management of Cossack communities, shall be determined by legislation of the Russian Federation.

Article 7. Funds

1. For purposes of the present Federal Law, a fund shall be deemed to be a membershipless non-profit organization set up by citizens and/or juridical persons on the basis of voluntary property contributions and pursuing social, charitable, cultural, educational or any other socially useful objectives.

The property transferred to the fund by its founder(s) shall be the fund’s ownership.

The founders shall not be liable for the obligations of the fund created by them, and the fund shall not be liable for the obligations of its founders.

2. The fund shall use the property for the objectives determined by the charter of the fund. The fund may engage in business activity corresponding to the said objectives and necessary for achieving the socially useful objectives for the sake of which the fund has been created. To carry on the business activity, the funds may create economic societies or participate therein.

The fund must publish annually reports on the use of its property.

3. The Board of Guardians of the fund shall be a body of the fund and shall supervise the fund's activity, the adoption of decisions by the other bodies of the fund and the ensuring of their execution, the use of the fund's means, and the observance of the legislation of the fund.

The fund's Board of Guardians shall carry on its activity on a voluntary basis.

The procedure for the formation and activity of the fund's Board of Directors shall be determined by the fund's charter approved by its founders.

4. Specific features of the setting up and operation of individual funds may be established under federal laws on those funds.

Article 7.1. State Corporation

1. The "state corporation" is a non-commercial organization without membership founded by the Russian Federation on the basis of a property contribution and set up to pursue social, managerial and other functions of public use. The state corporation shall be set up under a federal law.

The assets handed over to the state corporation by the Russian Federation shall be property of the state corporation.

The state corporation shall not be liable for the obligations of the Russian Federation and the Russian Federation shall not be liable for the obligations of the state corporation, except as otherwise provided in the law whereby the state corporation is formed.

In the cases and in the procedure which are set up by the Federal Law providing for the establishment of a state corporation, the authorised capital thereof may be formed on account of a part of its property. The authorised capital shall define the minimum rate of a state corporation's property guaranteeing its creditors' interests.

2. The state corporation shall use property for the purposes specified by the law whereby the state corporation is formed. The state corporation may pursue entrepreneurial activity only insofar as it serves the attainment of the goals for which it has been set up and insofar as it complies with these goals.

The state corporation shall publish annual reports on the uses of its assets in keeping with the law whereby the state corporation is formed.

Annual accounting reports/statements of a state corporation are subject to compulsory auditing to be carried out by an audit firm selected on the basis of the results of a public tender and approved by the supreme managerial body of the state corporation.

An annual report of a state corporation published subject to the requirements of the legislation of the Russian Federation on the state secret must contain information about implementation of the strategy of activities exercised by the state corporation, other information provided for by the legislation of the Russian Federation and must be endorsed at latest on July 1 of the year following the accounting one. The Government of the Russian Federation is entitled to establish additional requirements for the content of an annual report

of a state corporation, in particular as regards the investment activities thereof.

An annual report of a state corporation shall be inserted in the state corporation's official Internet site subject to the requirements of the legislation of the Russian Federation on state secret and commercial secret at latest in two weeks as from the date when the state corporation's supreme official body adopts the decision on the approval of this report, unless another time is fixed by the federal law providing for the state corporation's establishment.

The strategy of a state corporation's activities, procedure for purchasing commodities, carrying out works and rendering services for meeting the state corporation's needs shall be inserted in the official Internet site of the state corporation.

3. The peculiarities of the legal status of the state corporation shall be defined by the law whereby the state corporation is formed. To set up a state corporation no constituent documents shall be needed as required by Article 52 of the Civil Code of the Russian Federation.

The law whereby a state corporation is formed must provide the name of the state corporation, goals of its activities, place where it is located, procedure for managing its activities (including the managerial bodies of the state corporation and procedure for setting up these bodies, procedure for appointing and dismissing the officials of the state corporation), procedure for reorganizing and liquidating the state corporation and procedure for using the assets of the state corporation in the event of the liquidation thereof.

3.1. The federal law providing for the establishment of a state corporation shall stipulate forming of the board of directors or supervisory board of the state corporation (hereinafter referred to as the supreme managerial body of a state corporation).

The supreme managerial body of a state corporation may have members within its composition who are not civil servants. The Government of the Russian Federation shall establish a procedure for participation of members of the Government of the Russian Federation and of civil servants in the supreme managerial bodies of state corporations.

The following shall be within the scope of authority of the supreme managerial body of a state corporation:

endorsement of long-term programmes of activities and development of the state corporation providing for the attainment of the production, investment and fiscal targets and/or of some other document on long-term planning defined by the federal law providing for the establishment of the state corporation (the strategy of activities of the state corporation);

endorsement of the system of labour remuneration of employees of the state corporation that provides for the dependence of its employees' labour wages on the attainment of the basic targets of its activities' efficiency;

determination of the procedure for using the state corporation's profit;

adoption of the decision on the transfer of a part of the state corporation's property to the state treasury of the Russian Federation.

The federal law providing for the establishment of a state corporation may also refer other matters to the scope of authority of the supreme managerial body of the state corporation.

The supreme managerial body of a state corporation is entitled to establish commissions and committees to deal with the matters referred to the scope of authority thereof for their preliminary consideration and preparation. A procedure for exercising activities by such committees and commissions, as well as their personal composition, shall be established by decisions on establishing commissions and committees.

3.2. Temporarily available assets of a state corporation shall be invested on the basis

of the principles of repayment, profitability and liquidity of the assets acquired by it (of investment media). The Government of the Russian Federation is entitled to establish a list of permitted assets (investment media), a procedure for and terms of investing temporarily available assets of a state corporation, an order of and procedures for exercising control over these assets' investing, a procedure for making transactions of investing temporarily available assets of state corporations, forms of reports on investing temporarily available assets of state corporations, a procedure for filing and disclosing these reports.

The limit amount of temporarily available assets of a state corporation to be invested and a procedure for making decisions on investing temporarily available assets of a state corporation shall be determined by the supreme managerial body of the state corporation. The supreme managerial body of a state corporation is entitled to impose additional limitations and to establish additional requirements in respect of the operations of investing temporarily available assets of the state corporation.

3.3. Decisions on borrowings in foreign currency shall be adopted by a state corporation in the procedure established by the Government of the Russian Federation.

3.4. The Audit Chamber of the Russian Federation and other governmental bodies in compliance with the legislation of the Russian Federation are entitled to exercise control over the activities of state corporations.

4. The provisions of the present Federal Law shall apply to the state corporation, except as otherwise provided in the present article or the law whereby the state corporation is formed.

Article 7.2. The State Company

1. The state company is a non-profit organisation which has no membership and is formed on the basis of property contributions for the purpose of providing state services and carrying out other functions through the use of state property on the basis of fiduciary management. A state company shall be formed under a federal law.

2. The federal law that envisages the formation of a state company shall define the objectives of its formation and also the types of property in respect of which the state company may carry out fiduciary management.

3. The property transferred to the state company by the Russian Federation as property contributions and also the property created or acquired by the state company as the result of the state company's own activities, except for the property created at the expense of incomes received from the pursuance of fiduciary management shall be deemed assets of the state company, unless otherwise established by a federal law.

4. A state company is not liable for obligations of the Russian Federation, and the Russian Federation is not liable for the obligations of the state company, except as otherwise envisaged by the federal law envisaging the formation of the state company.

5. A state company shall use assets for the purposes defined by the federal law envisaging the formation of the state company. The state company may pursue entrepreneurial activities in as much as it is conducive to the attainment of the objectives for the sake of which it has been formed and is in line with such objectives. The state company shall publish reports on its activities in the procedure established by the federal law envisaging the formation of the state company.

6. The federal law envisaging the formation of a state company shall define the name of the state company, the objectives of its operation, the procedure for directing its activities, the procedure for the state financing of the state company, the procedure for its re-organisation and liquidation and the procedure for the use of the state company's assets in the

event of its liquidation.

7. The federal law providing for the establishment of a state company shall stipulate forming of the board of directors or supervisory board of the state company (hereinafter referred to as the supreme managerial body of a state company).

The supreme managerial body of a state company may have members within its composition who are not civil servants. The Government of the Russian Federation shall establish a procedure for participation of members of the Government of the Russian Federation and of civil servants in the supreme managerial bodies of state companies.

The following shall be within the scope of authority of the supreme managerial body of a state company:

endorsement of a long-term programme of activities of the state company providing for the attainment of the production, investment and fiscal targets (hereinafter referred to as the strategy of activities of a state company);

endorsement of the system of labour remuneration of employees of the state company that provides for the dependence of its employees' labour wages on the attainment of the basic targets of its activities' efficiency;

determination of the procedure for using the state company's profit;

adoption of the decision on the transfer of a part of the state company's property to the state treasury of the Russian Federation.

The federal law providing for the establishment of a state company may also refer other matters to the scope of authority of the supreme managerial body of the state company.

The supreme managerial body of a state company is entitled to establish commissions and committees to deal with the matters referred to the scope of authority thereof for their preliminary consideration and preparation. A procedure for exercising activities by such committees and commissions, as well as their personal composition, shall be established by decisions on establishing commissions and committees.

8. Annual accounting reports/statements of a state company are subject to compulsory auditing to be carried out by an audit firm selected on the basis of the results of a public tender and approved by the supreme managerial body of the state company.

An annual report of a state company published subject to the requirements of the legislation of the Russian Federation on state secret must contain information about implementation of the strategy of activities exercised by the state company, other information provided for by the legislation of the Russian Federation and must be endorsed at latest on May 1 of the year following the accounting one. The Government of the Russian Federation is entitled to establish additional requirements for the content of an annual report of a state company, in particular as regards the investment activities thereof.

An annual report of a state company shall be inserted in the state company's official Internet site subject to the requirements of the legislation of the Russian Federation on state secret and commercial secret at latest in two weeks as from the date when the state company's supreme managerial body adopts the decision on the approval of this report, unless another time is fixed by the federal law providing for the state company's establishment.

The strategy of a state company's activities, a procedure for purchasing commodities, carrying out works and rendering services for meeting the state company's needs shall be inserted in the official Internet site of the state company.

9. Temporarily available assets of a state company shall be invested on the basis of the principles of repayment, profitability and liquidity of the assets acquired by it (of

investment media). The Government of the Russian Federation is entitled to establish a list of permitted assets (investment media), a procedure for and terms of investing temporarily available assets of a state company, an order of and procedures for exercising control over these assets' investing, a procedure for making transactions of investing temporarily available assets of state companies, forms of reports on investing temporarily available assets of state companies, a procedure for filing and disclosing these reports.

The limit amount of temporarily available assets of a state company to be invested and a procedure for making decisions on investing temporarily available assets of a state company shall be determined by the supreme managerial body of the state company. The supreme managerial body of a state company is entitled to impose additional limitations and to establish additional requirements in respect of the operations of investing temporarily available assets of the state company.

10. Decisions on borrowings in foreign currency shall be adopted by a state company in the procedure established by the Government of the Russian Federation.

11. The Audit Chamber of the Russian Federation and other governmental bodies in compliance with the legislation of the Russian Federation are entitled to exercise control over the activities of state companies.

Article 8. Non-profit Partnerships

1. A non-profit partnership shall be deemed to be a membership-based non-profit organization set up by citizens and/or juridical persons for assisting its members in the conduct of the activity directed towards the achievement of the objectives stipulated by Item 2 of Article 2 of the present Federal Law.

The property transferred to a non-profit partnership by its members shall be the partnership's ownership. The members of a non-profit partnership shall not be liable for its liabilities, and a non-profit partnership shall not be liable for the obligations of its members, if not otherwise established by federal law.

2. A non-profit partnership may carry on business activity corresponding to the objectives for the achievement of which it has been created, except if a non-profit partnership has acquired the status of a self-regulating organisation.

3. The members of a non-profit partnership may:

participate in managing the affairs of the non-profit partnership;

receive information on the activity of the non-profit partnership in the procedure established by the constituent documents;

leave the non-profit partnership at their own discretion;

unless other established by the federal law or by the constituent documents of the non-profit partnership, receive, when leaving the non-profit partnership, a part of its property or the cost thereof within the limits of the cost of the property transferred by the members of the non-profit partnership to its ownership, with the exception of the membership fees, in the procedure stipulated by the constituent documents of the non-profit partnership;

receive, in case the non-profit partnership is liquidated, a part of its property remaining after the settlements with the creditors, or the cost of the said property within the limits of the cost of the property transferred by the members of the non-profit partnership in its ownership, unless otherwise stipulated by the federal law or the constituent documents of the non-profit partnership.

4. A member of a non-profit partnership may be expelled therefrom by a decision of the remaining members in the cases and in the procedure which have been stipulated by the constituent documents of the non-profit partnership, except if a non-profit partnership has obtained the status of a self-regulating organisation.

A member of a non-profit partnership expelled therefrom may receive a part of the property of the non-profit partnership or of the cost of the said property in accordance with

paragraph five of Item 3 of the present Article, except if a non-profit partnership has obtained the status of a self-regulating organisation.

5. The members of a non-profit partnership may also have certain other rights stipulated by its constituent documents and not contrary to the legislation.

Article 9. Private Institutions

1. As a private institution shall be recognised a non-profit institution created by the owner (by a citizen or by a legal entity) for the discharge of managerial, socio-cultural or other functions of non-profit character.

2. The property of a private institution is kept by it by the right of operative management in conformity with the Civil Code of the Russian Federation.

3. The procedure for the financial provision for the private institution's activity and the private institution's rights to the property assigned to it by the owner, as well as to the property acquired by the private institution, shall be defined in conformity with the Civil Code of the Russian Federation.

Article 9.1. State-Run and Municipal Institutions

1. As state-run or municipal institutions shall be deemed those which are established by the Russian Federation, a constituent entity of the Russian Federation and municipal entity.

2. As types of state-run and municipal institutions shall be deemed autonomous, budget-financed and government institutions.

3. The functions and powers of the founder in respect of a state-run institution established by the Russian Federation or a constituent entity of the Russian Federation, of a municipal institution established by a municipal entity, if not otherwise established by federal laws and regulatory legal acts of the President of the Russian Federation or the Government of the Russian Federation, shall be exercised accordingly by an authorised federal executive power body, executive power body of a constituent entity of the Russian Federation and local authority (hereinafter referred to as the body exercising the founder's functions and authority).

Article 9.2. A Budget-Financed Institution

1. As a budget-financed institution shall be recognized a non-profit organisation established by the Russian Federation, a constituent entity of the Russian Federation or municipal entity for carrying out works and rendering services for the purpose of ensuring the exercise of the powers provided for by the legislation of the Russian Federation of accordingly state power bodies (state bodies) or local authorities in respect of science, education, public health care, culture, social protection, employment of the population, physical training and sports, as well as in other fields.

2. Budget-financed institutions shall exercise their activities in compliance with the subject and purposes of their activities defined in compliance with federal laws, other regulatory legal acts, municipal legal acts and the charter thereof.

3. State (municipal) tasks for a budget-financed institution in compliance with the basic kinds of activities provided for by the constituent documents thereof shall be set and endorsed by the appropriate body exercising the founder's functions and authority.

A budget-financed institution shall exercise the activities connected with carrying out works and rendering services pertaining to its basic kinds of activities in the areas which are cited in Item 1 of this Article in compliance with state (municipal) tasks and/or commitments in respect of the insurer under obligatory social insurance.

A budget-financed institution is not entitled to reject the implementation of a state (municipal) task.

The subsidy granted for implementation of a state (municipal) task shall be only reduced within the time period of its implementation in the event of the appropriate alteration of the state (municipal) task.

4. A budget-financed institution is entitled, in excess of the state (municipal) task set, as well as where it is determined by federal laws, within the limits of the state municipal task set, to carry out works and render services pertaining to its basic kind of activities in the areas cited in Item 1 of this article for citizens and legal entities on a payable basis and under the terms which are the same for a given kind of services. The procedure for fixing the cited payment shall be established by the appropriate body exercising the founder's functions and authority, if not otherwise provided for by federal law.

A budget-financed institution is entitled to exercise other kinds of activities that do not belong to the basic kinds of activities thereof, insofar as it serves the purposes of its establishment and that are in keeping with the cited purposes, provided that such activities are mentioned in the constituent documents thereof.

5. A budget-financed institution shall exercise, in the procedure defined by the Government of the Russian Federation, the supreme executive state power body of a constituent entity of the Russian Federation or the local administration of a municipal entity, the authority of accordingly a federal state power body (state body), an executive state power body of a constituent entity of the Russian Federation or local authority as to the discharge of public commitments towards a natural person which are to be discharged in monetary terms.

As far as concerns application of paragraphs 1 and 2 of Item 6 of Article 9.2 of this Federal Law, see part 6 of Article 33 of Federal Law No. 83-FZ of May 8, 2010

6. Financial support of the accomplishment of a state (municipal) task by a budget-financed institution shall be rendered in the form of subsidies from an appropriate budget of the budget system of the Russian Federation.

Financial support for the accomplishment of a state (municipal) task shall be rendered subject to the outlays on the maintenance of the immovable property and especially precious movable property assigned to a budget-financed institution or acquired by a budget-financed institution on account of the assets allocated thereto by its founder for acquisition of such property, outlays on payment of taxes for which appropriate property is recognized as the object of taxation, including land plots.

In the event of letting on lease (with the founder's approbation) immovable property and especially precious movable property assigned to a budget-financed institution by the founder or acquired by a budget-financed institution on account of the assets allocated thereto by the founder for acquisition of such property, financial support of such property's maintenance shall not be rendered by the founder.

Financial support of the exercise by budget-financed institutions of the authority of a federal state power body (state body), a state power body of a constituent entity of the Russian Federation or a local authority as to the discharge of the public commitments provided for by Item 5 of this article shall be rendered in the procedure established accordingly by the Government of the Russian Federation, the supreme executive state power of a constituent entity of the Russian Federation or the local administration of a municipal entity.

7. The procedure for forming a state (municipal) task and the procedure for rendering financial support for the accomplishment of this task shall be defined:

1) by the Government of the Russian Federation in respect of federal budget-financed institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation in respect of budget-financed institutions of a constituent entity of the Russian Federation;

3) the local administration in respect of municipal budget-financed institutions.

8. A budget-financed institution shall make operations in the assets received by it in compliance with the legislation of the Russian Federation through personal accounts opened with a regional agency of the Federal Treasury or with the fiscal body of a constituent entity of the Russian Federation (municipal entity) in the procedure established by the legislation of the Russian Federation (except as established by federal law).

9. The property of a budget-financed institution shall be assigned thereto by the right of operative management in compliance with the Civil Code of the Russian Federation. The owner of the property of a budget-financed institution shall be accordingly the Russian Federation, a constituent entity of the Russian Federation or a municipal entity.

The land plot required for the accomplishment by a budget-financed institution of the statutory tasks thereof shall be allotted thereto on the basis of the right of its permanent (termless) use.

Cultural heritage units (historical and cultural monuments) of the peoples of the Russian Federation, cultural valuables, natural resources (except for land plots) whose use in civil circulation is limited or which are withdrawn from civil circulation shall be assigned to a budget-financed institution under the terms and in the procedure defined by federal laws and other regulatory legal acts of the Russian Federation.

The right of operative management of a budget-financed institution to cultural heritage units of religious purpose, in particular to those whose use in civil circulation is limited or which are withdrawn from civil circulation, that have been allotted to religious organisations for gratuitous use (as well as when transferring such units to religious organisations for gratuitous use) shall be terminated for the reasons provided for by federal law.

10. A budget-financed institution is not entitled without approbation of the owner thereof to dispose of the especially precious movable property assigned to it by the owner or acquired by the budget-financed institution on account of the assets allocated to it by the owner for acquisition of such property, as well as of immovable property.

A budget-financed institution is entitled to independently dispose of the rest of the property it holds by the right of operative management, if not otherwise provided for by Items 13 and 14 of this article or by Paragraph Three of Item 3 of Article 27 of this Federal Law.

11. For the purposes of this Federal Law, especially precious movable property means the movable property whose absence considerably impedes the exercise by a budget-financed institution of its statutory activities. A procedure for classifying property as pertaining to the category of especially precious movable property shall be established by the Government of the Russian Federation. Such property may be defined by:

1) the federal executive power bodies exercising the functions of formulation of the state policy and normative legal regulation in respect of the federal budget-financed institutions which are subordinate to these bodies or are subordinate to the federal services or agencies subordinate to these bodies, by the federal state power bodies (state bodies) whose activities are administered by the President of the Russian Federation or the Government of the Russian Federation in respect of the federal budget-financed institutions which are subordinate to them;

2) in the procedure established by the supreme executive state power body of a constituent entity of the Russian Federation in respect of budget-financed institutions of the constituent entity of the Russian Federation;

3) in the procedure established by the local administration in respect of municipal budget-financed institutions.

12. The lists of especially precious movable property shall be defined by the appropriate bodies exercising the founder's functions and authority.

13. A major transaction may be only made by a budget-financed institution with the preliminary approbation of the appropriate body exercising the functions and authority of the budget-financed institution's founder.

For the purposes of this Federal Law, as a major transaction shall be deemed a transaction or several interrelated transactions connected with the disposal of monetary assets, alienation of other property (which a budget-financed institution is entitled to independently dispose of), as well as with the transfer of such property for use or for putting in pledge, provided that the price of such transaction or the value of the property to be alienated or transferred exceeds 10 per cent of the balance sheet value of the budget-financed institution's assets estimated on the basis of its accounting reports/statements as of the last reporting date, if the budget-financed institution's charter does not provide for a smaller extent of a major transaction.

A major transaction made with a failure to satisfy the requirements of Paragraph One of this item may be declared invalid at the suit of a budget-financed institution or the founder thereof, where it is proved that the other party to the transaction learnt or could learn that there was no preliminary approbation of the budget-financed institution's founder.

The head of a budget-financed institution shall be liable to the budget-financed institution in the amount of losses caused to the budget-financed institution as a result of making a major transaction with a failure to satisfy the requirements of Paragraph One of this item, regardless of whether this transaction has been declared invalid or not.

14. Budget-financed institutions are not entitled to deposit monetary assets with credit institutions, or to make transactions in securities, if not otherwise provided for by federal laws.

Article 10. Autonomous Non-profit Organization

1. An autonomous non-profit organization shall be deemed to be a membershipless non-profit organization set up by citizens and/or juridical persons on the basis of voluntary property contributions for the purposes of granting certain services in the field of education, public health, culture, science, law, physical culture and sports, or any other services.

The property transferred to an autonomous non-profit organization by its founder(s) shall be the ownership of the said non-profit organization. The founders of the autonomous non-profit organization shall not retain the rights to the property transferred by them in ownership of the said organization. The founders shall not be liable for the obligations of the non-profit organization created by them, and the organization shall not be liable for the obligations of its founders.

2. An autonomous non-profit organization may carry on business activity corresponding to the objectives for the achievement of which the said organization has been created.

3. The activity of autonomous non-profit organization shall be supervised by its founders in the procedure stipulated by its constituent documents.

4. The founders of an autonomous non-profit organization may use its services only on equal conditions with any other persons.

Article 11. Combinations of Juridical Persons (Associations and Unions)

1. Profit-making organizations, for the purposes of coordinating their business activity, and also of representing and protecting their common property interests, may by an agreement between themselves create combinations in the form of associations or unions that

are non-profit organizations.

Where by decision of the participants an association (union) is vested with carrying on business activity, such association (union) shall be transformed into an economic society or partnership in the procedure stipulated by the Civil Code of the Russian Federation, or it may create for carrying on business activity an economic society or participate in such society.

2. Non-profit organizations may voluntary combine in associations (unions) of non-profit organizations.

An association (union) of non-profit organizations shall be a non-profit organization.

3. The members of an association (union) shall retain their independence and the rights of a juridical person.

4. An association (union) shall not be liable for the obligations of its members. The members of an association (union) shall bear subsidiary responsibility for the obligations of the said association (union) at the rate and in the procedure stipulated by its constituent documents.

5. The designation of an association (union) must contain an indication of the main object of the activity of the members of the association (union) with the inclusion of the words “association” or “union”.

Article 12. Rights and Duties of the Members of Associations and Unions

1. The members of an association (union) may use the services of the latter free of charge.

2. An association (union) member may leave the association (union) at his discretion upon the termination of the financial year. In such case the association (union) members shall bear the subsidiary responsibility for its obligations proportionally to his contribution during two years from the moment of the withdrawal.

A member of an association (union) may be expelled therefrom by decision of the remaining members in the cases and in the procedure established by the constituent documents of the association (union) member, there shall be applicable the rules concerning the withdrawal from the association (union).

3. A new member may join an association (union) with the consent of its members. The joining of the association (union) by a new member may be conditioned with his subsidiary responsibility for the association’s (union’s) obligations that arose before he joins it.

Chapter III. Creation, Reorganization and Liquidation of a Non-profit Organization

Article 13. Creation of a Non-profit Organization

1. A non-profit organization may be created as a result of establishing it, and also as a result of reorganizing an existing non-profit organization.

2. The decision on the creation of a non-profit organisation as a result of its establishing shall be rendered by the founders (founder) thereof. In respect of a budget-financed or government institution such decision shall be rendered in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of constituent entities of

the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

Article 13.1. State Registration of Non-Profit Organisations

1. A non-profit organization shall be subject to state registration in compliance with Federal Law No. 129-FZ of August 8, 2001 on the State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the Federal Law on State Registration of Legal Entities and Individual Businessmen) taking into account the procedure for state registration of non-profit organizations established by this Federal Law.

2. A decision on state registration (on the refusal to effect state registration) of a non-profit organization shall be rendered by the federal executive body authorised in the area of registration of non-profit organizations (hereinafter referred to as the authorized body) or by a territorial body thereof.

3. Data on the establishment, reorganization and liquidation of non-profit organizations, as well as other data provided for by the federal laws, shall be entered to the Unified State Register of Legal Entities by the federal executive body authorised in compliance with Article 2 of the Federal Law on State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the registering body) on the basis of a decision on state registration rendered by the authorized body or by a territorial agency thereof. Forms of the documents required for the appropriate state registration shall be determined by the federal executive body authorized by the Government of the Russian Federation.

4. The documents required for state registration of a non-profit organization shall be submitted to the authorized body or to a territorial agency thereof at the latest in three months as of the date of rendering a decision on the establishment of such organization.

5. The following documents shall be submitted to the authorised body or to a territorial body thereof for state registration of a non-profit organization when establishing it:

1) an application signed by an authorised person (hereinafter referred to as an applicant) with his family name, first name and patronymic, place of residence and contact telephones indicated therein;

2) three copies of the constituent documents of the non-profit organization;

3) two copies of the decision on the establishment of the non-profit organization and on the approval of the constituent documents thereof with the composition of its elected (appointed) bodies indicated therein;

4) information of the founders thereof in two copies;

5) the document proving payment of the state duty;

6) data on the address (location) of the permanent body of the non-profit organization used for communication with the non-profit organization;

7) in the event of using by the public association of the name of an individual or symbols protected by the laws of the Russian Federation on the protection of intellectual property or copyrights, as well as of the full denomination of another legal entity as part of its own name - the documents confirming the authority to use them;

8) an extract from the register of foreign legal entities of the appropriate country of origin or the document of equal legal force that prove the legal status of the founder which is a foreign legal entity.

5.1. The authorised body or its territorial body may not demand the submission of any

documents other than those mentioned in Item 5 of this Article.

6. A decision on the state registration of a branch of a foreign non-profit non-governmental organization shall be rendered by the authorized body. The said decision shall be rendered on the basis of the documents submitted in compliance with Item 5 of this Article and attested by an authorised body of the foreign non-profit non-governmental organization, as well as on the basis of copies of the constituent documents, the registration certificate or other right-proclaiming documents of the foreign non-profit non-governmental organization.

7. The documents of foreign organizations must be submitted in the state (official) language of the appropriate foreign state, translated into Russian, properly attested and certified.

8. In the absence of the grounds for the refusal of the state registration or for suspension of the state registration of a non-profit organization established by Article 23.1 of this Federal Law, the authorised body or a territorial agency thereof at the latest in fourteen working days as of the date of receiving required documents shall decide on state registration of the non-profit organization and shall send to the registering body the data and documents required for the exercise by the registering body of its functions of keeping the Unified State Register of Legal Entities. The registering body on the basis of the said decision and the data and documents submitted by the authorised body or a territorial agency thereof shall make at the latest in five working days as of the date of receiving these data and documents the appropriate entry to the Unified State Register of Legal Entities and at latest on the working day following the date of making such entry shall report it to the body that has decided on the state registration of the non-profit organization. The body that has decided on state registration of a non-profit organisation at the latest in three working days as of the date of receiving from the registering body information on making an entry on the non-profit organization to the Unified State Register of Legal Entities shall issue to the applicant the state registration certificate.

The interaction of the authorised body or its territorial body with the registering body on the issues of state registration of a non-profit organisation shall be carried out in the procedure established by the authorised body in agreement with the registering body.

9. A state duty shall be recovered for state registration of a non-profit organization in the procedure and in the amount that are provided for by the legislation of the Russian Federation on taxes and fees.

Article 13.2. Notification on the Establishment on the Territory of the Russian Federation of an Affiliate of a Representative Office of a Foreign Non-Profit Non-Governmental Organisation

1. A foreign non-profit non-governmental organization within three months as of the date of deciding on the establishment on the territory of the Russian Federation of its affiliate or representative office shall notify the authorised body of it.

2. A notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-profit non-governmental organization (hereinafter also referred to as the notification) shall be attested by the authorised body of the foreign non-profit non-governmental organisation and shall contain data on the founders thereof and on the address of its permanent governing body. The form of the notification shall be established by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice.

3. The following documents shall be attached to the notification:

1) the constituent documents of the foreign non-profit nongovernmental organization;

2) a decision of the governing body of the foreign non-profit nongovernmental

organisation on establishing an affiliate or a representative office of the foreign non-profit non-governmental organisation;

3) the regulations on the affiliate or representative office of the foreign non-profit non-governmental organisation;

4) a decision on appointing the head of the affiliate or representative office of the foreign non-profit non-governmental organisation;

5) a document stating the aims and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organisation.

4. The notification and the documents attached thereto must be submitted in the state (official) language of the appropriate foreign state, translated into Russian and properly attested certified.

5. The data contained in the notification and the documents attached thereto shall form part of the register of affiliates and representative offices of international organizations and foreign non-profit non-governmental organizations (hereinafter also referred to as the register) which is kept by the authorised body.

6. The authorized body at the latest in thirty days as of the date of receiving the notification shall issue to the head of the appropriate affiliate or representative office of the foreign non-profit nongovernmental organization an extract from the register whose form shall be established by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice.

7. A foreign non-profit non-governmental organization may be denied entering data on an affiliate or representative office thereof to the register for the following reasons:

1) if the data or documents provided for by this Article are incomplete or these documents are not properly drawn up;

2) if it is found that the constituent documents submitted by the foreign non-profit non-governmental organization contain unreliable information;

3) if the goals and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organization contravene the Constitution of the Russian Federation and the legislation of the Russian Federation;

4) if the goals and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity and national interests of the Russian Federation;

5) if the affiliate or representative office of the foreign non-profit non-governmental organization that have been previously included into the register, are excluded from it in connection with a gross violation of the Constitution of the Russian Federation and the legislation of the Russian Federation.

8. In the event of a refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization for the reasons provided for by Subitems 1-3, 5 of Item 7 of this Article, the applicant shall be notified thereof it in writing with an indication of the specific provisions of the Constitution of the Russian Federation and the legislation of the Russian Federation whose violation has entailed the refusal, and, in the event of refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization for the reasons provided for by Subitem 4 of Item 7 of this Article, the applicant shall be informed of the causes of the refusal.

9. A refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization may be appealed against with a superior body or court.

10. A refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization shall not be an to a repeated submission of

a notification, provided that the reasons for the refusal have been eliminated.

11. An affiliate or representative office of a foreign non-profit non-governmental organization shall become legally capable from the date of entering to the register data on the appropriate structural subdivision of the foreign non-profit non-governmental organization.

12. The head of this structural subdivision shall be obliged at the latest in twenty days as of the date of entering to the register data on the appropriate structural subdivision of a foreign non-profit nongovernmental organization to notify the authorized body of the address (location) of the affiliate or representative office and of the contact telephone numbers thereof.

13. Notifications on changes in the data contained in a notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-profit non-governmental organization and in the documents attached thereto, as well as on changes in the data stated in Item 12 of this Article, shall be submitted in the procedure provided for by this Article.

Article 14. Constituent Documents of a Non-profit Organization

1. The constituent documents of non-profit organizations shall be:

the charter endorsed by the founders (participants, the property's owner) for a public organisation (association), fund, non-profit partnership, autonomous non-profit organisation, private or budget-financed institution;

the charter or, where it is established by law, regulatory legal acts of the President of the Russian Federation or the Government of the Russian Federation, regulations endorsed by the appropriate body exercising the functions and authority of the founder, for a government institution;

the constituent agreement concluded by their members and the charter approved by them, for an association or union;

The founders (participants) of non-profit partnerships, and also of autonomous non-profit organizations may conclude a constituent agreement.

In the cases stipulated by the law a non-profit organization may act on the basis of the general regulations on the organizations of a given type and kind.

1.1. the charter of a budget-financed or government institution shall be endorsed in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

2. The requirements of the constituent documents of a non-profit organization shall be obligatory for execution by the non-profit organization itself and by its founders (participants).

3. The constituent documents of a non-profit organization must determine the non-profit organization's designation containing an indication of the character of its activity and the legal organizational form, the location of the non-profit organization, the procedure for the management of the activity, the object and objectives of the activity, the data on the branches and representative offices, the rights and duties of the members, the conditions and procedure for joining the non-profit organization and withdrawing therefrom (if the non-profit organization has membership), the sources of the formation of the property of the non-profit organization, the procedure for amending the constituent documents of the non-profit

organization, the procedure for using the property in case of liquidation of the non-profit organization, and any other provisions stipulated by the present Federal Law and by any other federal laws.

In the constituent agreement the founders shall undertake to create a non-profit organization, shall determine the procedure for the joint activity in creating the non-profit organization, the conditions for the transfer thereto of its property and for the participation in its activity, and the conditions and procedure for the founders (participants) to withdraw therefrom.

The charter of a fund must also contain the fund's designation excluding the word "fund", and the data on the fund's objective; the indications of the fund's bodies, including of the Board of Guardians, and of the procedure for their formation, of the procedure for appointing and dismissing the fund's officials, of the fund's location, and of the destiny of the property of the fund in case of the latter's liquidation.

The constituent documents of an association (union) or a non-profit partnership must also contain the conditions of the composition and competence of their management bodies, of their decision-making procedure, including on the issues to be decided unanimously or by a qualified majority of votes, and of the procedure for the distribution of the property remaining after the liquidation of the association (union) or the non-profit partnership.

The charter of a budget-financed or government institution shall also contain the institution's denomination citing the type thereof - budget-financed institution or government institution respectively, data on its property's owner, an exhaustive list of the kinds of activities which the budget-financed or government institution is entitled to exercise in compliance with the goals for whose attainment it has been established, indications as to the structure and competence of the institution's managerial bodies, procedure for forming them, the term of authority of such bodies and a procedure for the exercise of activities by them.

The constituent documents of a non-profit organization may also contain any other provisions which are not contrary to the legislation.

4. The charter of a non-profit organization may be amended by decision of its supreme management body, with the exception of the charter of a budget-financed or government institution, the charter of a fund, which may be amended by a fund's bodies if the charter of the fund stipulates the possibility of amending that charter in such procedure.

The charter of a budget-financed or government institution shall be amended in the procedure established by:

the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

If the conservation of the charter of a fund in an unchanged form entails certain consequences which are unforeseeable when the fund is being set up and the possibility of amending its charter has not been stipulated or the charter is not amended by the authorized persons, the right of making amendments in accordance with the Civil Code of the Russian Federation belong to the court by application of the bodies of the fund or of the body authorized to supervise the fund's activity.

Article 15. The Founders of a Non-profit Organization

1. Fully capable citizens and/or juridical persons may act as founders of a non-profit

organization depending on its legal organizational forms.

1.1. Foreign citizens and stateless persons lawfully staying on the territory of the Russian Federation may be founders (participants in, or members of) non-profit organizations, except for the instances provided for by international treaties made by the Russian Federation or by the federal laws.

1.2. As the founder (participant in, or member) of a non-profit organization may not be deemed:

1) the foreign citizen or stateless person in respect of whom a decision is rendered in the procedure established by the laws of the Russian Federation on undesirability of their staying (residence) on the territory of the Russian Federation;

2) the person included into the list under Item 2 of Article 6 of Federal Law No. 115-FZ of August 7, 2001 on Resistance to Legalisation (Laundering) of Monetary Funds Derived Illegally and to Financing of Terrorism;

3) the public association or religious organization whose activities are suspended in compliance with Article 10 of Federal Law No. 114-FZ of July 25, 2002 on Resistance to Extremist Activities;

4) the person in respect of whom it is established by an effective court decision that in his actions there are signs of extremists activity.

5) a person who does not conform to the requirements, set for the founders (participants, members) of a non-profit organisation, of the federal laws determining the legal status and the procedure for the creation, activity, reorganisation and liquidation of non-profit organisations of certain types.

1.3. The number of founders of a non-profit organisation is not limited, if not otherwise established by federal law.

A non-profit organisation may be established by a single person, except when non-profit partnerships and associations (unions) are established and except as provided for by federal law.

2. The founder of a budget-financed or government institution shall be:

1) the Russian Federation - in respect of a federal budget-financed or government institution;

2) a constituent entity of the Russian Federation - in respect of a budget-financed or government institution of a constituent entity of the Russian Federation;

3) a municipal entity - in respect of a municipal budget-financed or government institution.

Article 16. Reorganization of a Non-profit Organization

1. A non-profit organization may be reorganized in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

2. The reorganization of a non-profit organization may be carried out in the form of a merger, affiliation, separation, split-off and transformation.

2.1. The decision on re-organisation of budget-financed or government institutions shall be adopted and such institutions shall be re-organised, if not otherwise established by an act of the Government of the Russian Federation, in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed and government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity

of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

2.2. When a government institution is being re-organised, a creditor is not entitled to demand early discharge of an appropriate commitment, as well as termination of commitments and reimbursement of the losses connected with it.

3. A non-profit organization shall be deemed to have been reorganized, with the exception of the cases of a reorganization in the form of affiliation, from the moment of the State registration of the newly emerged organization(s).

In the case of a reorganization of a non-profit organization in the form of the affiliation thereto of another organization, the first one of these shall be deemed to have been reorganized from the moment of introducing into the Single State Register of Juridical Persons an entry about the termination of the activity of the affiliated organization.

4. The State registration of an organization (organizations) that has (have) newly arisen as a result of a reorganization and the introduction into the Single State Register of Juridical Persons of an entry about the termination of the activity of the reorganized organization(s) shall be carried out in the procedure established by the federal laws.

Article 17. Transformation of a Non-profit Organization

1. A non-profit organization may be transformed into a fund or an autonomous non-profit organization, as well as into a company in the instances and in the procedure established by federal laws.

2. A private institution may be transformed into a fund, an autonomous non-profit organization or an economic society. The transformation of State or municipal institutions into non-profit organizations of other forms or into an economic society shall be permissible in the cases and in the procedure which have been laid down by the law.

3. An autonomous non-profit organization may be transformed into a fund.

4. An association or a union may be transformed into a fund, an autonomous non-profit organization, an economic society, a partnership company or a non-profit partnership.

5. The decision to transform a non-profit partnership shall be taken by the founders unanimously, and the decision to transform an association (union) shall be taken by all the members that have concluded the agreement on creating it.

The decision to transform a private institution shall be taken by its owner.

The decision to transform an autonomous non-profit organization shall be taken by its supreme management body in accordance with the present Federal Law in the procedure stipulated by the charter of the non-profit organization.

6. When transforming a non-profit organization, the newly arising organization shall take over the rights and duties of the reorganized non-profit organization in accordance with the transfer deed.

Article 17.1. Alteration of the Type of a State or Municipal Institution

1. The alteration of the type of a state or municipal institution shall not be deemed its re-organisation. When the type of a state or municipal institution is changed, appropriate amendments shall be made in the constituent entities thereof.

2. The type of a budget-financed institution shall be changed for the purpose of establishing a government institution, as well as the type of a government institution shall be changed for the purpose of creating a budget-financed institution, in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

3. The type of an already existing budget-financed or government institution shall be changed for the purpose of establishing an autonomous institution, as well as the type of an already existing autonomous institution shall be changed for the purpose of establishing a budget-financed or government institution, in the procedure set up by Federal Law No. 174-FZ of November 3, 2006 on Autonomous Institutions.

Article 18. Liquidation of a Non-profit Organization

1. A non-profit organization may be liquidated on the basis and in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

1.1. An application for liquidation of a non-profit organization shall be filed with court by the prosecutor public of the appropriate subject of the Russian Federation in the procedure provided for by the Federal Law on the Public Prosecutor's Office (in the wording of Federal Law No. 168-FZ of November 17, 1995) by the authorized body or by a territorial body thereof.

2. The decision to liquidate a fund may be adopted only by the court upon application of the interested persons.

A fund may be liquidated:

if the fund's property is insufficient for accomplishing its objectives and the probability of obtaining the necessary property is unreal;

if the fund's objectives are unattainable and the necessary amendments of the funds' objectives cannot be made;

if the fund deviates in its activity from the objectives stipulated by its charter;

in any other cases stipulated by the Federal Law.

2.1. A branch of a foreign non-profit non-governmental organisation on the territory of the Russian Federation shall be likewise liquidated:

1) in the event of liquidation of the appropriate foreign non-profit non-governmental organization;

2) in the event of non-submission of the data indicated in Item 4 of Article 32 of this Federal Law;

3) if its activities do not comply with the goals provided for by the constituent documents thereof, as well as with the data presented in compliance with Item 4 of Article 32 of this Federal Law.

3. The founders (participants) of a non-profit organization or the body that has adopted the decision to liquidate the non-profit organization shall appoint a liquidation commission (liquidator) and shall, in accordance with the Civil Code of the Russian Federation and the present Federal Law, establish the procedure and the time for the liquidation of the non-profit organization.

4. From the moment of the appointment of the liquidation commission the latter shall take over the powers in managing the affairs of the non-profit organization. The liquidation commission shall appear in court on behalf of the non-profit organization being liquidated.

5. The decision on liquidation of a budget-financed institution shall be adopted and it shall be liquidated in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed institutions.

Article 19. Procedure for the Liquidation of a Non-profit Organization

1. The liquidation commission shall place in the organs of the press, which publish the data on the State registration of juridical persons, a publication on the liquidation of the non-profit organization and on the procedure and time for the creditors to lodge their claims. The time period for the creditors to lodge their claims may not be less than two months from the day of the publication about the liquidation of a non-profit organization.

2. The liquidation commission shall take measures to reveal the creditors and obtain the creditor indebtedness, and shall also notify the creditors in written form about the liquidation of the non-profit organization.

3. Upon the termination of the period for the creditors to lodge their claims, the liquidation commission shall draw up an interim liquidation balance sheet which shall contain the data on the composition of the property of the non-profit organization being liquidated, a list of the claims lodges by the creditors, and also the results of their consideration.

The interim liquidation balance sheet shall be approved by the founders (participants) of the non-profit organization or by the body that has adopted the decision on its liquidation.

4. If the monetary funds of a liquidated non-profit organization (with the exception of of private institutions) are insufficient for satisfying the creditors' claims, the liquidation commission shall make a sale of the property of the non-profit organization at a public auction in the procedure established for the execution of court judgements.

If the monetary funds of a liquidated private institution are insufficient for satisfying the claims of the creditors, the latter may apply to court with an action for satisfying the remaining part of the claims at the expense of the owner of the said institution.

5. The payment of the money amounts to the creditors of a liquidated non-profit organization shall be made by the liquidation commission in the order of the priority established by the Civil Code of the Russian Federation in accordance with the interim liquidation balance sheet beginning on the day of its approval, with the exception of the creditors of the third and fourth turn, the payments to whom shall be made upon the expiration of a month as from the day when the interim liquidation balance sheet is approved.

6. After the completion of the settlements with the creditors the liquidation commission shall draw up a liquidation balance sheet, which shall be approved by the founders (participants) of the non-profit organization or by the body that has adopted the decision to liquidate the non-profit organization.

Article 19.1. Specifics of a Government Institution's Liquidation

1. The decision on liquidation of a government institution shall be adopted and it shall be liquidated in the procedure established by:

1) the Government of the Russian Federation - in respect of a federal government institution;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of a government institution of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of a municipal

government institution.

2. When a government institution is being re-organised, a creditor is not entitled to demand early discharge of an appropriate commitment, or termination of commitments and reimbursement of the losses connected with it.

Article 20. The Property of a Non-profit Organization That Is Being Liquidated

1. In the liquidation of a non-profit organization the property remaining after the satisfaction of the creditors' claims, unless otherwise provided for by the present Federal Law and any other federal laws, shall be assigned in accordance with the constituent documents of the non-profit organization to the objectives, in whose interests it has been created, or to charitable objectives. If it is impossible to use the property of the liquidated non-profit organization in accordance with its constituent documents, the said property shall be turned in the revenue of the State.

2. In the liquidation of a non-profit organization the property remaining after the satisfaction of the creditors' claims shall be subject to distribution among the members of the non-profit partnership in accordance with their property contribution, whose rate does not exceed the rate of their property contributions, unless otherwise provided for by the federal laws or the constituent documents of the non-profit partnership.

The procedure for using the property of the non-profit partnership, whose cost does not exceed the rate of the property contributions of its members, shall be determined in accordance with Item 1 of the present Article.

3. The property of a private institution remaining after the satisfaction of the creditors' claims shall be transferred to its owner, unless otherwise provided for by the laws and any other legal acts of the Russian Federation or by the constituent documents of such institution.

4. The property of a budget-financed institution left after allowing creditors' claims, as well as the property against which execution may not be levied in connection with the budget-financed institution's commitments, shall be transferred by the liquidation commission to the owner of appropriate property.

Article 21. The Completion of the Liquidation of a Non-profit Organization

The liquidation of a non-profit organization shall be considered completed and the non-profit organization as having ceased to exist after a relevant entry thereto has been made in the Single State Register of Juridical Persons.

Article 22. Removed from July 1, 2002.

Article 23. The State Registration of the Amendments to the Constituent Documents of a Non-profit Organization

1. State registration of amendments to be made to the constituent documents of a non-profit organization shall be effected in the same procedure and at the same time as state registration of a non-profit organisation.

2. The amendments to the constituent documents of a non-profit organization shall enter into force from the day of their registration.

3. A state duty shall be recovered for state registration of amendments to be made to the constituent documents of a non-profit organisation in the procedure and amount provided for by the legislation of the Russian Federation on taxes and fees.

4. Amendments made to the data specified in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen shall enter into legal force as of the date of their entry to the Unified State Register of Legal Entities.

Article 23.1. Denial of State Registration of a Non-Profit Organisation

1. A non-profit organization may be denied state registration for the following reasons:

1) if the constituent documents of the non-profit organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;

2) if a non-profit organisation bearing the same name has been previously registered;

3) if the name of the non-profit organization insults the morality and outrages the national and religious feelings of citizens;

4) if the documents required for state registration which are stipulated by this Federal Law are not provided in full, or are submitted to an improper body;

5) if the person acting as the founder of the non-profit organisation may not be the founder thereof under Item 1.2 of Article 15 of this Federal Law.

6) if the decision on reorganising or liquidating a non-profit organisation, or on amending its constituent documents or on changing the information mentioned in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen has been taken by a person (or persons) not authorised thereto by a federal law and/or constituent documents of the non-profit organisation;

7) if it has been established that there is unreliable information in the documents submitted for state registration;

8) in the instance stipulated by paragraph two of Item 1.1 of this Article.

1.1. In the event that the documents submitted for state registration and stipulated by this Federal Law have been unduly drawn up, the authorised body or its territorial body may decide to suspend the state registration of the non-profit organisation until the applicant has eliminated the grounds which have caused the suspension of state registration but for not more than three months. When it is decided to suspend the state registration of a non-profit organisation, there shall be interrupted the running of the period established by Item 8 of Article 13.1 of this Federal Law. The part of such period which had expired before it was decided to suspend the state registration of the non-profit organisation shall not be included in the new period, whose running shall start from the day of submission of the documents which have been duly drawn up.

The failure by the applicant to eliminate the reasons which have caused the suspension of state registration of the non-profit organisation within the period established by the decision, shall be grounds for taking by the authorised body or by its territorial body of a decision on refusing state registration.

2. A branch of a foreign non-profit non-governmental organisation may be also denied state registration for the following reasons:

1) if the goals of establishing the branch of the foreign non-profit non-governmental organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;

2) if the goals of establishing the branch of the foreign non-profit non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity, and national interests of the Russian Federation;

3) if a branch of the foreign non-profit non-governmental organization, previously registered on the territory of the Russian Federation, has been liquidated in connection with a gross violation of the Constitution of the Russian Federation and the laws of the Russian Federation.

3. The decision on refusing state registration or suspending state registration by a non-profit organisation must be taken within fourteen working days as from the day of receipt of the submitted documents.

In the event of refusal or suspension of state registration of a non-profit organisation, the applicant shall be informed thereof in written form within three working days from the day of adoption of the relevant decision with an indication of the grounds stipulated by this Article which have caused the refusal or suspension of state registration of the non-profit organisation.

4. In the event of denial of state registration of a branch of a foreign non-profit non-governmental organization for the reason provided for by Subitem 2 of Item 2 of this Article, the applicant shall be informed of the reasons for the denial.

5. A denial of state registration of a non-profit organization may be appealed against with a superior body or court.

6. A denial of state registration of a non-profit organisation shall not be an obstacle to a repeated submission of documents for state registration, provided that the grounds for the denial have been eliminated. A repeated submission of an application for state registration of a non-profit organization and adoption of a decision concerning this application shall be effected in the procedure provided for by this Federal Law.

Chapter IV. Activity of a Non-profit Organization

Article 24. Types of Activity of a Non-profit Organization

1. A non-profit organisation may carry out one type of activity or several types of activity which are not prohibited by the legislation of the Russian Federation and which correspond to the objectives of the activity of the non-profit organisation stipulated by its constituent documents.

As the principal type of activity of budget-financed and government institutions shall be deemed the activity directly aimed at achieving the goals they are established for. An exhaustive list of the kinds of activities which budget-financed and government institutions may exercise in compliance with the aims they are established for shall be defined by the constituent documents of the institutions.

The legislation of the Russian Federation may impose restrictions as to the kinds of activities which non-profit organisations of certain kinds are entitled to exercise and, as regards institutions, also of certain types thereof.

Some kinds of activities may be only exercised by non-profit organisations on the basis of special permits (licences). A list of such activities is defined by law.

The effect of paragraph 1 of Item 2 of Article 24 of this Federal Law (as regards acquisition and sale of securities and participation in limited partnerships as a depositor) shall not extend to state-financed institutions
GARANT system comment

The effect of paragraph 1 of Item 2 of Article 24 of this Federal Law (as regards acquisition and sale of securities and participation in limited partnerships as a depositor) shall not extend to government institutions
GARANT system comment

2. A non-profit organization may conduct business and other profitable activities so far as this serves the achievement of the objectives for the sake of which it has been created

and corresponds to the cited objectives, provided that such activities are cited in the constituent documents thereof. Such activity shall be deemed to be a profitable production of goods and services corresponding to the objectives of the creation of the non-profit organization, and also the acquisition and realization of securities, property rights and nonproperty rights, the participation in economic societies and the participation in limited partnerships in the capacity of an investor.

The legislation of the Russian Federation may establish certain restrictions on the business and other profitable activities of non-profit organizations of certain kinds and, as regards institutions, also of certain types.

3. A non-profit organization shall keep the records of the proceeds and expenses in the business and other profitable activities.

3.1. The legislation of the Russian Federation may establish restrictions on making donations by non-profit organisations to political parties, regional branches thereof, as well as to election funds and referendum funds.

4. In the interests of achieving the objectives stipulated by the charter a non-profit organization may create other non-profit organizations and join associations and unions.

A budget-financed institution is entitled by approbation of the owner to transfer to non-profit organisations in the capacity of their founder or participant monetary assets (if not otherwise established by the terms of their provision) and other property, except for especially precious movable property assigned to them by the owner or acquired by the budget-financed institution on account of assets allocated thereto by the owner for such property's acquisition, as well as for immovable property.

In the instances and in the procedure provided for by federal laws, a budget-financed institution is entitled to contribute the property cited in Paragraph Two of this Item to the authorized (pooled) capital of economic companies or to transfer this property to them in some other way in the capacity of their founder or participant.

A government institution is not entitled to act as the founder (participant) of legal entities.

Article 25. The Property of a Non-profit Organisation

1. A non-profit organisation may have, in ownership or in operating management, buildings, installations, housing stock, equipment, appliances, monetary funds in roubles and in foreign currency, securities and any other assets. A non-profit organisation may have land plots under its ownership or by another right in accordance with the legislation of the Russian Federation. A federal law can establish the right of a non-profit organisation (except for a government institution) to form special-purpose capital in the composition of its property and also the features of the legal status of non-profit organisations forming special-purpose capital.

2. A non-profit organisation shall be liable for its obligations with that of its property which is recoverable according to the legislation of the Russian Federation.

Article 26. The Sources of the Formation of the Property of a Non-profit Organisation

1. The sources of the formation of the property of a non-profit organization in monetary or any other forms shall be:

regular and lumpsum receipts from the founders (participants, members);

voluntary property contributions and donations;

receipts from the marketing of goods, works and services;

dividends (yield, interest) received on shares, bonds or any other securities and

deposits;

returns received from the property of the non-profit organization;

any other receipts unprohibited by the law.

Laws may establish certain restrictions on the sources of the returns of non-profit organisations of certain kinds and, as regards institutions, also of certain types.

The sources of the formation of the property of a state corporation may represent the regular and/or lump-sum receipts (contributions) from the juridical persons whose duty to make these contributions is determined by the federal law.

2. The procedure for the regular receipts from the founders (participants, members) shall be determined by the constituent documents of a non-profit organization.

3. The profit received by a non-profit organization shall not be subject to distribution among the participants of the non-profit organization.

4. The provisions of this article shall apply to government and budget-financed institutions subject to the specifics established by this Federal Law for the given types thereof.

Article 27. Conflict of Interests

1. For the purposes of the present Federal Law the persons interested in the making by a non-profit organization of certain acts, including transactions, with any other organizations or citizens (hereinafter referred to as the interested persons) shall be deemed to be the head (deputy head) of the non-profit organization, and also the person comprising the composition of the management bodies of the non-profit organization or of the bodies supervising its activity, if the indicated persons have labour relations with the said organizations or citizens, are participants or creditors of the said organizations, or are in close family relations with the said persons or are creditors of the said persons. Besides, the said organizations or citizens are suppliers of goods (services) for the non-profit organizations, major consumers of the goods (services) produced by the non-profit organization, have certain property fully or partly formed by the non-profit organization or may derive a profit from the use or disposal of the property of the non-profit organization.

The interest in the performance by a non-profit organization of certain acts, including in the performance of transactions, shall entail a conflict of interests of the interested persons and the non-profit organization.

2. The interested persons must observe the interests of a non-profit organization, first of all with respect to the objectives of its activity, and must not use the possibilities of the non-profit organization or permit their use for purposes other than those stipulated by the constituent documents of the non-profit organization.

By the term “the possibilities of a non-profit organization”, per purposes of the present Article, there shall be understood the non-profit organization’s assets, property rights, nonproperty rights, possibilities in the field of business activity, and information on the activity and plans of the non-profit organization that is valuable therefor.

3. Where an interested person is interested in a transaction to which a non-profit organization is or intends to be a party, and also there is another clash of interests of the said person and the non-profit organization with respect to an existing or supposed transaction:

he must inform about his interest the management body of the non-profit organization or the body supervising its activity prior to the moment when the decision is taken to conclude the transaction (in a budget-financed institution - the appropriate body exercising the founder’s functions and authority);

the transaction must be approved by the management body of the non-profit

organization or by the body supervising its activity (in a budgetary institution - by the appropriate body exercising the founder's functions and authority).

4. A transaction in the making of which there is interest and which has been made with the violation of the requirements of the present Article may be invalidated by a court.

An interested person shall be liable before a non-profit organization at the rate of the losses inflicted by him on the non-profit organization. If losses have been inflicted on a non-profit organization by several interested persons, the latter shall be jointly liable before the non-profit organization.

Chapter V. Management of a Non-profit Organisation

Article 28. Bases of the Management of a Non-profit Organization

1. The structures, the competence, the procedure for the formation and the term of powers of the management bodies of a non-profit organization, the procedure for them to take decisions and to act in the name of the non-profit organization shall be laid down by the constituent documents of the non-profit organization in accordance with the present Federal Law and any other federal laws and, as regards a government or budget-financed institution, also in compliance with regulatory legal acts of the President of the Russian Federation, the Government of the Russian Federation, the supreme executive state power body of a constituent entity of the Russian Federation, the local administration of a municipal entity or, where it is established by a federal law, a law of a constituent entity of the Russian Federation or a regulatory legal act of the representative body of the local government, with regulatory legal acts of other state power bodies (state bodies) or local authorities.

2. Other federal laws can stipulate the formation of management bodies of a non-profit organisation not stipulated by this Federal Law, as well as some other distribution of powers among managerial bodies of a non-profit organisation.

Article 29. Supreme Management Body of a Non-profit Organisation

1. The supreme management body of non-profit organization in accordance with their constituent documents shall be:

a collective supreme management body for an autonomous non-profit organization;

a general meeting of members for a non-profit partnership or association (union).

The procedure for managing a fund shall be deed by its charter.

The composition and competence of the management bodies of social ~~and religious~~ organizations (combinations) shall be established in accordance with the laws on such organizations (combinations).

2. The main function of the supreme management body of a non-profit organization shall be to ensure the observance by the non-profit organization of the objectives in whose interests it has been created.

3. The competence of the supreme management body of a non-profit organization shall comprise the solution of the following issues:

the amendment of the charter of the non-profit organization;

the determination of the priority directions of the activity of the non-profit organization, and of the principles of the formation and use of its property;

the formation of the executive bodies of the non-profit organization and the termination of their powers ahead of time;

the approval of the annual report and the annual accounting balance sheet;

the approval and amendment of the financial plan of the non-profit organization;

the creation of branches and the opening of representative offices of the non-profit organization;

the participation in any other organizations;

the reorganization and liquidation of the non-profit organization (with the exception of the liquidation of a fund).

The constituent documents of a non-profit organization may stipulate the creation of a standing collective-management body, whose jurisdiction may comprise the solution of the issues stipulated by paragraphs five to eight of the present Item.

The issues stipulated by paragraphs two to four and nine of the present Item shall refer to an exclusive competence of the supreme management body of a non-profit organization.

4. A general meeting of the members of a non-profit organization or a session of a non-profit organization shall be competent if the said meeting or session is attended by half of its members.

A decision of the said general meeting or session shall be adopted by a majority vote of the members attending the meeting or session. A decision of a general meeting or session on the issues of the exclusive competence of the supreme management body of a non-profit organization shall be adopted unanimously or by a qualified majority vote in accordance with the present Federal Law, other federal laws and the constituent documents.

5. For an autonomous non-profit organization the persons who are workers of the non-profit organization may not compose more than one third of the total number of the members of the collective supreme management body of the autonomous non-profit organization.

A non-profit organization may not make the payment of the remuneration to the members of its supreme management body for the performance by them of their encumbent functions, with the exception of the compensation for the expenses directly connected with the participation in the work of the supreme management body.

Article 30. Executive Body of a Non-profit Organization

1. The executive body of a non-profit organization may be collective and/or individual. It shall exercise the current leadership of the activity of the non-profit organization and shall be accountable to the supreme management body of the non-profit organization.

2. The competence of the executive body of a non-profit organization shall comprise the solution of all issues which do not constitute the exclusive competence of other management bodies of the non-profit organization determined by the present Federal Law, any other federal laws and the constituent documents of the non-profit organization.

Article 30.1. Restrictions on the Participation of Certain Categories of Persons in the Activities of Foreign Not-for-Profit Non-Governmental Organisations

The following persons shall not sit on the managerial bodies, boards of grantees or supervisory boards or other bodies of foreign not-for-profit non-governmental organisations and their structural units operating on the territory of the Russian Federation: persons holding state or municipal offices and also state or municipal service offices, unless otherwise envisaged by an international treaty or the legislation of the Russian Federation. These persons are not entitled to engage in a paid activity financed exclusively with funds of foreign states, international and foreign organisations, foreign citizens and stateless persons, unless otherwise envisaged by an international treaty of the Russian Federation or the legislation of the Russian Federation.

Chapter VI. Support for Non-Profit Organisations. Control over the Activities of Non-Profit Organisations

Article 31. Economic Support for Non-Profit Organisations by the State Power Bodies and Local Authorities

1. State power bodies and local authorities may, within the scope of their authority established by this Federal Law and other federal laws, render economic support to non-profit organisations.

2. Economic support of non-profit organisations shall be rendered, in particular, in the following forms:

1) placing orders with non-profit organisations to supply commodities, carry out works and render services to meet state and municipal needs in the procedure provided for by Federal Law No. 94-FZ of July 21, 2005 on Placing Orders to Supply Commodities, Carry Out Works and Render Services for Meeting State and Municipal Needs (hereinafter referred to as the Federal Law on Placing Orders to Supply Commodities, Carry Out Works and Render Services for Meeting State and Municipal Needs);

2) granting privileges in payment of taxes and fees in accordance with the legislation on taxes and fees to citizens and legal entities rendering material support to non-profit organisations;

3) granting other privileges to non-profit organisations.

3. It shall not be allowed to grant privileges in payment of taxes and fees on an individual basis to some non-profit organisations, as well as to some citizens and legal entities, rendering material support to these non-profit organizations.

4. State power bodies and local authorities shall render support in the first-priority to people-centered non-profit organisations in compliance with this Federal Law.

Article 31.1. Support of People-Centered Non-Profit Organisations by the State Power Bodies and Local Authorities

1. The state power bodies and local authorities in compliance with the scope of authority thereof established by this Federal Law and other federal laws may render support of people-centered non-profit organisations if they are engaged in the following kinds of activities provided for by the constituent documents thereof:

1) social support and protection of citizens;

2) preparing the population for overcoming the aftermath of natural calamities, ecological, man-caused or other disasters, for prevention of accidents;

3) rendering aid to victims of natural calamities, ecological, man-made or other disasters, of social, national and religious conflicts, to refugees and forced migrants;

4) environmental and wildlife protection;

5) protection and maintenance in compliance with the established requirements of facilities (in particular buildings, structures) and territories of historical, hieratic, cultural or ecological importance and of burial places;

6) rendering legal aid on a gratuitous basis or on easy terms to citizens and non-profit organisations, as well as legal education of the population and activities aimed at the protection of human and civil rights and freedoms;

7) prevention of citizens' socially dangerous behavior;

8) charitable activities, as well as activities promoting charity and volunteering;

9) activities in the area of education, enlightenment, science, culture, arts, public medical care, prophylaxis and citizens' health protection, health lifestyle promotion, improvement of citizens' morals, physical training and sports and assistance to the cited kinds of activities, as well as assistance to the spiritual development of people.

2. For recognising non-profit organisations as people-centered federal laws, laws of constituent entities of the Russian Federation, regulatory legal acts of representative bodies of

municipal entities may establish, along with the kinds of activities provided for by this article, other kinds of activities aimed at solving social problems and development of civil society in the Russian Federation.

3. Support shall be rendered to people-centered non-profit organisations in the following forms:

1) financial, material, informational and consulting support, as well as support in respect of training, retraining and raising the qualifications of employees and volunteers of people-centered non-profit organisations;

2) granting privileges to people-centered non-profit organisations in the payment of taxes and fees in compliance with the legislation on taxes and fees;

3) placing orders with people-centered non-profit organisations to supply commodities, carry out works and render services for meeting state and municipal needs in the procedure provided for by the Federal Law on Placing Orders to Supply Commodities, Carry Out Works and Render Services for Meeting State and Municipal Needs;

4) granting privileges to legal entities that render material support to people-centered non-profit organisations in payment of taxes and fees in compliance with the legislation on taxes and fees.

4. The constituent entities of the Russian Federation and municipal entities, along with the forms of support specified by Item 3 of this article, shall be entitled to render support to people-centered non-profit organisations in other forms on account of budget appropriations of budgets of constituent entities of the Russian Federation and local budgets respectively.

5. Financial support to people-centered non-profit organisations may be rendered on account of budget appropriations from the federal budget, budgets of constituent entities of the Russian Federation and local budgets by granting subsidies. Budget appropriations from the federal budget for financial support to people-centered non-profit organisations (in particular, for keeping the register of people-centered non-profit organizations receiving support), including subsidies to budgets of constituent entities of the Russian Federation, shall be provided in the procedure established by the Government of the Russian Federation.

6. Material support to people-centered non-profit organisations shall be rendered by the state power bodies and local authorities by transferring state or municipal property to such non-profit organisations for possession and/or use. The cited property may be only used for its purpose.

7. Federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations shall be entitled to approve lists of property which is free of third persons' rights (except for property rights of non-profit organisations). The state and municipal property included into the cited lists may be only used for providing it to people-centered non-profit organisations for possession and/or use on a long-term basis (in particular, at reduced rental rates). These lists shall be published without fail in the mass media, as well as put on the Internet information telecommunication network, on official sites of the federal state power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations that have approved them.

8. The procedure for keeping and mandatory publication of the lists provided for by Item 7 of this article, as well as the procedure for and terms of providing for possession and/or use of the state or municipal property included therein, shall be established by regulatory legal acts of the Russian Federation, regulatory legal acts of constituent entities of the Russian Federation and municipal legal acts respectively.

9. The state and municipal property included into the lists provided for by Item 7 of this article shall not be subject to alienation for private ownership, in particular for ownership by the non-profit organisations obtaining it on a leasehold basis.

10. It shall be prohibited to sell the state and municipal property transferred to people-centered non-profit organisations, to assign the rights to its use, to put the rights to use it in pledge and to contribute the rights to use such property to the authorised capital of any other economic agents.

11. The federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations that have rendered material support to people-centered non-profit organisations shall be entitled to make a claim with an arbitration court for termination of the rights to possession and/or use by people-centered non-profit organisations of the state or municipal property provided to them, if it is used for an proper purpose and/or in defiance of the bans and restrictions established by this article.

12. Information support shall be rendered to people-centered non-profit organisations by state power bodies and local authorities by creating federal, regional and municipal information systems and information telecommunication networks, as well as ensuring their functioning for the purpose of implementation of the state policy in respect of rendering support to people-centered non-profit organisations.

Article 31.2. Registers of People-Centered Non-Profit Organisations Receiving Support

1. The federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local authorities rendering support to people-centered non-profit organisations shall form and keep federal, state and municipal registers of people-centered non-profit organisations receiving such support.

2. The following data on a non-profit organisation shall be included in the register of people-centered non-profit organisations:

1) full and shortened (if any) denomination and address (location) of the standing body of a people-centered non-profit organisation, the state registration number of the entry on the state registration of a non-profit organisation (basic state registration number);

2) taxpayer's identification number;

3) form and extent of the support rendered;

4) time of rendering support;

5) denomination of the state power body or local self-government body that has rendered support;

6) date of the decision on rendering support or of the decision on stopping rendering support;

7) information about the kinds of activities exercised by a people-centered non-profit organisation that has been supported;

8) information (if any) about the violations made by a people-centered non-profit organisation that has received support, in particular about the use of the provided funds and property for an improper purpose.

3. The procedure for keeping registers of people-centered non-profit organisations receiving support and for keeping the documents presented by them, the requirements for technological, software, linguistic, legal and organisational means for ensuring the use of the cited registers shall be established by the authorized federal executive power body.

4. The information contained in registers of people-centered non-profit organisations receiving support shall be public and shall be provided in compliance with Federal Law No. 8-FZ of February 9, 2009 on Providing Access to Information about the Activities of the State Bodies and Local Authorities.

Article 31.3. Authority of the State Power Bodies of the Russian Federation, State Power Bodies of Constituent Entities of the Russian Federation and Local

Authorities in Respect of Resolving the Issues of Rendering Support to People-Centered Non-Profit Organisations

1. The authority of state power bodies of the Russian Federation in respect of resolving the issues of rendering support to people-centered non-profit organisations shall extend to the following:

1) formulation and implementation of state policy with respect to people-centered non-profit organisations;

2) development and implementation of federal programmes of support to people-centered non-profit organisations;

3) monitoring and analysis of financial, economic, social and other indices of the activities of people-centered non-profit organisations;

4) forming a united information system for the purpose of implementation of the state policy in respect of support to people-centered non-profit organisations;

5) financing scientific research and development works concerning the problems of activities and development of people-centered non-profit organisations on account of budget appropriations from the federal budget for rendering support to people-centered non-profit organisations;

6) promulgation and popularisation of the activities of people-centered non-profit organisations;

7) assistance to regional programmes of support to people-centered non-profit organisations;

8) arranging official statistical recording of people-centered non-profit organisations, defining a procedure for random statistical observations of their activities in the Russian Federation;

9) preparing and publishing in the mass media annual reports on the activities and development of people-centered non-profit organizations in the Russian Federation, which must contain data on the use of the budget appropriations from the federal budget for supporting people-centered non-profit organisations, analysis of the financial, economic, social and other indices describing the activities of people-centered non-profit organisations, assessment of the efficiency of measures aimed at development of people-centered non-profit organisations in the Russian Federation, a forecast of their further development.

10) methodological support to state power bodies of constituent entities of the Russian Federation, local authorities and rendering of assistance thereto in the development and exercise of the activities aimed at supporting people-centered non-profit organisations in constituent entities of the Russian Federation and on the territories of municipal entities;

11) establishing the procedure for keeping registers of people-centered non-profit organisations receiving support, as well as establishing the requirements for technological, software, linguistic, legal and organisational means for ensuring the use of the cited registers;

12) forming an infrastructure for rendering support to people-centered non-profit organisations.

2. The authority of state power bodies of constituent entities of the Russian Federation in respect of resolving the issues of support to people-centered non-profit organisations shall extend to the following:

1) participation in implementation of state policy in respect of rendering support to people-centered non-profit organisations;

2) development and implementation of regional and inter-municipal programmes of rendering support to people-centered non-profit organisations subject to the socio-economic, ecological, cultural and other specifics;

3) financing scientific research and development works concerning the problems of activities and development of people-centered non-profit organisations on account of budget

appropriations from the budgets of constituent entities of the Russian Federation for rendering support to people-centered non-profit organisations;

4) assistance to the development of inter-regional cooperation of people-centered non-profit organisations;

5) promulgation and popularisation of the activities of people-centered non-profit organisations on account of budget appropriations from budgets of constituent entities of the Russian Federation for an appropriate year;

6) assistance to municipal programmes of support to people-centered non-profit organisations;

7) analysis of financial, economic, social and other indices of the activities of people-centered non-profit organisations, assessment of the efficiency of activities aimed at development of people-centered non-profit organisations in constituent entities of the Russian Federation, a forecast of their further development;

8) methodological support to local authorities and rendering assistance to them in the development and exercise of the activities aimed at rendering support to people-centered non-profit organisations on the territories of municipal entities.

3. The authority of local self-government bodies in respect of rendering support to people-centered non-profit organisations shall extend to the creation of conditions for the activities of people-centered non-profit organisations, including the following:

1) development and implementation of municipal programmes for rendering support to people-centered non-profit organisations subject to local socio-economic, ecological, cultural and other specifics;

2) analysis of financial, economic, social and other indices describing the activities of people-centered non-profit organisations, assessment of the efficiency of the activities aimed at the development of people-centered non-profit organisations on the territories of municipal entities.

Article 32. Control over the Activity of a Non-profit Organization

1. A non-profit organization shall keep accounting and statistical reporting in the procedure established by the legislation of the Russian Federation.

A noncommercial organization shall furnish information about its activity to the bodies of State statistics and to the tax bodies, to the founders and any other persons in accordance with the legislation of the Russian Federation and the constituent documents of the non-profit organization.

2. The rates and the structure of the receipts of a non-profit organization, and also the data on the rates and composition of the property of the non-profit organization, on its expenses, the number and composition of workers, on the remuneration of their labour, on the use of gratuitous labour of citizens in the activity of the non-profit organization may not be an object of commercial secrecy.

3. Non-profit organisations, except for those mentioned in Item 3.1 of this Article, shall be obliged to submit to the authorised body the documents containing a report on its activities, on the personal composition of the governing bodies thereof, as well as the documents on spending monetary funds and using other property, including those received from international and foreign organisations, foreign citizens and stateless persons. The forms and time of submitting the said documents shall be determined by the authorized federal executive body.

3.1. Non-profit organisations whose founders (participants, members) are not foreign

citizens and/or organisations or stateless persons that had not for a year received any property and monetary means from international or foreign organisations, foreign persons or stateless persons, in the event that the receipts of property and monetary means amounted up to three million roubles, shall submit to the authorised body or to its territorial body an application confirming their conformity to this Item and information in an arbitrary form about the continuation of their activity within the time periods to be determined by the authorised body.

3.2. Non-profit organisations, except for those mentioned in Item 3.1 of this Article, must annually place on the Internet or give the mass media for publication a report about their activity in the volume of the information submitted to the authorised body or its territorial body.

Non-profit organisations mentioned in Item 3.1 of this Article must annually place on the Internet or give the mass media for publication a communication about the continuation of their activity.

The procedure and time for placing such reports and communications shall be determined by the authorised federal body of executive power.

4. A structural subdivision of a foreign non-profit nongovernmental organization shall inform the authorised body of the amount of monetary funds and other property received by this structural subdivision, on the supposed distribution thereof, on the aims of their spending and use and on their actual spending and use, on the programmes to be implemented on the territory of the Russian Federation, as well as on spending the said monetary funds by natural persons and legal entities to which they are granted, and on the use of the property provided to them, in the form and at the time that are established by the authorized federal executive body.

5. The authorised body shall exercise control over compliance of the activities of a non-profit organization with the goals provided for by the constituent entities thereof and the legislation of the Russian Federation. In respect of a non-profit organization the authorised body shall be entitled to do the following:

1) to request the governing bodies of the non-profit organization for the constituent documents thereof, except for documents containing information which may be obtained in accordance with Subitem 2 of this Item;

2) to obtain on demand information on the financial and economic activities of non-profit organizations from the bodies in charge of state statistics, the federal executive body authorised to exercise control and supervision in the area of taxes and fees, and from other bodies of state control and supervision, as well as from credit and other financial organisations;

3) to send its representatives for participation in the events held by the non-profit organization;

4) conduct verifications of the conformity of the activity of a nonprofit organisation, including with regard to the spending of monetary means and the use of other property, to the purposes stipulated by its constituent documents with a periodicity established by Federal Law No. 294-FZ of December 26, 2008 on the Protection of the Rights of Legal Entities and Individual Businessmen in the Exercise of State Control (Supervision) and Municipal Control, in the procedure established by the authorised body;

5) in the event of detecting a breach of the legislation of the Russian Federation or in the event of committing by the non-profit organization actions that are at variance with the goals provided by the constituent documents thereof, to issue a written warning thereto with

an indication of the breach made and the time period for elimination thereof constituting at least a month. The warning issued to a non-profit organisation may be appealed against with a superior body or court.

5.1. Control over the activities of budget-financed and government institutions shall be exercised by:

1) the federal executive power bodies exercising the founder's functions and authority - in respect of budget-financed and government institutions;

2) in the procedure established by the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed and government institutions of the constituent entity of the Russian Federation;

3) in the procedure established by the local administration of a municipal entity - in respect of municipal budget-financed and government institutions.

5.2. Control over the activities of the government and budget-financed institutions subordinate to the federal state power bodies (state bodies), where military service or service equated to it is provided for by law, shall be exercised subject to the requirements of the legislation of the Russian Federation on the protection of state secrets.

6. In the event of detecting a breach of the legislation of the Russian Federation or committing by an affiliate or a representative office of a foreign non-profit non-governmental organization actions contravening the declared goals and tasks, the authorised body shall be entitled to issue to the head of the appropriate structural subdivision of the foreign non-profit non-governmental organization a written warning with an indication of the breach made and the time period for elimination thereof constituting at least a month. A warning issued to the head of the appropriate structural subdivision of a foreign non-profit non-governmental organization may be appealed against with a superior body or court.

7. Non-profit organizations shall be obliged to inform the authorized body of amending the data indicated in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen, except for the information on obtained licences, within three days as of the date of occurrence of such amendments and to submit the appropriate documents for rendering a decision on their sending to the registering body. A decision on sending the appropriate documents to the registering body shall be rendered in the same procedure and at the same time as a decision on state registration. With this, a list and form of the documents that are required for making such amendments shall be determined by the authorized federal executive body.

8. In the event of failure of an affiliate or a representative office of a foreign non-profit non-governmental organization to present at the established time the information provided for by Item 4 of this Article, the appropriate structural subdivision of the foreign non-profit non-governmental organization may be excluded from the register of affiliates and representative offices of international organizations and foreign non-profit non-governmental organizations on the basis of the authorized body's decision.

9. If the activities of an affiliate or representative office of a foreign non-profit non-governmental organization do not comply with the goals stated in the notification, as well as with the data presented in compliance with Item 4 of this Article, such structural subdivision may be excluded from the register of affiliates and representative offices of international organisations and foreign non-profit non-governmental organizations on the basis of a decision of the authorised body.

10. A repeated failure of a non-profit organisation to present at the established time the data provided for by this Article shall serve as a ground for filing by the authorised body

or by a territorial body thereof an application for liquidation of this non-profit organization.

11. The authorized body shall render a decision on the exclusion of an affiliate or representative office of a foreign non-profit nongovernmental organization from the register in connection with liquidation of the appropriate foreign non-profit non-governmental organization.

12. The authorised body shall send to a structural subdivision of a foreign non-profit non-governmental organization a reasoned decision in writing to prohibit implementation on the territory of the Russian Federation of the programme, declared for implementation on the territory of the Russian Federation, or of its part. The structural subdivision of a foreign non-profit non-governmental organization that has received the said decision shall be obliged to terminate its activities connected with implementation of this programme, insofar as it is indicated in the decision. A failure to execute the said decision shall entail exclusion of the appropriate affiliate or representative office of the foreign non-profit non-governmental organization from the register and liquidation of the branch of the foreign non-profit non-governmental organization.

13. For the purpose of protection of the fundamentals of the constitutional system, morals, health, rights and legitimate interests of other persons, ensuring the defence of the country and security of the State, the authorised body shall be entitled to issue to a structural subdivision of a foreign non-profit non-governmental organization a reasoned decision in writing prohibiting allocation of monetary funds and provision of other property to certain recipients of the said funds and other property.

14. The federal bodies charged with the exercise of fiscal control, the federal executive body authorised with respect to control and supervision in the area of taxes and fees, the federal executive body authorized to exercise the functions of resistance to legalization (laundering) of incomes derived illegally and to financing terrorism shall establish the compliance of spending monetary funds and using other property by non-profit organizations with the aims provided for by the constituent documents thereof, and by affiliates and representative offices of foreign non-profit non-governmental organizations with the declared goals and tasks, and shall report the results to the body that has decided on registration of the appropriate non-profit organization and on the inclusion into the register of the affiliate or representative office of the foreign non-profit non-governmental organization and in respect of budget-financed institutions - to the appropriate bodies exercising the founder’s functions and authority.

15. A foreign non-profit non-governmental organization shall be entitled to appeal against actions (omission to act) of state bodies with court at the location of the state body whose actions (omission to act) are appealed against.

Chapter VII. Final Provisions

Article 33. Responsibility of Non-profit Organization

A non-profit organization, in case of the violation of the present Federal Law, shall bear responsibility in accordance with the legislation of the Russian Federation.

Article 34. Entry into Force of the Present Federal Law

1. The present Federal Law shall enter into force as of the day of its official publication.

2. To recommend the President of the Russian Federation and assign the Government of the Russian Federation to bring their legal acts in conformity with the present Federal Law.

President of the Russian Federation Boris Yeltsin

Moscow, the Kremlin

DECREE
OF THE PRESIDENT OF THE RUSSIAN FEDERATION
NO. 270 OF MARCH 4, 2011
ON THE MEASURES FOR PERFECTING STATE REGULATION IN THE SPHERE OF THE FINANCIAL MARKET IN THE RUSSIAN FEDERATION

For the purpose of ensuring efficient regulation, control and supervision in the sphere of the financial market of the Russian Federation, I hereby decree:

1. To incorporate the Federal Insurance Supervision Service into the Federal Financial Markets Service.
2. To transfer to the Federal Financial Markets Service the functions of the incorporated Federal Insurance Supervision Service in control and supervision over insurance activity (insurance business).
3. To establish that the Ministry of Finance of the Russian Federation shall perform the functions of elaboration and realisation of state policy and normative-legal regulation in the sphere of financial markets.
4. To establish that the Federal Financial Markets Service shall:
   a) perform the functions of normative-legal regulation, control and supervision in the sphere of the financial market of the Russian Federation (except for bank and audit activity);
   b) be the legal successor of the Federal Insurance Supervision Service, including under the obligations that have arisen as a result of execution of judicial decisions.
5. To amend the structure of the federal bodies of executive power approved by Decree of the President of the Russian Federation No. 724 of May 12, 2008 Issues of the System and Structure of the Federal Bodies of Executive Power (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2008, No. 20, item 2290; No. 22, item 2544; No. 30, item 3619; No. 37, item 4181; No. 41, item 4653; No. 42, item 4788; No. 49, item 5768; No. 52, item 6366; 2009, No. 1, item 95; No. 37, item 4396; No. 41, item 4731; 2010, No. 4, item 369; No. 10, item 1057; No. 20, item 2435; No. 27, item 3445; No. 35, item 4528, 4533; 2011, No. 5, item 709; No. 7, item 938), by removing from Section II “Federal Ministries Directed by the government of the Russian Federation, Federal Services and Federal Agencies Reporting to Such Federal Ministries” the words “Federal Insurance Supervision Service”.
6. The Government of the Russian Federation shall within two months:
   a) ensure the continuity of the carrying out of regulation, control, supervision and the performance of other functions in the sphere of insurance activity (insurance business) in connection with the incorporation of the Federal Insurance Supervision Service into the Federal Financial Markets Service;

b) distribute the functions of normative-legal regulation in the sphere of the financial market of the Russian Federation between the Ministry of Finance of the Russian Federation and the Federal Financial Markets Service, ensuring the introduction of the relevant amendments into the regulations on the said federal bodies of executive power;
c) submit to the State Duma of the Federal Assembly of the Russian Federation a draft federal law on amending the legislative acts of the Russian Federation in accordance with this Decree.

7. This Decree shall enter into force on the day of its signing.

President
of the Russian Federation — Dmitry Medvedev

The Kremlin, Moscow
No. 270
March 4, 2011

22nd September 2010 — No. 1154

DECREE
OF THE PRESIDENT OF THE RUSSIAN FEDERATION
ON MEASURES FOR IMPLEMENTAION OF UN
SECURITY COUNCIL RESOLUTION 1929 OF 9TH JUNE 2010

In view of adoption of UN Security Council Resolution 1929 of 9th June 2010 and in accordance with Federal law of 30th December 2006 No. 281-FZ On special Economic Measures I hereby resolve:

1. All state establishments, industrial, commercial, financial, transportation and other enterprises, banks, organizations, other legal entities and natural persons under the jurisdiction of the Russian Federation, in their activity presume that until a special order:
   a) It is prohibited to place investments in the territory of the Russian Federation from the part of the Islamic Republic of Iran (Iran), its citizens and legal entities registered in Iran or being under its jurisdiction, or natural persons and legal entities representing them or acting on their instructions, or structures owned by them or controlled by them, in any type of commercial activity connected with uranium mining, production or use of the nuclear materials or technologies indicated in the Registry of nuclear materials, equipment, special non-nuclear materials and relevant technologies falling within the export control approved by the Decree of the President of the Russian Federation of 14th February 1996 No. 202 On Approval of the Registry of Nuclear Materials, Equipment, Special Non-nuclear Materials and Relevant Technologies Falling Within Export Control, in particular, into uranium enrichment activities, spent fuel reprocessing and into all types of heavy water management or work with the technology connected with ballistic missiles capable of delivering nuclear weapons;

b) It is prohibited to perform transit through the territory of the Russian Federation (including by air transport), export from the territory of the Russian Federation into Iran as well as transfer to Iran outside the borders of the Russian Federation, with the use of marine vessels and aircraft under the state flag of the Russian Federation, of any kind of army tanks, armoured combat vehicles, major caliber artillery systems, combat aircraft, combat helicopters, war-ships, missiles or missile systems as they are defined for the purposes of the UN Registry of Conventional Arms, air defense missile weapon systems S-300, or supplies connected with all the above, including spare parts, or objects indicated by the UN Security Council or the UN Security Council Committee, established in accordance with resolution 1737 of 23rd December 2006 (hereinafter referred to as the "Committee"). Whereupon it is necessary to show vigilance regarding delivery, sale, transfer to Iran, production and utilization in Iran of all other types of weapons and their supplies;
c) It is prohibited to render Iran any kind of technical assistance, financial funds or services, consultation service, other services or assistance connected with delivery, sale, transfer, production, maintenance or utilization of the armaments enumerated in subparagraph "b" and their supplies;
d) It is prohibited to transfer to Iran technologies or to render it technical assistance that are connected with ballistic missiles capable of delivering nuclear weapons, including launches with use of ballistic missile technology;
e) It is prohibited to enter the territory of the Russian Federation or transit through it of natural persons indicated in Addendums Nos. 1 and 2 to the Decree of the President of the Russian Federation of 28th November 2007 No. 1593 On Measures for Implementations of UN Security Council Resolution 1737 of 23rd December 2006 and 1747 of 24th March 2007, in the Addendum to the Decree of the President of the Russian Federation of 5th May 2008 No. 682 On Measures for Implementation of UN Security Council Resolution 1803 of 3rd March 2008, in Addendums 1 and 2 to the present Decree, as well as other natural persons indicated by the UN Security Council or the Committee. Herewith nothing in the present subparagraph binds the Russian Federation to deny admission of citizens of the Russian Federation into its territory;
f) Measures stipulated by subparagraph "g" of paragraph 1 and paragraphs 3, 4, and 5 of Decree of the President of the Russian Federation of 28th November 2007 No. 1593 are also applied to natural persons and legal entities indicated in Addendums Nos. 2, 3 and 4 to the present Decree, as well as to any natural person or legal entity representing them or acting on their instructions, and structures owned by them or controlled by them including the ones with illegal means, and in relation to any natural persons or legal entities that according to the definition of the UN Security Council or the Committee are helping the natural persons or legal entities indicated in Addendums Nos. 2 and 4 to the present Decree to evade the sanctions introduced by resolutions of the UN Security Council 1737 of 23rd December 2006, 1747 of 24th March 2007, 1803 of 3rd March 2008 and 1929 of 9th June 2010, or to infringe provisions of the resolutions;
g) It is recommended to screen at the territory of the Russian Federation, including maritime ports and airports, according to the procedure established by the legislation of the Russian Federation and in compliance with the international law, in particular, with the maritime law and relevant international agreements in the sphere of civil aviation, the cargo transported from Iran and to Iran, if there is information that gives reasons to believe that this cargo contains objects (materials, equipment, goods and technologies) prohibited by subparagraphs "a", "b" and "e" and the second

indention of subparagraph “f” of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593, subparagraph “a” of paragraph 1consultantplus://offline/main?base=LAW;n=110961;fld=134;dst=100008 of the Decree of the President of the Russian Federation of 5th May 2008 No. 682 and subparagraphs “b”, “c” and “d” of the present paragraph;

h) In accordance with the international law, in particular, with the maritime law, the war-ships are, by approbation of the state under the flag of which the ship goes and, if necessary, in cooperation with other states, to perform inspection of vessels on the open sea, provided that the Russian Federation possesses information that allows to reasonably suspect that the vessel is transporting the cargo containing objects (materials, equipment, goods and technologies) prohibited by subparagraphs “a”, “b” and “e” and the second indention of subparagraph “f” of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593, subparagraph “a” of paragraph 1consultantplus://offline/main?base=LAW;n=110961;fld=134;dst=100008 of the Decree of the President of the Russian Federation of 5th May 2008 No. 682 and subparagraphs “b”, “c” and “d” of the present paragraph. Herewith, such an inspection shall not contradict the obligations imposed on the Russian Federation by United Nations Security Council resolution 1540 of 28th April 2004, and obligations of the Russian Federation as a Party to the Treaty of Non-Proliferation of Nuclear Weapons of 1st July 1968;

i) It is recommended to confiscate and dispose of, in particular, by destruction, disarming, warehousing or transfer to the state that is not the state of origin or the state of destination, for its disposal, the cargo indicated in subparagraphs “g” and “h” of the present paragraph and containing the objects (materials, equipment, goods and technologies) prohibited by subparagraphs “a”, “b” and “e” and the second indention of subparagraph “f” of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593, subparagraph “a” of paragraph 1consultantplus://offline/main?base=LAW;n=110961;fld=134;dst=100008 of the Decree of the President of the Russian Federation of 5th May 2008 No. 682 and subparagraphs “b”, “c” and “d” of the present paragraph;

j) It is recommended to cooperate with foreign states in case of receiving from them relevant requests and in connection with their performing an inspection similar to that indicated in subparagraph ”h” of the present paragraph, as well as in case of their fulfilling obligations concerning confiscation and disposal of the cargo in accordance with UN Security Council Resolution 1929 of 9th June 2010;

k) It is prohibited to render such bunkering services as fuel and supplies provision or other servicing of vessels owned by Iran or used by it under the contract, including chartered vessels, if the Russian Federation possesses information that gives reasons to believe that these vessels are transporting cargo containing objects (materials, equipment, goods and technologies) prohibited by subparagraphs “a”, “b” and “e” and the second indention of subparagraph “f” of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593, subparagraph “a” of paragraph 1consultantplus://offline/main?base=LAW;n=110961;fld=134;dst=100008 of the Decree of the President of the Russian Federation of 5th May 2008 No. 682 and subparagraphs “b”, “c” and “d” of the present paragraph, excluding the cases when such servicing is necessary for humanitarian reasons or until the cargo undergoes inspection and, if necessary, confiscation and disposal. Therewith, the measures provided for in the present paragraph shall not affect legal economic activity;

l) It is prohibited to render financial services, including insurance or reinsurance, to transfer to the territory of the Russian Federation, through the territory of the Russian Federation, from the territory of the Russian Federation or by the citizens of the Russian Federation or legal entities created in compliance with the laws of the Russian Federation (including affiliates abroad), natural persons or financial establishments within the territory of the Russian Federation, any kind of financial assets or resources if the Russian Federation possesses information that gives reasons to believe that such services, assets or resources might facilitate the proliferation-sensitive nuclear activities of Iran or Iran's development of nuclear weapons delivery systems, so are prohibited any operations with financial instruments or other assets that are or will be in future on the territory of the Russian Federation, fall or will fall under the jurisdiction of the Russian Federation and are connected with such an activity or development. Within the Russian Federation an intensified supervision is organized in order to prevent all such operations in accordance with the legislation of the Russian Federation;

m) It is prohibited to open in the territory of the Russian Federation new branches, affiliates or representative offices of banks of Iran, to open joint enterprises together with banks of Iran, to alienate shares (stocks) of banks in favour of banks of Iran or to establish or to maintain correspondent business with them in order to prevent rendering financial services, if the Russian Federation possesses information that gives reasons to believe that such actions might facilitate proliferation-sensitive nuclear activities of Iran or Iran's development of nuclear weapons delivery system;

n) It is prohibited to open representative offices or affiliates or banking accounts in Iran, if the Russian Federation possesses information that gives reasons to believe that such actions can might facilitate proliferation-sensitive nuclear activities of Iran or Iran's development of nuclear weapons delivery system;

o) It is recommended to display vigilance with regard to economic interaction, including concluding deals, with the structures registered in Iran or falling under the jurisdiction of Iran, including structures of Islamic Revolutionary Guard Corps and company *Islamic Republic of Iran Shipping Lines*, and with all natural persons and legal entities representing them or acting on their instructions, as well as structures owned by them or controlled by them, including those with the use of illegal means, if the Russian Federation possesses information that gives reasons to believe that such business activity might facilitate proliferation-sensitive nuclear activities of Iran or Iran's development of nuclear weapons delivery system, or infringement of resolutions of UN Security Council 1737 of 23rd December 2006, 1747 of 24th March 2007, 1803 of 3rd March 2008 and 1929 of 9th June 2010.

2. The prohibition introduced by subparagraph "e" of paragraph 1 of the present Decree shall not apply:

a) When entry to the territory of the Russian Federation or transit through the territory of the Russian Federation is performed directly in connection with providing Iran with equipment and materials indicated in the Registry of nuclear materials, equipment, special non-nuclear materials and relevant technologies falling under the export control approved by Decree of the President of the Russian Federation of 14th February 1996 No. 202 On Approval of the Registry of Nuclear Materials and Relevant Technologies Falling Under Export Control that are not prohibited for export by the second indention of subparagraph "f" of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593, subparagraph "a" of paragraph

1consultantplus://offline/main?base=LAW;n=110961;fld=134;dst=100008 of the Decree of the President of the Russian Federation of 28th November 2007 No. 1593;

b) When the Committee determines on the basis of a particular case that such a journey is justified taking into consideration humanitarian needs, including religious duty;

c) When the Committee arrives to the conclusion that release from the action of these measures in some way will contribute to attaining objectives of UN Security Council Resolution 1929 of 9th June 2010, including cases when article XV of the Charter of International Atomic Energy Agency is applied.

3. The Ministry of Foreign Affairs of the Russian Federation shall be informed:

a) About inspections performed in accordance with subparagraphs "g" and "h" of paragraph 1 of the present Decree and confiscations performed in accordance with subparagraph "i" of paragraph 1 of the present Decree to be submitted within 5 days from the initial written report to the Committee, and then a subsequent written report with an exposition of relevant details about the inspection, confiscation and disposal or transfer to another state the objects revealed in the course of such an inspection, including their description, origin and destination;

b) About operations or transfer of assets of the cargo carriage department of company *Iran Air* and about transfer of vessels owned by *Islamic Republic of Iran Shipping Lines* or operated by it, other companies that might perform actions to evade sanctions or to infringe provisions of UN Security Council 1737 of 23rd December 2006, 1747 of 24th March 2007, 1803 of 3rd March 2008 and 1929 of 9th June 2010, including change of name or re-registration of aircraft or maritime vessels for their further transfer to the Committee;

c) About implementation of measures in accordance with Decree of the President of the Russian Federation of 28th November 2007 No. 1593, Decree of the President of the Russian Federation of 5th May 2008 No. 682 and the present Decree for informing subsequently the Committee.

4. In case of unsubstantiated application of measures (sanctions) by a foreign state in relation to natural persons and (or) legal entities, the Russian Federation in connection with cooperation of the mentioned persons with Iran, if such a cooperation does not infringe resolutions of UN Security Council 1737 of 23rd December 2006, 1747 of 24th March 2007, 1803 of 3rd March 2008 and 1929 of 9th June 2010, as well as provisions of Decree of the President of the Russian Federation of 28th November 2007 No. 1593, Decree of the President of the Russian Federation of 5th May 2008 No. 682 and the present Decree, the Government of the Russian Federation shall apply in relation to such a state, its natural persons or legal entities retaliatory measures or, if necessary, shall submit in accordance with the prescribed procedure, motions concerning application of special economic measures in accordance with the legislation of the Russian Federation.

5. To amend paragraph 1 of Decree of the President of the Russian Federation of 28th November 2007 No. 1593 On Measures for Implementing Resolutions of the UN Security Council 1737 of 23rd December 2006 and 1747 of 24th March 2007. (Collection of Legislative Acts of the Russian Federation, 2007, No. 49, art. 6132; 2008, No. 19, art. 2114; 2009, No. 11, art. 1278; No. 37, art. 4396) as follows:

a) The second indention of subparagraph "a" after the words "excluding" shall be supplemented with words "indicated in paragraphs 1.3.2 and 1.3.3 of this Registry of nuclides, materials and devices" and;

b) Subparagraph "d" shall be amended to read the following:

"d) When performing, in accordance with subparagraph "c" of the present paragraph, export or transfer of objects (materials, equipment, goods and technologies) excluding export

or transfer of nuclides, materials and devices indicated in paragraphs 1.3.2 and 1.3.3 of the Registry of nuclear materials, equipment and relevant technologies falling under export control, it is necessary to notify the Committee about it through the Ministry of Foreign Affairs of the Russian Federation. In case of export or transfer of the equipment or materials provided for in the Registry of nuclear materials, equipment, special non-nuclear materials and relevant technologies falling under export control, excluding export or transfer of nuclides, materials and devices indicated in paragraphs 1.3.2 and 1.3.3 of this Registry or provided for in the Registry of equipment and materials of dual capability and relevant technologies used for nuclear purposes in relation to which the export control is exercised, it is necessary to notify IAEA as well within 10 days from the date of the export or transfer;";

c) The third indention of subparagraph "f" and subparagraph "h" shall be deemed to have lost their force.

6. To amend paragraph 1 of Decree of the President of the Russian Federation of 5th May 2008 No. 682 On Measures for Implementation of UN Security Council Resolution 1803 of 3rd March 2008 (Collection of Legislative Acts of the Russian Federation, 2008, No. 19, art. 2114; 2009, No. 11, art. 1278; No. 37, art. 4396) as follows:
   a) The second indention of subparagraph "a" the words "in Sections 1 - 3 and 6" shall be changed into the words "in Sections 1 - 3 (excluding materials and devices indicated in paragraph 2.3.20) and Section 6";
   b) Subparagraph "b" after the words "export control is exercised" shall be supplemented with words "(excluding export and transfer of the materials and devices indicated in paragraph 2.3.20 of the given Registry)";
   c) Subparagraph "f" shall be deemed to have lost its force.
7. The Ministry of Foreign Affairs of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the Ministry of Defense of the Russian Federation, the Ministry of Transportation of the Russian Federation, the Ministry of Finance of the Russian Federation, the Ministry of Industry and Commerce of the Russian Federation, the Ministry of Economic Development of the Russian Federation, the Ministry of Justice of the Russian Federation, Federal Foreign Intelligence Service of the Russian Federation, the Federal Security Service of the Russian Federation, the Federal Customs Service of the Russian Federation, the Federal Migration Service of the Russian Federation, the Federal Service for Technical and Export Control, the Federal Service for Military-Technical Cooperation, the Federal Space Agency, the Federal Financial Monitoring Service, the Central Bank of the Russian Federation and the State Atomic Energy Corporation Rosatom shall ensure implementation of paragraph 1 of the present Decree in accordance with their competences.
8. The Ministry of Foreign Affairs of the Russian Federation shall promptly notify the federal executive authorities and the organizations indicated in paragraph 7 of the present Decree about the information provided by the Committee necessary for implementation of the present Decree.

President of
The Russian Federation
D.MEDVEDEV
Moscow, Kremlin

22nd September 2010
No. 1154

Addendum No. 1
To Decree of the President
Of the Russian Federation
of 22nd September 2010 No. 1154

NATURAL PERSONS,
WHO ARE ENGAGED (HAVE BEEN ENGAGED) IN PROLIFERATION-SENSITIVE
NUCLEAR ACTIVITIES OF IRAN OR DEVELOPMENT
OF NUCLEAR WEAPONS

1. Amir Moayyed Alai – participated in centrifuge assembly and design management.
2. Mohammad Fedai Ashiani - participated in ammonium uranyl carbonate production and managing the enrichment plant in Natanz.
3. Abbas Rezaee Ashtiani – occupies an executive position in the Directorate of Atomic Energy Organization of Iran (AEOI) for geological exploration and mining.
4. Haleh Bakhtiar - participated in 99.9% magnesium production.
5. Morteza Behzad - participated in manufacture of components for centrifuges.
6. Dr. Mohammad Eslami – the head of Educational and Scientific Research Institute of the Defense Industry.
7. Seyyed Hussein Hosseini – a public officer for AEOI, participated in the project for production of heavy water for the experimental reactor in Arak.
8. M. Javad Karimi Sabet – the head of the company *Novin Energy*, indicated in UN Security Council Resolution 1747 of 24th March 2007.
9. Hamid-Reza Mohajerani - participated in the industrial process management at the uranium conversion factory (UCF) in Isfahan.
10. Brigadier-General Mohammad Reza Naqdi – ex-Deputy Chief of the General Staff of Armed Forces of the Islamic Republic of Iran for logistics support and industrial research, the chief of the State Staff for Contraband Control; participated in the effort to evade sanctions introduced by UN Security Council resolutions 1737 of 23rd December 2006 and 1747 of 24th March 2007.
11. Houshang Nobari - participated in the management of the enrichment plant in Natanz.
12. Abbas Rashidi - participated in uranium enrichment works conducted in Natanz.
13. Ghasem Soleymani – the head of the program for uranium mining at the uranium mine in Sagand.

Addendum No. 2
To Decree of the President
Of the Russian Federation
of 22nd September 2010 No. 1154

NATURAL PERSONS AND LEGAL ENTITIES
PARTICIPATING IN NUCLEAR ACTIVITY AND ACTIVITY
CONNECTED WITH BALLISTIC MISSILES

1. Javad Rahiqi – the head of Isfahan Centre for Nuclear Technologies of Atomic Energy Organization of Iran (additional data: date of birth – 24th April 1954, place of birth - Marshad).
2. Amin Industrial Complex. It attempted to acquire heat controllers that could have been used for nuclear research and in nuclear operational (industrial) plants. It is owned or controlled by or represents Defense Industry Organization (DIO), that has been included into the sanctions registry by UN Security Council Resolution 1737 of 23rd December 2006.

Headquarters: P.O. Box 91735-549, Mashad, Iran; Amin Industrial Estate, Khalage Rd., Seyedi District, Mashad, Iran; Kaveh Complex, Khalaj Rd., Seyedi St., Mashad, Iran.

Other names: Amin Industrial Compound and Amin Industrial Company.

3. Armament Industries Group. It produces and services different types of small arms and light armament, including cannons of heavy or medium capacity and the relevant technologies. It performs procurement activity generally through *Hadid Industrial Complex*.

Headquarters: Sepah Islam Road, Karaj Special Road Km 10, Iran; Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran.

4. Defense Technology and Science Research Center. It is owned or controlled by or represents the Ministry of Defense and Materiel and Technical Support of the Islamic Republic of Iran (MODAFL). It executes supervision of Iranian military scientific and research and development and engineering works, production, maintenance, export and procurement of armament.

Headquarters: Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran.

5. Doostan International Company. It supplies equipment for the Iranian program for ballistic missiles.
6. Farasakht Industries. It is owned or controlled by the Iranian air carrier, that in its turn is owned or controlled by MODAFL.

Headquarters: P.O. Box 83145-311, Kilometer 28, Esfahan - Tehran Freeway, Shahin Shahr, Esfahan, Iran.

7. First East Export Bank, P.L.C. It is owned or controlled by or represents *Bank Mellat*. In the course of recent years *Bank Mellat* has been an intermediary when concluding deals for hundreds million US dollars connected with Iranian nuclear, missile or defense structures.

Headquarters: Unit Level 10 (B1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan, Malaysia; Business Registration Number LL06889 (Malaysia).

8. Kaveh Cutting Tools Company. It is owned or controlled by or represents the Defense industry Organization.

Headquarters: Km 3 of Khalaj Road, Seyyedi St., Mashad, 91638, Iran; Km 4 of Khalaj Road, End of Seyedi St., Mashad, Iran; P.O. Box 91735-549, Mashad, Iran; Khalaj Rd., End of Seyyedi Alley, Mashad, Iran; Moqan St., Pasdaran St., Pasdaran Cross Rd., Tehran, Iran.

9. M. Babaie Industries. It is an affiliate of *Shahid Ahmad Kazemi Industries Group* (in the past this structure was called *Group of Industries for Production of Air Defense Missile Systems*) and is a member of Iranian Aerospace Organization (IAO). IAO controls missile enterprises, entering the body of *Shahid Hemmat Industrial Group* (SHIG) and *Shahid Bakeri Industrial Group* (SBIG), that are included in sanctions registry by UN Security Council Resolution 1737 of 23rd December 2006.

Headquarters: P.O. Box 16535-76, Tehran, 16548, Iran.

10. Malek Ashtar University. It is an affiliate of Defense Technology and Science Research Center within the framework of MODAFL. It also incorporates the scientific research groups that previously have entered the body of the Scientific and Research Institute of Physics. The IAEA inspectors were not allowed to examine its employees or to familiarize themselves with the documents that were at disposal of the organization in order to decide the question whether the Iranian Nuclear Program had military aspects.

Headquarters: Corner of Imam Abi Highway and Babaei Highway, Tehran, Iran.

11. Ministry of Defence Logistics Export. It sells weapons of Iranian production to purchasers all round the world in violation of UN Security Council 1747 of 24th March 2007, according to which Iran is prohibited to sell armament and the property relating to it.

Headquarters: P.O. Box 16315-189, Tehran, Iran; located on the west side of Dabestan Street, Abbas Abad District, Tehran, Iran.

12. Mizan Machinery Manufacturing. It is owned or controlled by or represents SHIG.

Headquarters: P.O. Box 16595-365, Tehran, Iran. Other name: 3MG.

13. Modern Industries Technique Company. The company is in charge of design and construction of heavy-water reactor IR-40 in Arak. The company has undertaken organization of procurement for construction of heavy-water reactor IR-40.

Headquarters: Arak, Iran.

Other names: Rahkar Company, Rahkar Industries, Rahkar Sanaye Company, Rahkar Sanaye Novin.

14. Nuclear Research Center for Agriculture and Medicine. It is a large scientific and research institute, a member of Atomic Energy Organization of Iran, that was included into the sanctions registry by UN Security Council Resolution 1737 of 23rd December 2006. The given Centre undertakes development of technologies for production of nuclear fuel and participates in the uranium enrichment activities.

Headquarters: P.O. Box 31585-4395, Karaj, Iran.

Other names: Center for Agriculture Research and Nuclear Medicine; Karaji Agriculture and Medical Research Center.

15. Pejman Industrial Services Corporation. It is owned or controlled by or represents SBIG.

Headquarters: P.O. Box 16785-195, Tehran, Iran.

16. Sabalan Company. *Sabalan* is one more name of SHIG.

Headquarters: Damavand Tehran Highway, Tehran, Iran.

17. Sahand Aluminum Parts Industrial Company (SAPICO). *Sahand* is one more name of SHIG.

Headquarters: Damavand Tehran Highway, Tehran, Iran.

18. Shahid Karrazi Industries. It is owned or controlled by or represents SBIG.

Headquarters: Tehran, Iran.

19. Shahid Satarri Industries. It is owned or controlled by or represents SBIG.
Headquarters: Southeast Tehran, Iran.
Other name: Shahid Sattari Group Equipment Industries.

20. SSSI Shahid Sayyade Shirazi Industries. It is owned or controlled by or represents DIO.

Headquarters: next to Nirou Battery Mfg. Co, Shahid Babaii Expressway, Nobonyad Square, Tehran, Iran; Pasdaran St., P.O. Box 16765, Tehran, 1835, Iran; Babaei Highway - Next to Niru M.F.G, Tehran, Iran.

21. SIG Special Industries Group. It is an affiliate of DIO.

Headquarters: Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran.

22. Tiz Pars. SHIG is hidden under the name of *Tiz Pars*. During the period from April to July of 2007 *Tiz Pars* was attempting to purchase a five-axis machine for laser welding and cutting which can become SHIG's material contribution to development of missile program of Iran.

Headquarters: Damavand Tehran Highway, Tehran, Iran.

23. Yazd Metallurgy Industries. It is an affiliate of DIO.

Headquarters: Pasdaran Ave., next to Telecommunication Industry, Tehran, 16588, Iran; P.O. Box 89195/878, Yazd, Iran; P.O. Box 89195-678, Yazd, Iran; Km 5 of Taft Road, Yazd, Iran.

Other name: Yazd Ammunition Manufacturing and Metallurgy Industries, Directorate of Yazd Ammunition and Metallurgy Industries.

Addendum No. 3
To Decree of the President
Of the Russian Federation
of 22nd September 2010 No. 1154

LEGAL ENTITIES
OWNED OR CONTROLLED BY
OR REPRESENTING ISLAMIC REVOLUTIONARY GUARD CORPS (IRGC)

1. Fater or Faater Institute – an affiliate of *Khatam al-Anbya* (KAA) – works with foreign suppliers, probably, being represented by other companies of KAA, on projects of IRGC in Iran.
2. Gharagahe Sazandegi Ghaem – owned or controlled by KAA.
3. Ghorb Karbala - owned or controlled by KAA.
4. Ghorb Nooh - owned or controlled by KAA.
5. Hara Company - owned or controlled by *Ghorb Nooh*.
6. Imensazan Consultant Engineers Institute - owned or controlled by or represents KAA.
7. Khatam al-Anbiya Construction Headquarters – is a company owned by IRGC that participates in implementation of large-scale civil and military construction projects and in executing other engineering and technical measures: it is performing a substantial workload under the projects of the Passive Defense Organization. In particular, affiliates of KAA have actively participated in construction of the uranium enrichment project in Kum (Fordou).
8. Makin - owned or controlled by or represents KAA and is an affiliate of KAA.
9. Omran Sahel - owned or controlled by *Ghorb Nooh*.
10. Oriental Oil Kish - owned or controlled by or represents KAA.

11. Rah Sahel - owned or controlled by or represents KAA.
12. Rahab Engineering Institute - owned or controlled by or represents KAA and is an affiliate of KAA.
13. Sahel Consultant Engineers - owned or controlled by *Ghorb Nooh*.
14. Sepanir - owned or controlled by or represents KAA.
15. Sepasad Engineering Company - owned or controlled by or represents KAA.

Addendum No. 4
To Decree of the President
Of the Russian Federation
of 22nd September 2010 No. 1154

LEGAL ENTITIES
OWNED OR CONTROLLED BY
OR REPRESENTING THE COMPANY OF ISLAMIC REPUBLIC OF IRAN
SHIPPING LINES

1. Irano Hind Shipping Company.
Headquarters: 18 Mehrshad St., Sadaghat St., Opposite of Park Mellat, Vali-e-Asr Ave., Tehran, Iran; 265, Next to Mehrshad, Sadaghat St., Opposite of Park Mellat, Vali-e-Asr Ave., Tehran, 1A001, Iran.

2. Islamic Republic of Iran Shipping Lines Benelux NV (IRISL Benelux NV).
Headquarters: Noorderlaan 139, B-2030, Antwerp, Belgium; V.A.T. Number BE480224531 (Belgium).

3. South Shipping Line Iran (SSL).
Headquarters: Apt. No. 7, 3rd Floor, No. 2, 4th Alley, Gandi Ave., Tehran, Iran; Qaem Magham Farahani St., Tehran, Iran.

20th May 2011 No. 657

DECREE
OF THE PRESIDENT OF THE RUSSIAN FEDERATION
ON ENFORCEMENT MONITORING IN THE RUSSIAN FEDERATION

For the purposes of enhancement of the legal system of the Russian Federation I hereby resolve:

1. Approve the enclosed Regulations for the enforcement monitoring in the Russian Federation.
2. Entrust the Ministry of Justice of the Russian Federation with:
   a) Implementation of enforcement monitoring in the Russian Federation (hereinafter referred to as the "monitoring") for the purposes of implementing jugdements of the Constitutional Court of the Russian Federation and decisions of European Court of Human Rights in connection with which it is necessary to adopt (issue), amend or annul (cancel) legislative and other normative legal acts of the Russian Federation;
   b) Functions concerning coordination of the monitoring carried out by the federal executive bodies, its methodological support.
3. The Government of the Russian Federation shall:
   a) Annually approve the plan of monitoring;
   b) Annually submit a report on the results of the monitoring to the President of the Russian Federation;
   c) Factor into the plan proposals on adoption (issue), amending or annulation (cancellation) of legislative and other normative legal acts of the Russian Federation submitted to the President of the Russian Federation in connection with preparation of the report on results of monitoring.
4. The Investigation Committee of the Russian Federation, federal executive bodies and governmental authorities of subjects of the Russian Federation shall:
   a) Annually submit to the Ministry of Justice of the Russian Federation:
      Proposals concerning the draft plan of monitoring;
      Reports on the results of the monitoring carried out by the said authorities;
   b) Within their competence, take measures for elimination of the drawbacks revealed in the course of the monitoring related to regulatory development and (or) enforcement.
5. Recommend:
   a) The Constitutional Court of the Russian Federation, the Supreme Court of the Russian Federation, the Supreme Commercial Court of the Russian Federation, the Office of the Prosecutor General of the Russian Federation, the Commissioner for human rights in the Russian Federation, the President of the Russian Federation's ombudsmen for children, the Accounts Chamber of the Russian Federation, the Central Election Commission of the Russian Federation, the Central Bank of the Russian Federation, the Public Chamber of the Russian Federation, state corporations, funds and other organizations created in the Russian Federation on the basis of the federal law, annually shall send to the Ministry of Justice of the Russian Federation proposals to the draft plan of monitoring and report on the results of the monitoring;
   b) The Supreme Court of the Russian Federation and the Supreme Commercial Court of the Russian Federation take into account the results of the monitoring when giving explanations concerning issues of judicial practice.
6. Amend the Regulations on the Ministry of Justice of the Russian Federation approved by the decree of the President of the Russian Federation of 13th October 2004 No. 1313 The competence of the Ministry of Justice of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 2004, No. 42, art. 4108; 2006, No. 12, art.

1284; No. 19, art. 2070; No. 39, art. 4039; 2007, No. 13, art. 1530; No. 20, art. 2390; 2008, No. 10, art. 909; No. 29, art. 3473; No. 43, art. 4921; 2010, No. 4, art. 368; No. 19, art. 2300) by adding to paragraph 7 subparagraph 4.1 reading the following:

"4.1) in the established sphere of activity shall carry out monitoring of enforcement in the Russian Federation for the purpose of execution of judgements of the Constitutional court of the Russian Federation in order to implement decisions of European Court of Human Rights, in connection with which it is necessary to adopt (issue), amend or annul (cancel) legislative and other normative legal acts of the Russian Federation, as well as functions of coordinating the enforcement monitoring carried out by federal executive bodies and governmental authorities of subjects of the Russian Federation, its methodological support;".

7. Establish that functions of monitoring shall be carried out by federal executive bodies within the fixed maximum number of employees at their central offices and employees of territorial authorities of federal executive bodies as well as within the budget allocations assigned for these federal bodies in the federal budget.
8. The Government of the Russian Federation shall approve the methodology of performing the monitoring within 3 months.

President of
The Russian Federation
D.MEDVEDEV
Moscow, Kremlin

20th May 2011
No. 657

Approved by
The Decree of the President of
The Russian Federation
of 20th May 2011 No. 657

REGULATIONS
FOR ENFORCEMENT MONITORING IN THE RUSSIAN FEDERATION

1. The present Regulations establish the procedure for enforcement monitoring in the Russian Federation (hereinafter referred to as the "monitoring").
2. The monitoring refers to complex and planned activities carried out by the federal executive bodies and governmental bodies of subjects of the Russian Federation, within their commission, concerning collection, summarizing, analysis and assessment of the information in order to ensure adoption (issue), amendment or annulation (cancellation) of:
   a) Legislative and other normative legal acts of the Russian Federation – for the purposes of execution of judgements of the Constitutional Court of the Russian Federation and decisions of European Court of Human Rights;
   b) Normative legal acts of the President of the Russian Federation, the Government of the Russian Federation, federal executive bodies, other governmental bodies, governmental authorities of subjects of the Russian Federation and municipal legal acts – in the cases provided for by federal laws;
   c) Normative legal acts of the Government of the Russian Federation, federal executive bodies, other governmental bodies, governmental authorities of subjects of the Russian Federation and municipal legal acts – in the cases provided for by the acts of the President of the Russian Federation;

d) Normative legal acts of the Russian Federation – in the cases provided for by the annual Letters of the President of the Russian Federation to the Federal Assembly of the Russian Federation, other program documents, instructions of the President of the Russian Federation and the Government of the Russian Federation for the relevant period and programs of social and economic development of the state;
e) Normative legal acts of the Russian Federation – for the purpose of implementation of the anti-corruption policy and elimination of corruptogenic factors;
f) Normative legal acts of the Russian Federation – for the purpose of elimination of contradictions between normative legal acts of equal legal force.

3. The principal purpose of the monitoring is improvement of the legal system of the Russian Federation.
4. The monitoring is carried out in accordance with the plan of monitoring and in accordance with the methodology of its execution.

If there are relevant instructions of the President of the Russian Federation or the Government of the Russian Federation, the monitoring is carried out without amending the plan of monitoring approved by the Government of the Russian Federation.

The federal executive bodies, governmental authorities of subjects of the Russian Federation and local authorities can carry out monitoring on their initiative.

5. The draft plan of monitoring is annually developed by the Ministry of Justice of the Russian Federation with due regard to:
   a) Annual Letters of the President of the Russian Federation to the Federal Assembly of the Russian Federation;
   b) Judgements (proposals) of the Constitutional Court of the Russian Federation and decisions of European Court of Human Rights, the Supreme court of the Russian Federation, the Supreme Commercial Court of the Russian Federation;
   c) Proposals of the Office of the Prosecutor General of the Russian Federation, Commissioner for human rights in the Russian Federation, the President of the Russian Federation's ombudsmen for children, the Accounts Chamber of the Russian Federation, the Central Election Commission of the Russian Federation, the Central Bank of the Russian Federation, the Public Chamber of the Russian Federation, state corporations, funds and other organizations created in the Russian Federation on the basis of the federal law;
   d) Proposals of the Investigation Committee of the Russian Federation, federal executive bodies and governmental authorities of subjects of the Russian Federation;
   e) The national anti-corruption plan, other program documents, instructions of the President of the Russian Federation and the Government of the Russian Federation;
   f) Guidelines for action of the Government of the Russian Federation;
   g) Programs of social and economic development of the state;
   h) Proposals of social institutes and mass media.
6. The federal executive bodies, governmental authorities of subjects of the Russian Federation and local authorities in preparing proposals for the draft plan of monitoring shall make allowance within their competence for the proposals of social institutes and mass media for adoption (issue), amendment or annulation (cancellation) of legislative and other normative legal acts of the Russian Federation of the corresponding authority.
7. The governmental authorities of subjects of the Russian Federation in preparing proposals for the draft plan of monitoring shall make allowance for the proposals of local authorities.

8. The proposals to the draft plan of monitoring stated in subparagraphs “c”, “d” and “h” of paragraph 5, paragraphs 6 and 7 of the present Regulations are to be submitted to the Ministry of Justice of the Russian Federation by 1st June.
9. The draft plan of monitoring is to be annually, by 1st August, submitted by the Ministry of Justice of the Russian Federation to the Government of the Russian Federation.
10. The draft plan of monitoring is to be annually, by 1st September, approved by the Government of the Russian Federation.
11. The plan of monitoring shall specify:
    a) The branch (sub-branch) of law or the group of normative legal acts to undergo monitoring;
    b) The names of the federal executive bodies, governmental authorities of the Russian Federation that are to participate in monitoring;
    c) The duration of monitoring;
    d) Other information.
12. The federal executive bodies, governmental authorities of subjects of the Russian Federation shall annually, by 1st June, submit reports on the results of the monitoring carried out by them in the previous year in accordance with the plan of monitoring to the Ministry of Justice of the Russian Federation.

The information acquired in the result of the monitoring carried out by federal executive bodies, governmental authorities of subjects of the Russian Federation on their own initiative can be sent to the Ministry of Justice of the Russian Federation by 1st June by their decision.

Other bodies and organizations can send to the Ministry of Justice of the Russian Federation proposals for the draft report to the President of the Russian Federation on results of the monitoring by 1st June.

13. On the basis of the reports of federal executive bodies and governmental authorities on results of the monitoring carried out by them in the previous year and other materials, the Ministry of Justice of the Russian Federation shall prepare a report to the President of the Russian Federation on results of the monitoring and proposals to the legislative drafting activity of the Government of the Russian Federation.
14. The draft report to the President of the Russian Federation on results of the monitoring shall summarize the results of the execution of the plan of monitoring for the previous year and make proposals:
    a) Concerning necessity of adoption (issue), amendment or annulation (cancellation) of legal and other normative legal acts of the Russian Federation;
    b) Concerning measures to improve legislative and other normative legal acts of the Russian Federation;
    c) Concerning measures to enhance effectiveness of enforcement;
    d) Concerning measures to enhance effectiveness of corruption counteraction;
    e) Concerning governmental authorities responsible for development of relevant legislative and other normative legal acts of the Russian Federation and for execution of measures for enhancement of enforcement and corruption counteraction.
15. The draft report to the President of the Russian Federation on results of the monitoring and proposals to the plan of the legislative drafting activity of the Government of the Russian Federation shall be annually, by 1st August, sent by the Ministry of Justice of the Russian Federation to the Government of the Russian Federation according to the prescribed procedure.

The Government of the Russian Federation shall annually, by 1st September, submit a report on the results of the monitoring to the President of the Russian Federation.

16. On the results of examination of the report on the monitoring the President of the Russian Federation can give instructions to governmental authorities and organizations as well as to officials concerning development of legislative and normative legal acts of the Russian Federation and taking measures regarding implementation of the proposals in the stated report.
17. Upon being examined by the President of the Russian Federation the report on results of the monitoring is to be promulgated by the Ministry of Justice of the Russian Federation in mass media and to be placed on official sites of the President of the Russian Federation, the Government of the Russian Federation and Ministry of Justice of the Russian Federation in the Internet.

27th March 2010
No. 381

DECREE
OF THE PRESIDENT OF THE RUSSIAN FEDERATION
ON MEASURES FOR IMPLEMENTATION OF RESOLUTION OF
THE UNITED NATIONS SECURITY COUNCIL 1874 OF 12TH JUNE 2009

In view of acceptance of the United Nations Security Council resolution 1874 of 12th June 2009, providing for imposing a number of limitations in relation to the Democratic People's Republic of Korea, that had conducted a nuclear test, and in accordance with the Federal Law of 30th December 2006 No. 281-FZ On Special Economic Measures I hereby resolve:

1. All the state establishments, industrial, commercial, financial, transport and other enterprises, banks, organizations, other legal and private entities under the jurisdiction of the Russian Federation shall presume in carrying out their activities that since June 12, 2009 and until a special executive order:
   a) It is prohibited to acquire from the Democratic People's Republic of Korea all kinds of weapons and all the supplies connected with them, their transportation with the use of marine vessels and aircraft under the state flag of the Russian Federation, to perform financial operations, technical training, consultations, as well as rendering services and assistance connected with delivery, production, operation and use of such weapons or supplies;
   b) It is prohibited to perform transit through the territory of the Russian Federation (including by the air transport), export from the territory of the Russian Federation into the Democratic People's Republic of Korea, transfer to the Democratic People's Republic of Korea outside the borders of the Russian Federation of all kinds of weapons and supplies connected with them, to carry out financial operations, technical training, consultations, as well as rendering services and assistance connected with delivery, production, operation and use of such weapons or supplies, with the exception of small arms, light armament and supplies connected with them;
   c) The Ministry of Foreign Affairs of the Russian Federation shall be informed about delivery of small arms and light armament from the Russian Federation to the

Democratic People's Republic of Korea 14 days prior to performing such a delivery, for the Ministry of Foreign Affairs of the Russian Federation to further submit the information to the Committee of the United Nations Security Council, established in accordance with the United Nations Security Council Resolution 1718 of 14th October 2006 (hereinafter referred to as the Committee), at least 5 days prior to carrying out such a delivery;

d) Within the territory of the Russian Federation, including maritime ports and airports, in accordance with the legislation of the Russian Federation and the international law, the inspection of all kinds of cargo going to the Democratic People's Republic of Korea and from the Democratic People's Republic of Korea is carried out, if there is information that allows to reasonably suspect that this cargo contains goods and objects, the transit transportation of which, export of which from the territory of the Russian Federation into the Democratic People's Republic of Korea, transfer of which to the Democratic People's Republic of Korea outside the borders of the Russian Federation with the use of maritime vessels and aircraft under the state flag of the Russian Federation are prohibited in accordance with subparagraphs "a" and "b" of paragraph 1 of the Decree of the President of the Russian Federation of 27th May 2007 No. 665 On Measures for Implementation of the United Nations Security Council Resolution 1718 of 14th October 2006, as well as subparagraphs "a" and "b" of the present paragraph;
e) War vessels of the Russian Federation, with consent of the state under the flag of which the ship goes, shall carry out inspection of vessels on the open sea, provided that the Russian Federation possesses information that allows to reasonably suspect that the cargo carried by such vessels contains goods and objects, the transit transportation of which, export of which from the territory of the Russian Federation into the Democratic People's Republic of Korea, transfer of which to the Democratic People's Republic of Korea, purchase and transportation of which is prohibited in accordance with subparagraphs "a" and "b" of paragraph 1 of the Decree of the President of the Russian Federation of 27th May 2007 No. 665, as well as subparagraphs "a" and "b" of the present paragraph;
f) Concerning vessels under the flag of the Russian Federation in respect of which, with the consent of the Russian Federation, inspection is carried out stipulated by the provisions of paragraphs 11 and 12 of the United Nations Security Council resolution 1874 of 12th June 2009, it is ordered to render assistance when performing such a procedure;
g) Vessels under the flag of the Russian Federation are ordered, in case there is no consent of the Russian Federation for their inspection on the open sea, to go to a suitable and convenient port in order to have the inspection provided for by paragraph 11 of United Nations Security Council resolution 1874 of 12th June 2009 carried out by the authorities of the state on the territory of which the above port is situated;
h) Confiscation in the course of the inspections carried out in accordance with subparagraphs "d" and "e" of the present paragraph of discovered goods and objects , the transit of which, export of which from the territory of the Russian Federation into the Democratic People's Republic of Korea, transfer of which to the Democratic People's Republic of Korea, purchase and transportation of which is prohibited in accordance with subparagraphs "a" and "b" of paragraph 1 of the Decree of the President of the Russian Federation of 27th May 2007 No. 665, as well as subparagraphs "a" and "b" of the present paragraph, shall be performed with taking a decision, if necessary, of their destruction according to the procedure that does not

contradict the obligations imposed on the Russian Federation by United Nations Security Council resolution 1540 of 28th April 2004, and obligations of the Russian Federation as a Party to the Treaty of Non-Proliferation of Nuclear Weapons of 1st July 1968, Convention on the Prohibition of the Development, Production, stockpiling and Use of Chemical Weapons and on their Destruction of 29th April 1997 and Convention on the Prohibition of the Development, Production, stockpiling and Use of Chemical Weapons and on their Destruction of 10th April 1972;

i) The Ministry of Foreign Affairs of the Russian Federation shall be informed about the inspections performed in accordance with subparagraphs "d" and "e" of the present paragraph, and the confiscations made in accordance with subparagraph "h" of the present paragraph, or about instances of non-rendering assistance in carrying out the inspection by the state under the flag of which the vessel goes for the information to be further submitted to the Committee;

j) It is prohibited for Russian citizens or from the territory of the Russian Federation to render such bunkering services as fuel or supplies provision or other type of servicing vessels under the flag of the Democratic People's Republic of Korea, if the Russian Federation possesses information that allows to reasonably suspect that those vessels transport cargo containing goods and objects, the transit transportation of which, export of which from the territory of the Russian Federation into the, transfer of which to the Democratic People's Republic of Korea purchase and transportation of which is prohibited in accordance with subparagraphs "a" and "b" of paragraph 1 of the Decree of the President of the Russian Federation of 27th May 2007 No. 665, as well as subparagraphs "a" and "b" of the present paragraph, excluding the cases when such servicing is necessary for humanitarian reasons or until the cargo undergoes inspection and, if necessary, confiscation. Therewith, the measures provided for in the present paragraph shall not affect legal economic activity;

k) It is prohibited to render financial services or to transfer to the territory of the Russian Federation, through the territory of the Russian Federation, from the territory of the Russian Federation or to the citizens of the Russian Federation (including affiliates abroad) and financial establishments within the territory of the Russian Federation or the above citizens, any kind of financial or other instruments or resources that might facilitate programs or measures taken by the and pertaining to the nuclear activity, ballistic missiles or other weapons of mass annihilation, including by way of prohibiting any type of operations with financial or other instruments or resources that being connected with such programs or measures are situated in the territory of the Russian Federation or fall within the jurisdiction of the Russian Federation beginning with 12th June 2009. An intense monitoring is organized in the Russian Federation to prevent all such operations in accordance with the legislation of the Russian Federation;

l) It is prohibited to undertake new obligations concerning subsidizing, rendering financial support or granting preferential credits to the, with the exception for those that are intended for humanitarian purposes and purposes of development, to aid denuclearization or are directly oriented towards the needs of civil population;

m) It is prohibited to render financial support in trade with the Democratic People's Republic of Korea, including granting export credits, guarantees or insurance of Russian citizens or legal entities employed in such trade if such financial support might contribute to the programs or measures carried out by the Democratic

People's Republic of Korea and pertaining to the nuclear activity, ballistic missiles or other weapons of mass annihilation;

n) The necessity is confirmed to comply with the provisions of subparagraphs "a" and "d" of paragraph 1 of the Decree of the President of the Russian Federation of 27th May 2007 No. 665, without impairing the activity of the diplomatic missions of the Democratic People's Republic of Korea in accordance with Vienna Convention on Diplomatic Relations of 18th April 1961;

o) There is established cooperation between the Committee and the Group of Experts established in accordance with the United Nations Security Council resolution 1874 of 12th June 2009 and acting under the guidance of the Committee, in particular, by providing them through the Ministry of Foreign Affairs of the Russian Federation with all kinds of the information available concerning implementation of measures stipulated by the Decree of the President of the Russian Federation of 27th May 2007 No.665 and the present Decree;

p) It is not allowed to perform specialized training or teaching citizens of the Democratic People's Republic of Korea within the territory of the Russian Federation or by citizens of the Russian Federation of the subjects that might contribute to the sensitive in the sense of proliferation of nuclear activity of the Democratic People's Republic of Korea and its development of nuclear weapons delivery systems.

2. The Ministry of Foreign Affairs of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the Ministry of Defence of the Russian Federation, the Ministry of Transportation of the Russian Federation, Ministry of Treasury of the Russian Federation, the Ministry of Industry and Trade of the Russian Federation, the Ministry of Economic Development of the Russian Federation, Ministry of Justice of the Russian Federation, the Federal Foreign Intelligence Service of the Russian Federation, the Federal Security Service of the Russian Federation, the Federal Customs Service, the Federal Migration Service, the Federal Service for Technical and Export Control, the Federal Service of Military-Technical Cooperation, Federal Space Agency, Federal Financial Monitoring Service, the Central Bank of the Russian Federation and the State Atomic Energy Corporation "Rosatom" shall ensure implementation of paragraph 1 of the present Decree in accordance with their competences.
3. The Ministry of Foreign Affairs of the Russian Federation shall promptly notify the federal executive authorities and the organizations indicated in paragraph 2 of the present Decree about the information provided by the Committee necessary for implementation of the present Decree.
4. The present Decree comes into effect on the date of its signing.

President of
The Russian Federation
D.MEDVEDEV
Moscow, Kremlin

27th March 2010
No. 381

13th April 2010 No.460

DECREE OF
THE PRESIDENT OF THE RUSSIAN FEDERATION

ON NATIONAL ANTI-CORRUPTION STRATEGY
AND NATIONAL ANTI-CORRUPTION PLAN FOR 2010 - 2011

For the purpose of consolidation of the effort of federal State governmental bodies, other State governmental bodies, local authorities, civil society institutions, organizations and private persons, aimed at corruption counteraction and in accordance with paragraph 1 of part 1 of article 5 of the Federal law of 25th December 2008 No. 273-FZ On Corruption Counteraction I hereby order:

1. To approve the enclosed National Anti-Corruption Strategy.
2. The National Anti-Corruption Plan approved by the President on 31st July 2008 No. Pr-1568 (Rossiiskaya Gazeta, 2008, 5th August), shall be amended and restated (enclosed).
3. The chief of staff of the Presidential Administration of the Russian Federation, the Chairman of the Presidium of the Council of the President of Russian Federation for Anti-Corruption, to submit once a year to the President of the Russian Federation a report on progress of the National Anti-Corruption Plan implementation for the years of 2010 - 2011 and proposals for improvement the activity aimed at corruption counteraction.
4. The heads of the federal executive bodies shall:
   a) Take effective measures for preventing and arrangement of conflict of interests at the public service;
   b) Following the National Anti-Corruption Strategy and the National Anti-Corruption Plan for 2010 – 2011, to make result-based amendments by 1st June 2010 r. to the plans of the relevant federal executive bodies and other State governmental bodies;
   c) Organize control over implementation of the measures stipulated by the plans;
   d) Ensure timely correction of the plans in compliance with the National Anti-Corruption Plan for the relevant period;
   e) Render assistance to the mass media in prominent coverage of the anti-corruption measures taken by the relevant federal executive bodies, other State governmental bodies;
   f) Summarize the consideration practice of citizens' applications upon corruption and to adopt measures for the efficiency and effectiveness improvement in work with the above applications;
   g) Ensure intensification of the anticorruption component in organization of professional retraining, further training or practical studies of federal public officers.
5. To recommend that:
   a) The Accounts Chamber of the Russian Federation when, in accordance with article 2 of the Federal law of 11th January 1995 No. 4-FZ On the Accounts Chamber of the Russian Federation, the chambers of the Federal Assembly of the Russian Federation are provided with information about the results of the measures of control taken, should reflect the issues concerning prevention of corruption and its therapy;
   b) State governmental bodies of constituents in the Russian Federation and local authorities should follow paragraph 4 of the present Decree concerning the plans of the relevant constituents in the Russian Federation anti-corruption municipal units.
6. To recommend that the Public Chamber of the Russian Federation, the Chamber of Commerce and Industry of the Russian Federation, all-Russian social organization "Association of Lawyers of Russia", political parties, self-regulating organizations uniting manufacturers and entrepreneurs, other public associations should conduct work for formation of intolerance to corruption conduct in the society.

President of

The Russian Federation
D.MEDVEDEV
Moscow, Kremlin

13th April 2010
No. 460

Approved by
The Decree of the President of
The Russian Federation
of 13th April 2010 No. 460

THE NATIONAL ANTI-CORRUPTION STRATEGY

I. General Provisions

1. In pursuance of the National Anti-Corruption Plan approved by the President of the Russian Federation on 31st July 2008 No. Pr-1568, a regulatory anti-corruption framework has been created in Russia, relevant measures for corruption prevention have been taken and law-enforcement authorities efforts for its therapy have been intensified.

Nevertheless, in spite of the measures taken by the state and the society, corruption is still seriously impeding normal performance of all social mechanisms, preventing social changes implementation and national economy modernization, causing serious alarm and distrust to the governmental institutions in Russian society, creating a negative image of Russia in the international arena and is rightfully considered as one of menaces to the national security of the Russian Federation.

2. The analysis of the governmental and social institutes work in implementing the Federal law of 25th December 2008 No. 273-FZ On Corruption Counteraction and the National Anti-Corruption Plan approved by the President of the Russian Federation of 31st July 2008 No. Pr-1568 testifies the necessity of adoption of the National Anti-Corruption Strategy that is a continuously improved system of measures of organizational, economic, legal, information and personnel character, which takes into consideration the federal form of the Russian Federation encompassing federal, regional and municipal levels and aiming at elimination of root causes of corruption in the society and being logically implemented by federal governmental authorities, other governmental authorities, governmental authorities of subjects of the Russian Federation, local authorities, social institutes and private persons.
3. The National Anti-Corruption Strategy has been developed:
   a) On the basis of an analysis of the situation connected with different displays of corruption in the Russian Federation;
   b) On the basis of a general estimation of the current system of anti-corruption measures efficiency;
   c) Taking into account the measures for corruption prevention and its therapy, provided for by the United Nations Convention against Corruption, Criminal Law Convention on Corruption and other international legal anti-corruption documents, to which the Russian Federation is a party.
4. Measures for implementation of the National Anti-Corruption Strategy reflected in legal acts of the Russian Federation, in the National Anti-Corruption Plan for the relevant period, in the anti-corruption plans of federal executive bodies, other governmental authorities, subjects of the Russian Federation and municipalities shall comply with the generally recognized principles and rules of international law in the

sphere of human rights and fundamental freedoms documented in the Universal Declaration of Human Rights and International Covenant on Economic, Social and Cultural Rights.

II. Purpose and objectives of the National Anti-Corruption Strategy

5. The purpose of the National Anti-Corruption Strategy is elimination of causes and conditions that proliferate corruption in Russian society.
6. To attain the purpose of the National Anti-Corruption Strategy the following objectives are to be sequentially achieved:
   a) Formation of legal and organizational anti-corruption basis relevant to the time requirements;
   b) Organization of anti-corruption legal acts and managerial decisions implementation, creation of conditions that hamper a possibility of corruption conduct and reduction of corruption;
   c) Ensuring the members of the society performance of the anti-corruption norms of conduct including coercive measures in case of necessity in accordance with the law of the Russian Federation.

III. Basic Principles of the National Anti-Corruption Strategy

7. The basic principles of the National Anti-Corruption Strategy are:
   a) Recognition that corruption is one of system menaces to security of the Russian Federation;
   b) Use for corruption counteraction a system of measures that include corruption prevention measures, prosecution of persons who have committed corruption-related crimes and measures for minimization and (or) elimination of the consequences of corruption acts, at the present stage the leading role being assigned to corruption prevention measures;
   c) Stability of the basic elements of the system of anti-corruption measures consolidated in the Federal law of 25th December 2008 No. 273-FZ On Corruption Counteraction;
   d) Concretization of the anti-corruption provisions of federal laws, the National Anti-Corruption Strategy, the National Anti-Corruption Plan for the relevant period in legal acts of federal executive bodies, other governmental authorities, State governmental authorities of subjects of the Russian Federation and in the municipal legal acts.

IV. Basic directions for implementation of the National Anti-Corruption Strategy

8. The National Anti-Corruption Strategy is implemented in the following basic directions:
   a) Ensuring participation of social institutes in corruption counteraction;
   b) Enhancement of efficiency of activity of federal governmental bodies, other governmental bodies, governmental authorities of the Russian Federation and local authorities in corruption counteraction;
   c) Introduction into activity of federal governmental bodies other governmental bodies, governmental authorities of the Russian Federation and local authorities innovative technologies that increase objectivity and ensure transparency in adopting legal

(normative) acts of the Russian Federation, municipal legal acts and managerial decisions, as well as insure intergovernmental electronic interaction between the above bodies and their interaction with citizens and organizations within the framework of rendering state services;

d) Improvement of the state property accountability record system and assessment of the efficiency of its use;
e) Elimination of corruptogenic factors that prevent creation of favourable conditions for attracting investment;
f) Improvement of conditions, procedures and mechanisms of state and municipal procurement, including by way of extending practice of holding public auctions in the electronic form, as well as creation of a complex federal contract system that ensures compliance of the indicators and the results of performing state contracts with the initially built into them and approved indicators of the relevant budget;
g) Extension of the system of legal education of the population;
h) Modernization of the civil legislation;
i) Further development of the legal anti-corruption basis;
j) Promotion of role of the commissions for the compliance with the requirements to official conduct of public officers and adjustment of the conflict of interests;
k) Improvement of performance of subdivisions of personnel services of federal executive bodies and other governmental bodies in the sphere of prevention of corruption and other delinquencies;
l) Periodic research into the state of corruption and the efficiency of measures taken for its prevention and therapy both in the country as a whole and in the regions;
m) Improvement of law enforcement practice of law-enforcement authorities and courts of corruption;
n) Improvement of execution of judgements;
o) Development of organizational and legal basics for law enforcement monitoring for the purpose of ensuring timely adoption, in the cases provided for by federal laws, of acts of the President of the Russian Federation, the Government of the Russian Federation, federal governmental bodies other governmental bodies, governmental authorities of subjects of the Russian Federation and local authorities, municipal legal acts as well as for the purpose of implementation of decisions of the Constitutional Court of the Russian Federation;
p) Improvement of organizational basics of anti-corruption expertise of normative legal acts and improvement of its effectiveness;
q) Increasing of monetary allowance and pension provision of public and municipal officers;
r) Extension of limitations, prohibitions and obligations established by legal acts for the Russian Federation for the purpose of corruption prevention onto persons deputizing state positions of the Russian Federation including the chief executive officers (heads of the chief executive State government bodies) of subjects of the Russian Federation and municipal positions;
s) Enhancement of professional training of specialists in the sphere of organization of corruption counteraction and direct corruption counteraction ;
t) Improvement of the system of financial accounting in accordance with the requirements of international standards;
u) Enhancement of efficiency of the Russian Federation’s participation in international cooperation in anti-corruption sphere, including development of organizational basics for the regional anti-corruption forum, rendering the necessary assistance to other states in training specialists, analyzing causes and sequences of corruption.

V. Mechanism for implementation of
the National Anti-Corruption Strategy

9. The National Anti-Corruption Strategy is implemented by the federal governmental bodies, other governmental bodies, governmental bodies of subjects of the Russian Federation, local authorities, social institutes, organizations and private persons:
   a) When setting and executing budgets of all levels;
   b) By taking decisions regarding personnel;
   c) In the course of implementation of the legal initiative and taking legal (normative legal) acts of the Russian Federation and municipal legal acts;
   d) By prompt adjustment of:

Legal acts of federal governmental bodies, governmental bodies of subjects of the Russian Federation and municipal acts to comply with the requirements of federal laws concerning corruption counteraction;

Legal acts of governmental bodies of subjects of the Russian Federation to comply with the requirements of federal laws and normative legal acts of federal governmental bodies concerning corruption counteraction;

Municipal legal acts to comply with the requirements of federal laws, normative legal acts of federal governmental bodies normative legal acts of governmental bodies of subjects of the Russian Federation concerning corruption counteraction;

   e) In the course of control over the implementation of the law of the Russian Federation and implementation of measures provided for by the National Anti-Corruption Plan for the relevant period, plans of federal executive bodies, other governmental bodies, subjects of the Russian Federation and municipal units concerning corruption counteraction;
   f) By ensuring unavoidability of liability for corruption crime and objective application of the law of the Russian Federation;
   g) By rendering assistance to mass media in prominent and objective coverage of the state of affairs in the sphere of corruption counteraction;
   h) By active involvement into the anticorruption activity political parties, public associations and other social institutes.

Approved by
the President of
The Russian Federation
of 31st July 2008 No. Pr-1568
(as amended in the Decree of the President of
The Russian Federation
of 13th April 2010 No. 460)

NATIONAL ANTI-CORRUPTION PLAN FOR YEARS 2010 - 2011

For the purpose of organization of implementation of Federal law of 25th December 2008 No. 273-FZ On Corruption Counteraction (hereinafter referred to as the Federal law On Corruption Counteraction) and implementation of the National Anti-Corruption Strategy:

1. The Government of the Russian Federation, the Presidium of the Council of the President of Russian Federation for corruption counteraction within thief competences shall:
   a) Take in 2010 measures to ensure effective functioning of commissions for compliance with the requirements to official conduct of public officers and adjustment of the conflict of interests, having provided for a possibility of including into the composition of the commissions representatives of public associations of veterans, public councils, created at federal executive bodies in accordance with part 2 of article 20 of Federal law of 4th April 2005 No. 32-FZ On the Public Chamber of the Russian Federation, officers of the Presidential Administration of the Russian Federation in the sphere of public service and personnel, Central Office of the Government of the Russian Federation;
   b) Ensure holding meetings with heads of personnel management offices of federal executive bodies and heads of subdivisions of the stated offices regarding prevention of corruption and other crimes, in the course of which they shall consider issues of organization implementation of Federal law On Corruption Counteraction, relevant decrees of the President of the Russian Federation and the present national Plan;
   c) Organize centralized retraining and further training of federal public officers whose position description includes participation in corruption counteraction in accordance with the program greed with the Presidential Administration of the Russian Federation regarding public service and personnel;
   d) Ensure development of guidelines regarding corruption counteraction.
2. The Government of the Russian Federation shall:
   a) Make provisions for further financing of the measures:

For development and use of innovative technologies that enhance objectivity and ensure transparency when adopting legal (normative) acts of the Russian Federation, municipal legal acts and managerial decisions as well as ensure intergovernmental electronic interaction between the federal governmental bodies, other governmental bodies, governmental bodies of the Russian Federation, local authorities and electronic interaction of the above bodies with citizens and organizations within the framework of rendering state services;

For creation of multifunction centres to render citizens and organizations public and municipal services;

For placing on the relevant sited in the Internet the general and arbitration judgements;

For state support of industry, distribution and replication of television and radio programs on legal education;

For retraining and further training of federal public officers whose position description includes participation in corruption counteraction as well as development of guidelines regarding corruption counteraction;

   b) Take measures:

To enhance higher and post-graduate education in the sphere of jurisprudence, paying special attention to development of federal state standards for higher education, the problem of practicability of implementation of programs for higher and post-graduate education in the sphere of jurisprudence in non-core universities, further optimization of the quantity of Thesis Boards;

To establish notification procedure of beginning a business for all kinds of business with determining a comprehensive list of activities not covered by such procedure;

To improve control, supervisory and licensing functions of federal executive bodies and to optimize their rendering public services;

To apply into practice a mechanism of civil public officers rotation;

c) Organize social surveys among all the social layers of the population in different regions of the country that would allow to assess the level of corruption in the Russian Federation and the efficiency of anti-corruption measures taken;
d) Elaborate and implement measures:
For enhancement of the mechanism of creation, operation and liquidation of legal entities:

For improvement of joint stock companies boards operation;

For eliminating from the charters of business entities provisions that duplicate imperative norms of the law;

For reduction of the volume of information to be obligatory included into the constituent documents of organizations for the purpose of simplification of their amendment;

For provision of due protection of contractual laws of parties to the corporate affairs;

For enhancing responsibility of members of administration of commercial and non-commercial organizations for the loss incurred due to misconduct of the stated persons under the condition of conflict of interests to such organizations, their shareholders or participants;

For ensuring validity of the data contained in the Uniform State Register of Legal Entities;

For improvement of the system of financial accounting and public companies' accountability in accordance with the requirements of international standards;

For improvement of assessment;

e) Ensure monitoring of the activities of self-regulating organizations;
f) In cooperation with the Accounts Chamber of the Russian Federation:
Take measures to enhance public control over budget assignation use regarding the federal budget, the budgets of subjects of the Russian Federation and local budgets;

Determine indicators for assessment of the effectiveness of the anti-corruption program implementation;

Ensure systematic control over effectiveness of use of the budget assignations from the federal budget allotted for implementing anti-corruption measures;

g) Determine indicators for assessment of the effectiveness of state and municipal property management; perform demarcation between federal governmental authorities, governmental authorities of subjects of the Russian Federation and local authorities in the sphere of such property management; introduce administrative responsibility of the persons from the above authorities for infringement of the law of the Russian Federation on managing property owned by the state or municipality.

3. The Chief of staff of the Presidential Administration of the Russian Federation, the Chairman of the Presidium of the Council of the President of Russian Federation for Anti-Corruption:
   a) Organize consideration at the meetings of the Presidium of the Council of the President of Russian Federation for Anti-Corruption of the following questions:

About anti-corruption activity of the community of judges and Supreme Court Justice Department of the Russian Federation;

About the program of enhancing effectiveness of use of the budget assignations from the federal budget;

About anti-corruption activity of governmental bodies of subjects of the Russian Federation that are part of the Far Eastern federal district;

About work of governmental bodies of subjects of the Russian Federation that are part of Siberian federal district concerning corruption counteraction organization in the local authorities;

About development of normal and legal basis of subjects of the Russian Federation municipal units concerning corruption counteraction;

About legal groundwork for anti-corruption activity at the municipal service;

About measures for the Russian Federation's implementing provisions of the United Nations Convention against Corruption;

About organization of training of federal public officers whose job description includes corruption counteraction;

About activity of the Federal Service for State Registration, Cadastral Records and Cartography concerning corruption counteraction;

About work for formation of intolerance to corruption in the society;

About the Russian Federation's participation in international anti-corruption events;

About work of subdivisions of personnel offices of federal executive bodies, other governmental bodies concerning corruption and other delinquencies prevention and measures for its enhancement;

About measures to eliminate the conditions contributing to corruption that are faced by citizens most often (common corruption);

b) Ensure:

Development of draft acts of the President of the Russian Federation aiming at implementation of Federal law On Corruption Counteraction and other legal normative acts of the Russian Federation concerning corruption counteraction, as well as the determiners for the procedure of interaction between the Administration of the President of the Russian Federation for public service and personnel and the personnel departments of federal executive bodies, other governmental bodies when performing inspections provided for by the Decrees of the President of the Russian Federation of 21st September 2009 No.1065 and of 21st September 2009 No.1066;

Operation of the official site of the Administration of the President of the Russian Federation in accordance with Federal law of 9th February 2009 No. 8-FZ On Ensuring Access to the Information About Activity of Governmental Bodies and Local Authorities for placing there in particular: information about incomes, property and estate liabilities of the persons occupying the public positions of the Russian Federation and positions in the federal governmental service at the Administration of the President of the Russian Federation in accordance with the Decree of the President of the Russian Federation No. 561 dated May 18, 2009, federal laws, Acts of the President of the Russian Federation, the Government of the Russian Federation and the Administration of the President of the Russian Federation on anti-corruption theme for the employees of the Administration of the President of the Russian Federation to familiarize with it; information about activity of the Administration of the President of the Russian Federation;

Development of motions for improvement of governmental adjustment of limitations, prohibitions and obligations connected with occupying public positions of the Russian Federation, including positions of the chief executive officers (heads of the chief executive State government bodies) of subjects of the Russian Federation, State positions of subjects of the Russian Federation and municipal positions;

c) Ensure control over implementation of the present National Plan and submission once a year to the of the Presidium of the Council of the President of Russian Federation for Anti-Corruption a report on the progress of its implementation and proposals for anti-corruption activity improvement.

4. The Prosecutor General of the Russian Federation shall:
   a) At the annual submission, in accordance with article 12 of Federal law On Prosecutor's Office of the Russian Federation, to the chambers of the Federal Assembly of the Russian Federation and the President of the Russian Federation of a report on the law and order in the Russian Federation and on the work conducted in order to enhance them, should pay special attention to the issues pertaining to corruption prevention and therapy;
   b) Organize examination of the question about the work of prosecutors of subjects of the Russian Federation concerning supervision over compliance with the law of the Russian Federation on corruption counteraction. The results of the examination of the question and the measures taken to improve the work are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st November 2010;
   c) Inform once in six months the Presidium of the Council of the President of Russian Federation for Anti-Corruption results of work of the internal affairs bodies of the Russian Federation, agencies of the federal security service and other anti-corruption law enforcement agencies;
   d) Analyze the organization of anticorruption expertise done by the prosecutor agencies of the Russian Federation of legal normative acts and in case of necessity take measures for its improvement. The results of the work and the measures taken to improve it are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st September 2011.
5. The Prosecutor General of the Russian Federation and his subordinates shall:
   a) Take measures to improve organization of supervision over implementation of the law of the Russian Federation by the bodies that perform operational investigations, bodies of inquiry and immediate investigation when institution, investigation and termination of corruption criminal proceedings. The measures taken are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st October 2011;
   b) tighten supervision:

Over implementation of the law of the Russian Federation regulating use of the state property and placement of orders for delivery of goods, work performance, rendering services for state and municipal needs;

Over implementation by the heads of federal governmental bodies, governmental bodies of subjects of the Russian Federation, heads of municipal units of the law of the Russian Federation in conflict of interests prevention and adjustment at public service;

Over implementation of the law of the Russian Federation in the sphere of organization and conducting of inspections of legal entities, individual entrepreneurs by the bodies authorized for exercising state control (supervision), municipal control;

c) The results of performing subparagraph "b" of the present paragraph are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st September 2011;
d) Take measure to improve efficiency of coordinative meetings work provided for in article 8 of Federal law On Prosecutor's Office of the Russian Federation. The measures taken are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st August 2011.

6. The Prosecutor's General Office shall:
   a) In cooperation with the Ministry of Foreign Affairs of the Russian Federation, Ministry of Justice of the Russian Federation, Federal Security Service of the Russian Federation, analyze the implementation of the civil law of the Russian Federation for return to the Russian Federation of the property criminally-obtained at the territory of Russia and exported outside its borders. The results of the work are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st September 2011;
   b) In cooperation with the Ministry of Justice of the Russian Federation, the Ministry of Foreign Affairs of the Russian Federation, Ministry of Finance of the Russian Federation and other interested federal executive bodies, consider the question of reasonability of the Russian Federation's participation in the World Bank and United Nations Office on Drugs and Crime initiative concerning return of stolen assets. The results of the consideration with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st December 2010;
   c) In cooperation with the interested federal executive bodies, analyze the practice of implementation of:

Civil and administrative law of the Russian Federation in the part concerning legal entities' responsibility in the name of which corruption crimes are conducted;

The law of the Russian Federation in the part concerning responsibility for bribery of officials when concluding international commercial deals;

   d) The results of implementation of subparagraph "c" of the present paragraph with relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st November 2011.

7. The Prosecutor's General Office of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the Ministry of Foreign Affairs of the Russian Federation, the Ministry of Justice of the Russian Federation, the Federal Security Service of the Russian Federation shall hold in 2010, with participation of scientific community, scientific and practical seminars devoted to the 10th anniversary of the United Nations Convention against Transnational Organized Crime, in the course of which they shall consider questions of implementation by the Russian Federation of the provisions of the given Convention and their application. The results of implementation of the present paragraph are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st February 2011.
8. The Ministry of Justice of the Russian Federation shall:
   a) Present to the Presidium of the Council of the President of Russian Federation for Anti-Corruption a proposal concerning reasonability of formation in the Russian Federation of the institute of lobbyism not later than 1st October 2010;

b) Prepare, with participation of the Prosecutor's General Office, federal executive bodies, scientific organizations, other social institutes, and present to the President of the Russian Federation not later than 1st December 2010, proposals concerning organizational and legal basics of law enforcement monitoring for the purpose of timely:

Implementation of decisions of the Constitutional Court of the Russian Federation and European Court of Human Rights, in connection with which it is necessary to adopt federal laws and other normative legal acts of the Russian Federation;

Adoption, in the cases provided for by the federal laws, of acts of the President of the Russian Federation, the Government of the Russian Federation, federal executive bodies, other governmental bodies, governmental bodies of subjects of the Russian Federation and municipal legal acts;

Adoption, in the cases provided for by acts of the President of the Russian Federation, of acts of the Government of the Russian Federation, federal executive bodies, other governmental bodies, governmental bodies of subjects of the Russian Federation and municipal legal acts;

c) Summarize the practice of organization of anti-corruption expertise of legal normative acts and draft legal normative acts, as well as the practice of law enforcement monitoring practice organization. The results of the work and the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st November 2011;
d) Ensure in 2010, tin cooperation with the Ministry of Foreign Affairs of the Russian Federation, the Prosecutor's General Office and with participation of the interested federal executive bodies, other governmental bodies, the Chamber of Industry and Commerce of the Russian Federation, all-Russian social organization Association of Lawyers of Russia, public associations uniting manufacturers and entrepreneurs under the auspices of United Nations Office on Drugs and Crime:

Training in the Russian Federation of experts from other countries in organization of corruption counteraction;

Holding in the Russian Federation the international seminar on "Corruption prevention and therapy: international and national experience";

e) The results of subparagraph "d" of the present paragraph are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st February 2011;
f) Consider a question of development of long-term program for enhancement of efficiency of execution of judgements. The results of the consideration with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st March 2011;
g) In cooperation with the Ministry of Foreign Affairs of the Russian Federation, the Economic Development Ministry of the Russian Federation and other interested federal executive bodies, continue analysis of compliance of Convention on Combating Bribery of Foreign Public Officials in International Business Transactions with the law of the Russian Federation. The results of the work with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st April 2011;

h) In cooperation with the Supreme Court Justice Department of the Russian Federation to take measures to place in the Internet, including the official sites of administrations (departments) of the Supreme Court Justice Department of the Russian Federation at subjects of the Russian Federation, the information about activity of magistrates. The measures taken are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st February 2011.

9. The Ministry of the Internal Affairs of the Russian Federation, the Federal Security Service of the Russian Federation shall analyze the practice of legal entities protection that render assistance to the law enforcement authorities in revealing, restricting the facts of corruption nature. The results of the work with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st March 2011.

10. The Ministry of the Internal Affairs of the Russian Federation, the Federal Security Service of the Russian Federation, the Investigative Committee at the Public Prosecutor's Office of the Russian Federation shall take measures aiming at enhancement of work for revealing, restricting facts of corruption and criminal investigation of corruption crimes with strict observance of human and civil rights and freedoms. The results of the work with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st October 2011.

11. The Ministry of Foreign Affairs of the Russian Federation shall:

a) Ensure, in cooperation with the interested federal executive bodies, active and practically significant participation of the Russian Federation in international anti-corruption events;

b) Organize regular informing of international organizations dealing with corruption counteraction and the relevant authorities of foreign states about the efforts taken by the Russian Federation in counteracting corruption, in particular, about the contents of the Federal law On Corruption Counteraction, relevant decrees of the President of the Russian Federation, the present National Plan and other documents on anti-corruption theme;

c) The results of implementation of the measures provided for by subparagraphs "a" and "b" of the present paragraph are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st October 2011;

d) Not later than 1st June 2011 to the Presidium of the Council of the President of Russian Federation for Anti-Corruption, submit proposals pertaining to reasonability of Civil Law Convention on Corruption of 4th November 1999 on the basis of analysis of compliance of the given Convention with the legal system of the Russian Federation and estimation of possible consequences of its signing.

12. The Economic Development Ministry of the Russian Federation shall analyze compliance of the United Nations Convention against Corruption and other international treaties of the Russian Federation pertaining to public purchases, accounting, audit and financial accounting, with the law of the Russian Federation and submit a report with the relevant proposals not later than 1st September 2010 to the Presidium of the Council of the President of Russian Federation for Anti-Corruption.

13. The Ministry of Education and Science of the Russian Federation in cooperation with the Ministry of Foreign Affairs of the Russian Federation shall study the experience of foreign states in implementation of anti-corruption

educational programs and not later than 1st October 2010 shall submit the relevant report to the Presidium of the Council of the President of Russian Federation for Anti-Corruption.

14. The plenipotentiaries of the President of the Russian Federation at the federal districts shall analyze the measures taken by the governmental authorities of subjects of the Russian Federation to counteract corruption in the local authorities, paying special attention to the measures for eliminating conditions contributing to corruption that are faced by citizens most often (common corruption). The results of work with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st April 2011.

15. The work group of the Presidium of the Council of the President of Russian Federation for Anti-Corruption for development of proposals for the measures of implementation of the United Nations Convention against Corruption by the Russian Federation shall:

a) Consider the question of reasonability and tangibility of development of organizational basics for a regional international forum that would exercise monitoring of basic parameters of the national anti-corruption system. The results of the consideration with the relevant proposals are to be reported to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st August 2010;

b) Make a proposal concerning coordination of activities of the federal executive bodies, other governmental bodies aiming at implementation by the Russian Federation of international anticorruption treaties to which it is a party, to the Presidium of the Council of the President of Russian Federation for Anti-Corruption not later than 1st July 2010.

GOVERNMENT OF THE RUSSIAN FEDERATION DECREE NO.967-R DATED JUNE 10, 2010

The proposed Recommendations for the development by institutions engaged in transactions with funds or other assets of internal control rules for combating legalization (laundering) of criminal proceeds and financing of terrorism are hereby approved.

Chairman of the Government
of the Russian Federation
V. PUTIN

Approved by
Decree of the Government
of the Russian Federation
No.967-r dated June 10, 2010

RECOMMENDATIONS
FOR DEVELOPMENT BY INSTITUTIONS ENGAGED IN TRANSACTIONS WITH FUNDS OR OTHER ASSETS OF INTERNAL CONTROL RULES FOR COMBATING LEGALIZATION (LAUNDERING) OF CRIMINAL PROCEEDS AND FINANCING OF TERRORISM

I. General

1. These Recommendations set out a uniform approach for the development by institutions (except for credit institutions) engaged in transactions with funds or other assets (hereinafter – transactions) specified in Article 5 of the Federal Law On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism (hereinafter – institutions and the Federal Law, respectively) of internal control rules implemented for combating legalization (laundering) of criminal proceeds and financing of terrorism (hereinafter – the Internal Control Rules).
2. The Internal Control Rules specify the procedure of documenting necessary information and ensuring its confidentiality, qualification requirements for personnel education and training as well as criteria of detection and indicators of unusual transactions with due consideration for the specificities of institution's activities. The Internal Control Rules also include the internal control implementation programs for combating legalization (laundering) of criminal proceeds and financing of terrorism as set out in these Recommendations.
3. Pursuant to the Federal Law an institution shall designate a special executive officer in charge of compliance with the Internal Control Rules and internal control implementation programs (hereinafter the compliance officer).
4. An institution shall (with consideration for its organizational structure, staff numbers, customer base and levels of risks associated with the customers and their transactions) establish or designate a department in charge of combating legalization (laundering) of criminal proceeds and financing of terrorism managed by the compliance officer, which shall be reflected in the Internal Control Rules. If an institution has branches each branch may also designate the compliance officer, which shall be reflected in the Internal Control Rules.
5. The Internal Control Rules specify the functions, powers and duties vested in the compliance officer.

II. Programs of Implementation of Internal Control for Combating Legalization (Laundering) of Criminal Proceeds and Financing of Terrorism

6. The Internal Control Rules include the following internal control implementation programs:
   a) Program of identification of persons serviced by an institution, identification and verification of identity of beneficiaries, except for the situations specified in Clauses 1.1 and 1.2 of Article 7 of the Federal Law (hereinafter – the identification program);;
   b) Program of assessment of level (degree) of risk of carrying out by a customer of transactions related to legalization (laundering) of criminal proceeds and financing of terrorism (hereinafter the risk assessment program);
   c) Program of detection of transactions (deals) subject to mandatory control and transactions (deals) showing the signs of association with legalization (laundering) of criminal proceeds and financing of terrorism (hereinafter - the program of detection of transactions subject to mandatory control);
   d) Data documenting program;
   e) Program specifying the procedure of suspension of transactions in compliance with the Federal Law;

f) Program of education and training of institution's personnel in the area of combating legalization (laundering) of criminal proceeds and financing of terrorism (hereinafter – the institution's personnel education and training program);
g) Internal control audit program;
h) Program of retention of data and documents obtained as a result of implementation of the internal control programs for combating legalization (laundering) of criminal proceeds and financing of terrorism (hereinafter – the information retention program);
i) Other internal control implementation programs at the discretion of an institution.

7. The identification program is developed with due consideration for the provisions of the Federal Law and the customer and beneficiary identification requirements established by the Federal Financial Monitoring Service.

In the process of the development of the identification program it is expedient to use a questionnaire – to draw up a document (dossier) that contains information on an institution's customer, his activities and also information on a beneficiary.

8.For the natural person identification purpose the following data are ascertained and recorded based on the ID document:

a) last name, first name and patronymic (unless otherwise provided by the law or national custom);
b) date and place of birth;
c) place of residence (place of registration);
d) location address;
e) citizenship;
f) information on ID document (type, series and number of the document, date of issue and issuing agency);
g) migration card data (if any) (card series and number, dates of the beginning and the end of permitted stay period);
h) data from the document certifying the right of a foreign national or a stateless person to stay (reside) in the Russian Federation (series (if any) and number of the document, dates of the beginning and the end of permitted stay (residence) period);
i) taxpayer identification number (if any).

9. For the legal entity identification purpose the following data are ascertained and recorded based on the constituent and other documents:
a) name of a legal entity;
b) taxpayer identification number or foreign organization code;
c) state registration number;
d) place of state registration;
e) location.

10. For more detailed examination of a legal entity it is expedient (subject to legal entity consent) to identify and record the date of state registration of a legal entity, its postal address and also codes of the state federal statistical monitoring forms (if any).

11. In course of identification of legal entities special attention is paid to the following information:
a) the list of the legal entity's founders (shareholders);
b) the structure of the legal entity's management bodies and their powers;
c) the size of registered and paid-up authorized (share) capital or size of authorized fund and the value of assets of a legal entity

12. The identification program specifies the procedure of identifying foreign public officials, their spouses and close relatives (ascendants and descendants (parents and

children, grandparents and grandchildren), blood and half-blood (having the same mother or father) siblings, adopters and adoptees) among the existing and potential customers who are natural persons.

13. The identification program also establishes the procedure of acceptance of foreign public officials as customers that includes the obligations of an institution set forth in Article 7.3 of the Federal Law and also measures for identifying source of origin of funds or other assets of foreign public officials.
14. The identification program includes the procedure of regular (typically at least once a year) upgrading of information obtained as a result of identification of institution's customers, identification and verification of identity of beneficiaries as well as upgrading of information on foreign public officials serviced by an institution.
15. Under the risk assessment program an institution, depending on the specificities of its and its customers' activities, assesses the risk in compliance with the requirements established by the Federal Financial Monitoring Service.
16. To assess the risk level and to further monitor changes of the risk level an institution performs on-going monitoring of customer's transactions (deals) as they are carried out. If a high risk level is assigned to customer's transactions (activities) an institution pays special attention to transactions (deals) carried out by such customer.
17. The program of detection of transactions subject to mandatory control establishes the procedure of detection of transactions (deals) showing the following signs:
    a) complex or unusual nature of a transaction (deal) that has no apparent economic or lawful purpose;
    b) inconsistency of a transaction (deal) with the goals of institution's activities declared in its constituent documents;
    c) repeated transactions (deals) which nature gives reason to believe that their purpose is to evade the mandatory control procedures;
    d) other circumstances which give reason to believe that transactions (deals) are carried out for legalization (laundering) of criminal proceeds and financing of terrorism.
18. For detecting transactions (deals) showing signs of association with legalization (laundering) of criminal proceeds and financing of terrorism an institution develops criteria of detection and indicators of unusual transactions with due consideration for the specificities of its activities and the recommendations approved by the Federal Financial Monitoring Service in coordination with the relevant supervisory authorities.
19. The program of detection of transactions subject to mandatory control establishes the procedure of examining by an institution of background and purpose of such transactions (deals) and recording the findings in writing.
20. In case of detection of indicators of performance by a customer of a transaction subject to mandatory control in compliance with the Federal Law or of an unusual transaction (deal) an employee who has detected such transaction (deal) draws up a report – a document containing information on such transaction (deal) (hereinafter the transaction report) using the form approved by the CEO of an institution. Recommendations on the information to be included in the transaction report are approved by the Federal Financial Monitoring Service.
21. The transaction report is immediately submitted to the compliance officer who decides whether or not it is expedient to submit this report to the COE of an institution. A corresponding record on a decision made by the compliance officer is made in the transaction report.
22. Where there are reasonable grounds the COE of an institution makes a final decision on recognizing a customer's transaction (deal) as the transaction (deal) subject to mandatory control in compliance with the Federal Law and on filing the transaction

report with the Federal Financial Monitoring Service. A corresponding record on a decision made by the institution COE is made in the transaction report.

23. Upon detection of indicators on an unusual transaction it is recommended to analyze other customer's transactions (deals) to justify suspicion of customer involvement in a transaction (deal) or a series of transactions (deals) for legalization (laundering) of criminal proceeds or financing of terrorism.
24. In case of detection in customer's activities of an unusual transaction (deal) or indicators thereof an institution may also take the following actions:
    a) request a customer to provide necessary explanations including additional information clarifying economic purpose of an unusual transaction (deal);
    b) pay special attention to all transactions (deals) carried out by such customer as prescribed by these recommendations;
    c) take other measures subject to compliance with the Russian Federation legislation.
25. A corresponding record on action taken by an institution following detection of an unusual transaction (deal) or indicators thereof is made in the transaction report.

If a suspicion of conducting by a customer of a transaction (deal) or a series of transactions (deals) for legalization (laundering) of criminal proceeds or financing of terrorism is justified the COE of an institution makes a final decision on recognizing a customer's transaction (deal) as the transaction (deal) subject to mandatory control in compliance with the Federal Law and on filing the transaction report with the Federal Financial Monitoring Service. A corresponding record on a decision made by the institution COE is made in the transaction report.

26. The data documenting program provides, among other things, for documenting of information specified in the Federal Law and other regulatory legal acts related to combating legalization (laundering) of criminal proceeds and financing of terrorism as well as other necessary information.
27. In regard of transactions (deals) subject to mandatory control as well as transactions (deals) showing signs of association with legalization (laundering) of criminal proceeds and financing of terrorism being documented is information specified in the Federal Law.
28. Information is documented based on data and documents provided by institution's customers. Documents that allow for identifying an institution's customer, identifying and verifying identity of a beneficiary and other parties to a transaction (deal) as well as for identifying background of such transaction (deal) shall be valid at the date of their submission.
29. An institution records information on a customer, beneficiary and customer's transactions (deals) in such way as to permit, if necessary, reconstruction of transaction (deal) details including transaction (deal) amount, currency and purpose of payment and also information on customer's counterparty.
30. The institution personnel education and training program is developed with due consideration for the provisions of the Federal Law and the requirements for education and training of institutions' personnel established by the Federal Financial Monitoring Service.
31. The internal control audit program provides for control over compliance with the Russian Federation legislation on combating legalization (laundering) of criminal proceeds and financing of terrorism, internal control rules, internal control implementation programs and other executive documents adopted by an institution for arranging for the internal control.
32. The internal control audit program should provide for regular audits of implementation of internal control in an institution, submission of written reports

reflecting the results of such audits to the institution CEO as also should establish the procedure of making decisions with regard to the revealed breaches and control over their fulfillment.

33. The internal control audit report should include:
    a) information on all revealed breaches of the Russian Federation legislation on combating legalization (laundering) of criminal proceeds and financing of terrorism, internal control rules and other executive documents adopted by an institution for arranging for the internal control;
    b) information on measures required for elimination of breaches;
    c) other information.
34. The information retention program provides for retaining of the following documents and records for at least five years following the date of termination of relationship with a customer:
    a) documents containing information of an institution's customer and beneficiary or other parties to a transaction and also other documents related to customer's activities (including business correspondence and other documents at an institution may decide);
    b) documents related to the respective customer's transactions (deals) and transaction (deal) reports;
    c) finding obtained as a result of examining background and purposes on unusual transactions (deals);
    d) other documents obtained as a result of implementation of the internal control rules and internal control programs.
35. The information retention program provides for retention of records and documents such as to make them available in a timely manner to the Federal Financial Monitoring Service and to other government authorities within their respective competence in the situations specified in the Russian Federation legislation.
36. Information and documents obtained as a result of implementation of the internal control rules and internal control programs are registered and retained by the compliance officer.
37. Programs listed in Clause 6 hereof are developed with due consideration for the specificities of institution's activities.
38. The internal control rules and internal control implementation programs provide for confidentiality of information obtained as a result of application of the internal control rules, implementation of the internal control programs and measures taken by an institution for implementing such programs.

ORDER
OF THE FEDERAL FINANCIAL MONITORING SERVICE
NO. 103 OF MAY 8, 2009
ON ENDORSING THE RECOMMENDATIONS FOR ELABORATING DETECTION CRITERIA AND FOR DEFINING SIGNS OF UNUSIAL TRANSACTIONS
(WITH THE AMENDMENTS AND ADDITIONS OF SEPTEMBER 14, 2010)

In accordance with Federal Law No. 115-FZ of August 7, 2001 on Counteracting the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of

Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3418, No. 33 (Part 1), 2001; item 3029, No. 30; item 4296, No. 44, 2002; item 3224, No. 31, 2004; item 4828, No. 47, 2005; items 3446 and 3452, No. 31 (Part I), 2006; item 1831, No. 16, items 3993 and 4011, No. 31; item 6036, No. 49, 2007) and the Recommendations for the Organisations Accomplishing Transactions with Amounts of Money or Another Property to Elaborate Internal Control Rules for the Purpose of Counteracting the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism, endorsed by Order of the Government of the Russian Federation No. 983-r of July 17, 2002 (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 197, No. 2, 2003; item 5302, No. 50, 2005; item 5582, No. 46, 2007; item 2049, No. 18, 2008), I hereby order as follows:

1. The endorsement of the Recommendations for Elaborating Detection Criteria and for Defining the Signs of Extraordinary Transactions attached hereto (hereinafter referred to as "the Recommendations") for which approval has been secured from the Federal Financial Markets Service, the Federal Insurance Supervision Service, the Russian State Assay Office under the Ministry of Finance of the Russian Federation and the Federal Service for Supervision over Communications, Information Technologies and Mass Communications.
2. The deeming of the following as no longer effective: Annexes Nos. 2 and 3 to the Recommendations Concerning Specific Provisions of the Internal Control Rules Elaborated by Organisations Accomplishing Transactions in Amounts of Money or other Property for the Purpose of Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism, endorsed by Order of the Financial Monitoring Committee of the Russian Federation No. 104 of August 11, 2003 (according to statement of the Ministry of Justice of the Russian Federation No. 07/8796-YuD of August 28, 2003 this order does not need state registration).

Head Yu.A. Chikhanchin

Recommendations
for Elaborating Detection Criteria and for Defining the Signs of Extraordinary Transactions
(endorsed by Order of the Federal Financial Monitoring Service No. 103 of May 8, 2009)
(with the Amendments and Additions of September 14, 2010)

These Recommendations have been elaborated by the Federal Financial Monitoring Service (hereinafter referred to as "Rosfinmonitoring") pursuant the provisions of Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3418, No. 33 (Part 1) , 2001; item 3029, No. 30; item 4296, No. 44, 2002; item 3224, No. 31, 2004; item 4828, No. 47, 2005; items 3446 and 3452, No. 31 (Part I), 2006; item 1831, No. 16; item 3993 and 4011, No. 31; item 6036, No. 49, 2007), the Recommendations for the Organisations Accomplishing Transactions in Amounts of Money or Other Property to Elaborate Internal Control Rules for the Purpose of Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism, endorsed by Order of the Government of the Russian Federation No. 983-r of July 17, 2002 (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2995, No. 29, 2002; item 197, No. 2, 2003; item 5302, No. 50, 2005; item 5582, No. 46, 2007; item 2049, No. 18, 2008).

The present Recommendations contain basic detection criteria and the signs of extraordinary transactions which are recommended for being taken into account in the elaboration of the rules for the internal control carried out to counter the legalisation of incomes received through crime (money laundering) and the financing of terrorism by the organisations that accomplish transactions with amounts of money or other property (except for credit organisations) listed in Article 5 of Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism (hereinafter referred to as "the Federal Law") and also the other persons specified in Article 7.1 of the Federal Law, with due regard to the specific types of activities of the organisations (other persons).

Apart from the basic criteria for the discovery and the signs of extraordinary transactions listed in the present Recommendations, the aforesaid organisations (other persons) shall use additional detection criteria and signs of extraordinary transactions elaborated with due regard to the peculiarities of activities of a specific organisation (another person) in the elaboration of internal control rules.

Basic Criteria for Detecting Extraordinary Transactions

No.	
1.	Client's refusal without good reason to provide information apart from that established by normative documents as requested in accordance with prevailing practices, for instance about the client's principal (when the client acts as a representative of a legal entity or natural person) or about a beneficiary and also client's excessive preoccupation with non-disclosure matters in respect of a transaction (deal) which is under way
2.	Client's neglecting more profitable conditions for the provision of services (commission fee tariff, etc.) and also the client's offering an extraordinarily high commission or a commission knowingly different from the ordinary commission charged when such services are being provided
3.	The existence of non-standard or extraordinarily complicated schemes for settling accounts that differ from the ordinary practices used by this client or from ordinary market practices
4.	Client's proposal to refund a payable amount under a rescinded transaction either to third persons, for instance to an account in a non-resident bank or to client's account in a bank different from the bank from which funds had been originally received to carry out this transaction
5.	Client's persistent will to operate on his own from a remote terminal

6.	A transaction (deal) being amended in a manner that is not in line with the prevailing practices
7.	Unreasonable haste in the accomplishment of a transaction on which the client is insisting
8.	Client's making significant amendments in the scheme of a transaction that has been agreed upon, just before the commencement its implementation, especially concerning the direction of flow of cash or other property
9.	Client's passing instructions on accomplishment of a transaction through a representative (mediator), if the representative (mediator performs the client's instructions without directly (in person) contacting the organisation carrying out transactions in amounts of money or another property
10.	Accomplishing transactions through the use of remote servicing systems if it is suspected that the systems are used by a third person rather than the client proper
11 .	Complications occurring when information provided by the client is verified, unjustified delays in the client's providing documents & information on a transaction (deal), the client's providing information that cannot be verified or such verification is too expensive
12.	The client's contracting parties cannot be identified
13.	The client's insisting that accounts be settled in cash
14.	Transactions being accomplished with securities like bills of exchange (notes) not underlied by assets of their issuers
15.	Natural person's acquiring or selling securities for cash
16.	Remittance of money to an anonymous (numbered) account (deposit) in a foreign country and receipt of money from an anonymous (numbered account (deposit) from a foreign country

17.	Using accounts opened in various credit organisations for settling accounts within the framework of one contract
18.*	Participant in a transaction in amounts of money or other property is registered in a state or territory that provides a privileged taxation regime and/or does not require the disclosure provision of information when financial transactions take place(offshore zone) or participant's account is opened in a bank registered in said state or territory
19.	Client's demand without good reason for rescission of a contract and/or refund of funds paid by the client before the actual performance of transaction
20.	A substantial deviation of the sum of transaction from effective market prices, for instance on the client's insistence
21.	Accounts being settled between parties to a deal through the use of third persons' accounts
22.	Resident's paying forfeit money (penalty, fine) to a non-resident for default on performance of a contract for delivery of goods performance of works or services) or breach of contractual terms if the amount of the forfeit money exceeds ten per cent of the sum of delivered goods (performed works or services)
23.	Beneficiary of funds or goods (works, services) is a non-resident not being party under contract envisaging the importation (exportation) of goods (works, services) by resident
24.*	According to contract goods (works, services) are to be exported by a resident or payments are to be made for imports of goods (works, services) for the benefit of a non-resident registered in a state or territory granting a privileged taxation regime and/or not requiring the disclosure and provision of information when financial transactions take place (offshore zone)
25.	Funds being remitted to the address of a non-resident under foreign trade deals relating to the provision of information-consultative & marketing services, the transfer of results of intellectual activities, for instance exclusive rights thereto, and other types of services of intangible nature
26.	Lack of obvious link of the nature and kind of client's activities and the services asked by client from an organisation making transactions in amounts of money or another property

27.	Intricate or unusual nature of a deal lacking an obvious economic sense or an obvious legal objective
28.	Deal's non-compliance with objectives of organisation's operation as established by its constitutive documents
29.	Discovery of repeated accomplishment of transactions or deals whose nature offers a ground for deeming that they have been made to evade the compulsory control procedures envisaged by a federal law
30.	Provision of an interest-free loan by a legal entity not being a credit organisation to a natural person and/or other legal entity and also receipt of such loan on which the interest rate ishalf as great as the refinancing rate set by the Bank of Russia
31.	Other criteria at organisation's discretion

The Basic Signs of Extraordinary Deals

No.	
1.	Client offers to substantially to increase (more than double) the amount of an insured sum with the relevant increase in the amount of insurance premium under an existing contract of life insurance or another type of accumulation insurance concluded by a legalentity or natural person
2.	A contract of insurance being amended several times due to replacement of insurer, insured or beneficiary
3.	Client periodically concludes two and more contracts of life insurance for the benefit of third person for a term of up to 5 years
4.*	Insured's proposal to re-insure risk in an organisation registered in a state or territory granting privileged taxation regime and/ornot requiring the disclosure and provision of information when financial transactions take place (offshore zone) or in insurance and/or re-

insurance organisations not having ratings of international rating agencies, and also the conclusion of transactions within the framework of a contract with such organisations

5. Client's concluding contracts of insurance with organisations lo- cated outside the region where the client resides (is registered)

6. Client's proposing to the insurer to extend in a contract of insurance the coverage for risks that go beyond the framework of the client's ordinary activities

7. While making an application the client is worried about the possibility of early termination of the contract of insurance ratherthan the performance of the terms of the contract (policy)

8. Client's concluding contracts of insurance for which the sum of payable premiums obviously exceeds the client's solvency

9. An insurance service is provided or received at a tariff rate exceeding more than two-fold the mean tariff rate for a similar service on the domestic insurance market

10. One or several deals are concluded for the purchase/sale of securities and/or rights in rem (hereinafter: "other financial instruments) envisaged by Item 6 of Article 51.2 of Federal Law No. 39FZ of April 22, 1996 on the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1918, No. 17; item 3424, No.33 2001; item 5141, No. 52 (Part 2), 2002; item 5, No.1, item 1780 No. 17 (Part 1); item 3437, No. 31 (Part 1); item 4412, No. 43 2006; item 45, No. 1 (Part 1); item 2117, No. 18; item 2563, No. 22; item 4845, No. 41; item 6247, No. 50; item 6249, No. 50, 2007; item 4982, No. 44; item 6221, No. 52 (Part 1), 2008; item 28,No.1 item 777, No. 7; item 2154, No. 18 (Part 1); item 2770, No. 23 2009) in total sum of at least 600,000 roubles at the expense of money in cash delivered by client to cashier's office of an organnisation being a professional participant in the securities market as lump sum or in instalments in an amount equal to or exceeding 600,000 roubles

11. Client's delivering money in cash equal to or exceeding 600,000 roubles to the cashier's office of an organisation being a professional participant in the securities market as lump sum or in instalments

12. Professional participant in securities market concluding—at his expense or client's expense on the over-the-counter market and/or through organisers of trade on securities market (hereinafter "organisers of trade") under two specific orders—transactions in securities and/or other financial instruments for an amount of at least 200,000 roubles each, in which buyer and seller act in the interests of one and the same beneficiary

13.	Professional participant in the securities market concluding – at his expense or client's expense - mutual transactions when parties thereto (professional participants in securities market or their clients) are regularly alternate, acting alternately as sellers and buyers, buying/selling in this case simultaneously or in parts same securities and/or other financial instruments of roughly same amount (if mutual transactions are concluded on over-the-counter market and/or through organisers of trade on the basis of two specific orders)
14.	Professional participant in securities market concluding—at his expense or client's expense—transactions of the purchase and sale simultaneously or in parts of same securities of roughly same amount during one trading day if the selling transaction price is below or equal to the purchase transaction price and the market price of the security according to the results of the trading day cannot be determined
15.	Professional participant in securities market concluding—at his expense or client's expense—transactions of purchase/sale of securities and/or other financial instruments with one contracting party as resulting in profit or loss of relevant professional participant in the securities market or his client in aggregate amount of 200,000 or more roubles (if transactions are concluded on over the-counter market and/or through organisers of trade on the basis of two specific orders)
16.	Professional participant in securities market concluding—at his expense or client's expense—a transaction of purchase/sale of securities not traded through organisers of trade, at a price substantially different from the price of at least one of transactions with that security that has been concluded by a professional participant in the over-the-counter market for the last 30 days preceding the date of conclusion of the transaction in question
17.	Orders being simultaneously filed by a client of a professional participant in the securities market for the purchase and sale of securities at prices substantially different from the current price
18.	Client's regularly concluding fixed-term transactions in securities market which result in a permanent income or loss for the client
19.	Professional participant in securities market concluding—at his expense or client's expense—a deal for the purchase/sale of securities traded through organisers of trade on the over-the-counter market or through an organiser of trade under two specific orders at a price substantially different from the market price of such security calculated as of the end of the trading day on which it was concluded
20.	Professional participant in the securities market concluding – at his expense or client's

	expense—one or several deals for the purchase/sale of securities and/or other financial instruments which are suspected of being concluded through the use of service information and/or for price manipulation purposes on the securit-ies market
21.	Professional participant in securities market concluding REPO transactions in securities (REPO deals) in which the price of second part of a REPO deal is equal to the price of the first part of the REPO deal (REPO rate is equal to 0% (or concluding a couple of deals similar in sense for purchase and sale of same quantity with same contracting party, given the equality of prices)
22.	Regular conclusion of transactions relating to assignment of right of ownership to securities as involving same securities roughly in same amount in which same persons alternately act as the persons that alienate and acquire them, save exchange transactions and REPO deals
23.	Same securities are regularly credited to the personal account (securities account) and debited to the personal account (securities account) in roughly the same amount (save exchange transactions and REPO deals)
24.	Same amount of securities being every day credited to personal account (securities account) and debited to personal account (securities account) if the number thereof as of the beginning and end of the operational day is the same (save exchange transactions and REPO deals)
25.	Financial leasing payments being made on instructions of a lessee by a third person
26.	Financial lease (sublease) contract is concluded when the seller of its subject matter and the lessee is one and the same person
27.	Client’s offer or attempt to conclude a transaction with a piece of immovable property that has an encumbrance
28.	Deal with immovable property being concluded at half and less the market price
29.	Natural person’s repeatedly buying and/or selling pieces of immovable property
30.	Natural person’s repeatedly concluding deals involving one piece of immovable

property

31.	Using as payment instruments counterfeit settlement and credit bank cards or other payment documents not deemed securities (counterfeit credit cards, counterfeit “bonus” cards, tokens, etc.)
32.	Suspecting that the following is used as payment instruments: settlement and credit bank cards or other payment documents not deemed securities banned for use (bank cards blocked by their owners, withdrawn bonus cards of a gambling business)
33.	Cashless money remittances from organisations for participation in parimutuel betting or bookmaker betting
34.	Suspicion that counterfeit notes of the Central Bank of the Russian Federation or foreign currency notes are used as means of payment (counterfeit money in cash is used)
35.	Suspicion that counterfeit lottery tickets are being presented in the case of a win
36.	Suspicion that the documents used when bets are accepted are counterfeit (counterfeiting parimutuel betting and bookmaker tickets)
37.	Suspicion of collusion between employees of a gambling business and a participant in gambling or betting for a predetermined result of gambling or betting
38.	Suspicion that gamblers use equipment and devices that predetermine the result of gambling
39.	Getting a prize as an amount of money on the results of drawing of lots from a pool of lots formed with property
40.	Paying out a prize from a pool of prizes that does not belong to the gambling organiser by right of ownership
41.	Loan being repeatedly received against the pledge of jewelry items without subsequent redemption

42.	Natural person’s delivering property to a pawnshop several times (two and more times a year) on the territory of a subject of the Russian Federation that does not comply with the natural person’s place of registration
43.	Jewellery items from precious metals and precious stones with signs of counterfeit hallmark imprints being delivered for commission, pledge or purchase
44.	Jewellery items from precious metals and precious stones without hallmark imprints being delivered for commission, pledge or purchase
45.	Several jewellery items and/or jewellery items of a certain type being delivered regularly for commission, pledge or purchase by a natural person or jewellery items of a certain type including those having labels by a group of persons
46.	Several jewellery or other household items from precious metal and/or precious stones (items of a certain type) and/or certified precious stones being regularly acquired by a natural person
47.	Amounts of money being remitted on client’s instructions for sold precious metals and precious stones, jewellery items from them and scrap of such items to third persons’ accounts
48.	An organisation engaged in transactions in precious metals and precious stones, jewellery items and scrap of such items refusing without good reason to provide documents confirming special registration with federal assay supervision bodies or copies of such documents
49.	When standard and/or measured ingots from refined precious metals are being purchased/sold seller presents copies of documents on quality (certificates) and also specifications for them in place of originals
50.	Under a contract the value of precious metals, precious stones, jewellery items from them or other household items from scrape and waste deviating by over 20% upwards or downwards from the level of market prices
51.	Selling products (bars, rods, wire, plates, strips, sheets, etc made from standard and/or measured refined precious metal ingots without a change in the chemical composition
52.	Lot(s) of jewellery and/or other household items from precious metals and precious

stones with probably forged hallmark imprintsunregistered manufacturers' name mark imprints and/or without state hallmark imprints being received

53. Client being a legal entity intending to conclude a contract for remittance of money with a federal postal organisation (branch of organisation) located outside of the region (subject of the Russian federal where the client's activities actually take place

54. The nature of activities of client—a legal entity—being the sender of postal remittances of money does not imply permanent (regular) remittance of money by post to natural persons' addresses

55. A discrepancy between the amount of postal remittances of money going through a federal postal organisation (branch of organisation) and the intended purpose of payment

56. One or several legal entities repeatedly remitting money by post to the address of one or several natural persons in large amounts

57. Transactions involving natural persons or legal entities whose registration address coincides with the place of registration (whereabouts) of the persons included in the List of Organisations Natural Persons Known to Be Involved in Extremist Activities formed in the procedure established by a federal law

58. Payments being remitted to a financial agent on a regular basis under a contract of financing against assignment of money claim by client or third persons not being debtors

59. Suspicion that forged documents have been presented to a financial agent as testifying of the existence of client's money claim toa debtor (contract with debtor, documents confirming the delivery of goods (waybills, certificates), invoices etc.)

60. Granting a loan (loans) for a sum, equal to or exceeding 600,000 roubles, to a guardian or another person, who is the lawful representative (including one acting by warrant) of a member (partner) of the credit consumer cooperative

61. Conclusion of several contracts for personal savings (for loans)with one member (partner) of the credit consumer cooperative inthe course of three months for a sum, equal to or exceeding 600,000 roubles

62.	Handing over by a member (partner) of the credit consumer cooperative an order on the transfer of monetary funds, due to him, in favour of a third person
63.	Performance of an operation with government or municipal securities for a sum, equal to or exceeding 600,000 roubles
64.	Fractioning the sums of monetary funds, placed by the partner,into several contracts in the course of a short period of time, under the condition that the result of summing up the said monetary funds (were they formalised by one contract) comprisesor exceeds the sum, equivalent to 600,000 roubles
65.	Conclusion within a short period of time of several short-term contracts to the name of one partner, even if the sum of a contract is less than the sum, equivalent to 600,000 roubles, with subsequently formalising the sums of partner contributions after an expiry of the term of the contract to one contract and (or) receiving the monetary sums in cash
66.	Conclusion of several short-term contracts to the name of one partner in the course of a short period of time, even if the sum of a contract is less than the sum, equivalent to 600,000 roubles,with the subsequent cancellation of the contracts
67.	Conclusion of several contracts to the name of one partner in the course of a short period of time, envisaging return of monetary funds at the partner's first claim, even if the sum of a contract is less than the sum, equivalent to 600,000 roubles,with subsequently formalising the sums to one contract and (or) receiving the monetary sums in cash in a short time interval
68.	Granting to a member (partner) of the credit consumer cooperative a loan for a sum, equal to or close to the partner share attracted from him, or to the monetary funds, handed over under a contract for personal savings (for a loan)
69.	Conclusion in a short period of time of contracts with respect to a legal entity and to a legal entity affiliated to it, or with respect to a legal entity and to a natural person, affiliated to it or being in labour relations with it, under which one of the said persons enters monetary funds into the credit cooperative,while the other said person receives monetary funds from the credit cooperative in the same or in a close to it sum, even if the sum of every contract is less than the sum, equivalent to 600,000 roubles
70.	Other signs at the organisation's discretion

- For the definition of states or territories one shall be governed by Order of the Ministry of Finance of the Russian Federation No. 108n of November 13, 2007 on Endorsing the List of the States and Territories That Provide a Privileged Taxation Regime and/or Do Not Require the Disclosure and Provision of Information when Financial Transactions Take Place (Offshore Zones) (registered by the Ministry of Justice of the Russian Federation, registration No. 10598, December 3, 2007; Bulleten Normativnykh Aktov Federalnykh Organov Ispolnitelnoy Vlasti, No. 50, December 10, 2007; No. 11, March 16, 2009).

Registered in the Ministry of Justice of the Russian Federation 7th September 2010 No. 18375

FEDERAL FINANCIAL MONITORING SERVICE
ORDER
of 3rd August 2010 No. 203
ON APPROVAL OF THE REGULATIONS
FOR REQUIREMENTS TO TRAINING AND INSTRUCTION OF
THE PERSONNEL OF ORGANIZATIONS CARRYING OUT OPERATIONS WITH MONETARY
FUNDS OR OTHER PROPERTY FOR THE PURPOSE OF COUNTERACTION
OF THE LEGITIMIZATION (LAUNDERING) OF THE PROCEEDS OF CRIME
AND THE FINANCING OF TERRORISM

(as amended in Order of the Federal Financial Monitoring Service of 01.11.2010 No. 293)

In accordance with the Federal Law of 7th August 2001 No. 115-FZ On counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism (Collection of Legislative Acts of the Russian Federation, 2001, No. 33 (part I), art. 3418; 2002, No. 30, art. 3029; No. 44, art. 4296; 2004, No. 31, art. 3224; 2005, No. 47, art. 4828; 2006, No. 31 (part I), art. 3446, art. 3452; 2007, No. 16, art. 1831; No. 31, art. 3993, art. 4011; No. 49, art. 6036; 2009, No. 23, art. 2776; No. 29, art. 3600) and clause 3 of the Russian Federation Government Decree of 5th December 2005 No. 715 On qualifying requirements for the special authorities responsible for compliance with internal control regulations and programme of its implementation, as well as on the requirements to training and instruction of the personnel, identification of clients, beneficiaries for the purpose of counteraction of legitimization (laundering)of the proceeds of crime and financing of terrorism (Collection of Legislative Acts of the Russian Federation, 2005, No. 50, art. 5302; 2008, No. 12, art. 1140) I hereby order:

1. To approve, subject to agreement with the Federal Financial Markets Service of Russia (V.D. Milovidov), the attached Regulations on the requirements to training and instruction of the personnel carrying out operations with monetary funds or other property for the purpose of counteraction of legitimization (laundering)of the proceeds of crime and financing of terrorism.

2. To deem the Order of the Federal Financial Monitoring Service of 1st November 2008 No. 256 On approval of the Regulations for requirements to training and instruction of the personnel carrying out operations with monetary funds or other property for the purpose of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism (registered in the Ministry of Justice of the Russian Federation 30th January 2009, registration No. 13222) to have lost force.

Director
YU.A. CHIKHANCHIN

Approved
By the Order of the Federal Financial
Monitoring Service
of 03.08.2010 No. 203

REGULATIONS FOR REQUIREMENTS TO TRAINING AND INSTRUCTION OF THE PERSONNEL OF ORGANIZATIONS CARRYING OUT OPERATIONS WITH MONETARY FUNDS OR OTHER PROPERTY FOR THE PURPOSE OF COUNTERACTION OF THE LEGITIMIZATION (LAUNDERING) OF THE PROCEEDS OF CRIME AND THE FINANCING OF TERRORISM

(as amended in Order of the Federal Financial Monitoring Service of 01.11.2010 No. 293)

I. General Provisions

1. The present regulations set requirements to training and instruction of personnel of organizations carrying out operations with monetary funds or other property for the purpose of counteraction of legitimization (laundering)of the proceeds of crime and financing of terrorism, specified in Article 5 of Federal Law of 7th August 2001 No. 115-FZ On counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism.

Training and instruction of the personnel of professional securities market parties that are banking companies is performed in accordance with requirements set by the Bank of Russia as with approval of the Federal Financial Monitoring Service and consistent with the peculiarities set forth in paragraphs 5, 9, 10, 11, 12, 13 of the present Regulations.

The present Regulations does not apply to banking companies that are not professional securities market parties.

2. The Director of an organization approves the list of employees who should do obligatory training for the purpose of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism (hereinafter referred to as “training”).
3. The list, provided for in paragraph 2 of the present Regulations, of organizations (with the exception of an organization performing professional activity on the securities market and (or) activity concerning investment funds and non-governmental pension

funds management (hereinafter referred to as “financial market activity”)) shall include the following specialists:

a) The head of the organization;
b) The head of an affiliate of the organization;
c) The deputy head of the organization (affiliate), who according to the position description administers organization and implementation of internal control for the purpose of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
d) A special official of the organization (affiliate) responsible for compliance with the rules of internal control for the purpose of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism (hereinafter referred to as the “special official”);
e) The chief accountant (accountant) of the organization (affiliate) if there is such a position in the organization or affiliate, or the employee performing functions of accounting records maintenance;
f) The head of the legal subdivision of the organization (affiliate) or the legal expert of the organization (affiliate), if there is one;
g) Internal control service officers of the organization (affiliate), if there are such;
h) Other employees of the organization (affiliate) at the head of the organization’s discretion and with allowance for the specifics of the organization (affiliate) activity.

4. The organization performing its activity in the financial market (excluding professional securities market parties that are banking companies) should include into the list, provided for in paragraph 2 of the present Regulations, the following employees:
   a) The head of the organization;
   b) The head of an affiliate of the organization performing its activity in the financial market (hereinafter referred to as the Affiliate);
   c) The deputy head of the organization (Affiliate) who in accordance with the position description is in charge of the structural subdivision of the organization (Affiliate) that performs its activity in the financial market;
   d) The head and his deputy of the subdivision of the organization (Affiliate) that performs its activity in the financial market;
   e) The controller;
   f) The employees of the organization (Affiliate) who, in accordance with their position descriptions perform at least one of the following functions:

Securities transactioning: in the name of the organization and for the account of the organization; in the name of clients and for the account of clients; in the name of the organization and for the account of clients;

Settlement of transactions and (or) operations with monetary funds and (or) securities for the benefit of the grantor;

Signing of outgoing documentation of the organization (Affiliate) concerning operations connected with management of incorporated investment fund reserve, the property that is part of the unit investment fund, pension reserves of non-governmental pension funds, or property into which pension assets or savings for housing provision of servicemen have been invested;

Signing of outgoing documentation of the organization (Affiliate) concerning operations connected with management of the securities that belong to the incorporated investment fund, securities as part of the property that makes up the unit investment fund or the securities, into which pension reserves of non-governmental pension funds are allocated or pension assets or savings for housing provision of servicemen have been invested;

Signing of outgoing documentation of the organization (Affiliate) concerning operations connected with mortgage collateral;

Internal record-keeping of operations with securities;

Execution of operations connected with transfer of securities ownership with depot accounts of clients;

Signing documents certifying the client's title to the securities and documents for the executed operations;

Executing operations connected with transfer of securities ownership with separate accounts of registered persons;

Signing documents certifying the registered person's title to the securities and documents for the executed operations;

g) The special official of the organization (Affiliate);
h) Other employees of the organization (Affiliate), at the head of the organization's discretion, with allowance for the specifics of the organization (Affiliate) and its clients' activities.

5. The organization performing its professional activity in the securities market, that is a banking company, should include into the list, the following employees:
   a) The head and his deputy of the structural subdivision performing its activity in the financial market;
   b) The controller;
   c) The employees of the structural subdivision who, in accordance with their position descriptions perform at least one of the following functions:

Securities transactioning: in the name of the organization and for the account of the organization; in the name of clients and for the account of clients; in the name of the organization and for the account of clients;

Settlement of transactions and (or) operations with monetary funds and (or) securities for the benefit of the grantor;

Internal record-keeping of operations with securities;

Execution of operations connected with transfer of securities ownership with depot accounts of clients;

Signing documents certifying the client's title to the securities and documents for the executed operations;

d) The special official;
e) Other employees of the structural subdivision that performs its activity in the financial market, at the head of the structural subdivision's discretion.

II. Modes, frequency and terms of training

6. Training is conducted in the following modes:
   a) Orientation training;
   b) Additional training;
   c) Target training (the organizations employees' acquisition of basic knowledge necessary for compliance with the law of the Russian Federation on counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, as well as for formation and improvement of the internal control system of

organizations, programs of its implementation and other organizational and administrative documents adopted for these purposes;

d) Development of skills and knowledge in the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism (hereinafter referred to as the Development of knowledge).

7. The orientation instruction at the organization is conducted by a special official when employing for the positions or for performing the functions specified in paragraphs 3, 4 of the present Regulations and when transferring (temporarily transferring) to the positions or for performing the functions specified in paragraphs 3, 4 of the present Regulations.
8. Additional training is conducted by a special official at least once a year or in the following cases:

When amending the legal acts of the Russian Federation in force or coming into force of new ones pertaining to the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism;

When the organization's approving new internal control rules or amending the ones in force concerning counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism;

When transferring an employee of the organization to some other permanent work (temporary work) within the organization in the case when he possesses insufficient knowledge in to comply with the law of the Russian Federation on counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism;

When putting an employee of the organization on a job, performed by the organization employees specified in paragraphs 3, 4 of the present Regulations but not stipulated by the employment agreement if such job does not entail change in the terms of the employment contract signed with him.

9. The orientation and additional training are conducted in accordance with the programme of employees training and instruction the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, developed by the organization with due account for the present Regulations.

The orientation and additional training for the employees, specified in paragraph 5 of the present Regulations, of organizations performing professional activity on the securities market that are banking companies, is conducted in accordance with the requirements for training and instruction of the personnel set forth by the Bank of Russia subject to agreement with the Federal Financial Monitoring Service.

10. Training in the mode of target training is taken by the person who plans to perform functions of a special official once, prior to starting performing such functions. Single-time training in the mode of target training is to be taken by:

a) From among the employees indicated in paragraph 3 of the present Regulations: the head of the organization (affiliate), the chief accountant (accountant) of the organization (affiliate) (if there is such a position in the organization) or the employee performing functions of accounting records maintenance, the head of the legal subdivision or the legal expert of the organization (if there is such a position in the organization);

b) The employees indicated in subparagraphs "a" to "f" of paragraph 4 of the present Regulations;

c) The employees indicated in subparagraphs "a" to "c" of paragraph 5 of the present Regulations.

The persons indicated in subparagraphs “a”, “b” and “c” of the present paragraph appointed for the relevant positions after the present Regulations entry into force shall take single-time training in the mode of target training within one year from the date of being entrusted with the corresponding position functions.

The persons occupying the positions indicated in subparagraphs “a”, “b” and “c” of the present paragraph for the moment of the present Regulations entry into force shall take single-time training in the mode of target training within one year from the date of the present Regulations entry into force.

The persons, who have taken training in the mode of target training for the moment of the present Regulations entry into force in accordance with Order of the Federal Financial Monitoring Service of 1st September 2008 No. 256 On approval of the Regulations for requirements to training and instruction of the personnel carrying out operations with monetary funds or other property for the purpose of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, do not need to repeat the target training.

11. For the employees of the organizations performing professional activity on the securities markets the target training is conducted by the organizations certified by the Federal Service for Financial Markets for assessing financial markets specialists.

For the employees of the organizations performing professional activity on the securities markets that are banking companies, indicated in subparagraphs “a” to “d”, of paragraph 5 of the present Regulations the target training in accordance with the present Regulations, can be conducted by other organizations that perform training and instruction of personnel in accordance with the requirements for training and instruction of personnel established by the Bank of Russia with agreement of the Federal Financial Monitoring Service, provided that the training program includes issues connected with specifics of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism at the financial market specified by the Federal Service for Financial Markets.

For the employees of other organizations the target training is conducted by the organizations established by the Federal Financial Monitoring Service and other organizations according to the programs approved by the Federal Financial Monitoring Service.

The target training taken is to be certified by a document issued by the organization that has conducted the target training.

12. The development of knowledge is done in the form of participation in conferences, seminars and other teaching events.

The development of knowledge of the employees is performed accordingly in the organizations where, in compliance with paragraph 11 of the present Regulations, it is provided for conducting target training according to the programs elaborated by such organizations independently.

The development of knowledge is to be undertaken at least once in three years by the special official of the organization (affiliate) (with the exception of an organization performing professional activity on the securities market) as well as the employees of organizations indicated in subparagraphs “a”, “b” and “c” of paragraph 10 of the present Regulations, at least once a year – by the special official of the organization (its affiliate), including the special official of a professional securities market party that is a banking company.

(as amended in Order of the Federal Financial Monitoring Service of 01.11.2010 No. 293)

The development of knowledge of the relevant official is to be certified by a document issued by the organization that has conducted such training or by a document that confirms the relevant official's participation in the training event.

13. Other employees of the organization (affiliate), excluding those mentioned in subparagraphs "a", "b" and "c" of paragraph 10 of the present Regulations and the special official, included in the list provided for in paragraph 2 of the present Regulations, as well as other employees of the structural subdivision of the organization performing professional activity on the securities market, that is a banking company, (subparagraph "e" of paragraph 5 of the present Regulations) undergo target training at the head of the organization's discretion according to the procedure provided for in paragraphs 11 and 12 of the present Regulations.

III. Program of training and instruction of the personnel of an organization in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism

14. The organization develops a program of training and instruction of the personnel of the organization in the sphere of counteraction of the legitimization (laundering) and the financing of terrorism (hereinafter referred to as the Program of training) with due account for the requirements of the law of the Russian Federation on counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, as well as specifics of the activities of the organization and its clients.
15. The objective of the training is providing the employees of the organization with knowledge in the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, necessary for them in order to comply with the law of the Russian Federation on counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism, as well as the internal control rules, the programs of its implementation and other organizational and administrative documents of the organization approved for the purpose of internal control organization.
16. The program of training shall provide for:

a) Study of legal acts of the Russian Federation in the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism;

b) Study of rules and programs of internal control implementation in the organization when performing their official duties, as well as the liabilities exercised in relation to the employee of the organization for non-performance of the legal acts of the Russian Federation in the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism and other organizational and administrative documents of the organization approved for the purpose of internal control organization and implementation;

c) Study of typologies, characteristic schemes and methods of laundering of the proceeds of crime and financing of terrorism as well as the criteria for revealing and characteristics of unusual deals.

IV. Record of the organization employees' training

17. The organization keeps records of its employees' training.
18. The procedure for record keeping of the organization employees' training is to be established by the head of the organization.
19. The fact of conducting instruction with an employee of the organization to be instructed (with an exception of target training) and acknowledgement with new legal

and other acts of the Russian Federation in the sphere of counteraction of legitimization (laundering) of the proceeds of crime and financing of terrorism and the internal documents of the organization is to be certified by his autograph in the document, the form and the content of which is to determined by the organization independently.

The documents certifying the training undergone by the employee are filed to the employee's personal data file.

Registered in the Ministry of Justice of the Russian Federation on 28th of January 2010 No. 16102

FEDERAL FINANCIAL MONITORING SERVICE
ORDER
Of 8th of December No. 336

ON INTERGOVERNMENTAL COMMISSION CONCERNING THE COUNTERACTION OF THE LEGITIMIZATION (LAUNDERING) OF THE PROCEEDS OF CRIME AND THE FINANCING OF TERRORISM

For the purpose of organization of effective interaction and coordination of activity of federal executive bodies and the Central Bank of the Russian Federation in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism, of enhancing the efficiency of international cooperation in this sphere and in accordance with the Regulations for Federal Financial Monitoring Service approved by the Government Decree of the Russian Federation of 23rd of June 2004 No. 307 On approval of the Regulations for Federal Financial Monitoring Service (Collection of Legislative Acts of the Russian Federation, 2004, No. 26, p. 2676; 2007, No. 45, p. 5492; 2008, No. 46, p. 5337; 2009, No. 6, p. 738), I hereby order:

1. To establish an Intergovernmental Commission for counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism.
2. To enact the attached the Regulations for the Intergovernmental Commission for counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism coordinated with the federal agencies of the executive power and the Central Bank of the Russian Federation.

Director
YU.A. CHIKHANCHIN

Approved by
The Order of the Rosfinmonitoring
of 08.12.2009 No. 336

REGULATIONS FOR THE INTERGOVERNMENTAL COMMISSION FOR COUNTERACTION OF THE LEGITIMIZATION (LAUNDERING) OF THE PROCEEDS OF CRIME AND THE FINANCING OF TERRORISM

1. The Intergovernmental Commission for counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism (hereinafter referred to as the Commission) is a permanent coordination body established for the purpose of provision of concerted actions of the concerned federal executive power agencies and the Bank of

Russia in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism.

2. The Commission is guided in its actions by the Constitution of the Russian Federation, federal constitutional laws, the Federal Law of 7th August 2001 No. 115-FZ On counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism (Collection of Legislative Acts of the Russian Federation, 2001, No. 33, p. 3418; 2002, No. 30, p. 3029; No. 44, p. 4296; 2004, No. 31, p. 3224; 2005, No. 47, p. 4828; 2006, No. 31 (part. I), p. 3446, p. 3452; 2007, No. 16, p. 1831; No. 31, p. 3993, p. 4011; No. 49, p. 6036) and other federal laws and executive orders from the President of the Russian Federation, the Government Decree of the Russian Federation of 23rd June 2004 No. 307 On approval of the Decree on the Federal Financial Monitoring Service (Collection of Legislative Acts of the Russian Federation, 2004, No. 26, p. 2676; 2007, No. 45, p. 5492; 2008, No. 46, p. 5337; 2009, No. 6, p. 738), other decrees and edicts of the Government of the Russian Federation and by the present Regulations.
3. The primal objectives of the Commission are:
   a) Organization of development and consideration of draft federal laws and other normative acts in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   b) Ensuring interaction, including the information interoperability, of the federal executive bodies and the Bank of Russia in particular areas of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   c) Elaboration of the unified stance concerning issues of international cooperation in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   d) Development of motions for improving the national system of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism.
4. For the purpose of implementation of the tasks imposed, the Commission:
   a) Shall take decisions necessary to ensure organization, coordination and improvement of interaction between the concerned federal executive bodies in the sphere of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   b) Shall create when necessary task groups for timely development of motions for the issues concerning counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   c) Regarding the issues within the Commission's competence, shall organize interaction with the concerned federal executive bodies, executive bodies of subjects of the Russian Federation, local authorities, public associations and other organizations.

With this in view it requests in due order the information regarding the issues within the Commission's competence and invites the officials of the bodies (with the approval of their executives) to participate in the Commission's work;

   d) Shall organize development of research and information methodical materials and estimates for the purpose of current monitoring of the efficiency of counteraction of the legitimization (laundering) of the proceeds of crime and the financing of terrorism;
   e) Shall hold, when necessary, enlarged meetings with the participation of representatives of the concerned federal executive bodies and organizations that are not part of the Commission, as well as organizes special intergovernmental seminars and meetings for the purpose of experience and necessary information exchange;

f) Shall elaborate motions to be submitted to the Government of the Russian Federation regarding the issues within the competence of the Commission that require resolution of the Government of the Russian Federation;
g) In accordance with the tasks imposed and within the competence of the Commission, shall perform monitoring of the Commission's resolutions implementation.

5. The Commission is formed consisting of representatives (at the level of the executives of structural subdivisions or their deputies) of the Ministry of Internal Affairs of Russia, Ministry of Foreign Affairs of Russia, Ministry of Communication and Mass Media of Russia, Ministry of Finance of Russia, Ministry of Justice of Russia, Foreign Intelligence Service of Russia, Federal Security Service of Russia, Federal Drug Control Service of Russia, Federal Financial Monitoring of Russia, Federal Tax Service of Russia, Federal Customs Service of Russia, Federal Financial Markets Service of Russia, Federal Service for Execution of Punishment of Russia, Federal Bailiff Service of Russia, Russian Insurance Supervision Service, Russian Supervision Agency for Information Technologies and Communications (subject to agreement).

In the Commission meetings, subject to agreement, the following plenipotentiaries with a consultative vote shall participate:

The State Duma Security Committee and the State Duma Financial Market Committee;
Government Staff of the Russian Federation;
Security Council Staff of the Russian Federation;
Russian State Assaying Chamber of the Ministry of Finance of the Russian Federation.

The Prosecutor-General of the Russian Federation is entitled to attend the Commission's meetings, so are his deputies and other prosecutors under their instructions.

6. The Chairperson of the Commission ex officio is the Director of the Financial Monitoring of Russia.
The Chairperson of the Commission:

- Carries out general direction of the Commission activities and bears personal responsibility for implementation of the tasks imposed on the Commission;
- Presides meetings of the Commission;
- Approves the composition of the Commission's workgroups on the proposal of the concerned federal executive bodies, the Bank of Russia and other concerned organizations;
- Approves the work schedules and the agenda for the Commission meetings subject to agreement with the members of the Commission.

The Chairperson of the Commission has one deputy from among the Deputy Directors of the Federal Financial Monitoring of Russia.

The Chairperson appoints the Executive Secretary of the Commission.

7. The Executive Secretary of the Commission is the Deputy Director of the juridical Directorate of the Federal Financial Monitoring of Russia.
The Executive Secretary of the Commission:

a) Shall organize preparation of the Commission's meetings;
b) Shall ensure elaboration of the draft work schedule of the Commission, draft agendas of its meetings, organize preparation of materials for meetings and resolutions of the Commission;
c) Shall ensures informing the members of the Commission about the date, place and time of holding a meeting of the Commission, as well as about the issues included

into the agenda of the meeting of the Commission, not later than 15 working days prior to holding the meeting of the Commission;

d) Shall receive the materials necessary for preparing a meeting of the Commission.

The above materials are to be submitted to the Commission by the concerned federal executive bodies, the Bank of Russia and other concerned organizations, to which competence the issues of the agenda pertain, not later than 10 working days prior to holding the meeting of the Commission in writing, on the official form, signed by, accordingly, the federal minister or his deputy, the federal agency director or his deputy, the Chairman of the Bank of Russia or his deputy.

In case of need, but not later than 5 days prior to the date of holing the meeting of the Commission, to send them to the members of the Commission;

e) Shall perform other duties under the instructions of the Chairperson of the Commission or his deputy.

8. The organizational and technical support is provided by the Federal Financial Monitoring of Russia.
9. The personal composition of the Commission is approved by the order of the Director of the Federal Financial Monitoring of Russia – the Chairperson of the Commission subject to approval of the concerned federal executive bodies, the Bank of Russia and other concerned organizations.
10. The members of the Commission:
    a) Shall submit motions to the Chairperson of the Commission concerning the Commission work schedule, the agenda of the Commission meetings and the Commission meeting priorities;
    b) Shall participate in preparation of materials for the Commission meetings as well as the draft resolutions of the Commission;
    c) Shall attend the Commission meetings and participate in the discussion of the issues in question and in taking a decision;
    d) When not able to attend the Commission meeting, shall notify in due time about it the Executive Secretary of the Commission;
    e) In case of need, shall submit their opinion about the issues on the Commission meeting agenda to the Executive Secretary of the Commission in the written form.
11. The Commission meetings are held in accordance with its work schedule approved by the Chairperson of the Commission on the basis of the motions submitted by the concerned federal executive bodies, the Bank of Russia and other concerned organizations at least once in 2 months, and are considered authorized if they are attended by at least half of the Commission members.

On the initiative of the concerned federal executive bodies, the Bank of Russia and other concerned organizations and by the decision of the Chairperson of the Commission extraordinary meetings of the Commission can be held.

The Commission meetings are held by the Chairperson of the Commission, and in his absence – by the Deputy Chairperson of the Commission.

12. The resolutions of the Commission are taken by simple majority open vote of the members of the Commission present at the Commission meeting.

In case of equality of votes of the members of the Commission the vote of the chairperson at the meeting is the casting one.

The resolution of the Commission is executed in the form of minutes to be signed by the Chairperson of the Commission or his deputy presiding at the meeting, and the Executive Secretary of the Commission.

13. The resolutions of the Commission taken in accordance with its competence are binding upon all the federal executive authorities represented in the Commission.
14. Copies of the minutes (abstract from minutes) of the meetings of the Commission are send within ten days to the addresses of the members of the Commission, the concerned federal executive bodies, the Bank of Russia, and on demand of the Prosecutor-General's Office of the Russian Federation or on the initiative of the Chairperson of the Commission – to the Prosecutor-General's Office of the Russian Federation.

Registered at the Ministry of Justice of the RF on July 1st, 2011, No. 21239

FEDERAL SERVICE FOR FINANCIAL MONITORING
ORDER
No. 59 as of February 17th, 2011

ON APPROVAL OF THE REGULATION
ON THE REQUIREMENTS TO IDENTIFICATION OF CLIENTS AND BENEFICIARIES, INCLUDING TAKING INTO ACCOUNT THE DEGREE (EXTENT) OF RISK OF CLIENT OPERATIONS AIMED AT LEGALIZATION (LAUNDERING) OF PROCEEDS FROM CRIME AND FINANCING OF TERRORISM

According to the Federal law No. 115-FL "On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism" of August 7, 2001 (The Collection of Legislative Acts of the Russian Federation, 2001, N 33 (Part I), p. 3418; 2002, N 30, p. 3029; N 44, p. 4296; 2004, N 31, p. 3224; 2005, N 47, p. 4828; 2006, N 31 (ч. I), p. 3446, p. 3452; 2007, N 16, p. 1831; N 31, p. 3993, p. 4011; N 49, p. 6036; 2009, N 23, p. 2776, N 29, p. 3600; 2010, N 30, p. 4007, N 3, p. 4166) and paragraph 4 of the Decree of the Russian Federation President No. 715 as of December 5th, 2005 "On the qualification requirements to special officials responsible for compliance with internal control rules and programs for its implementation, as well as requirements towards training and education of personnel, identification of clients and beneficiaries in order to counteract legalization (laundering) of proceeds from crime and financing of terrorism" (The Collection of Legislative Acts of the Russian Federation, 2005, N 50, p. 5302; 2008, N 12, p. 1140), I hereby order:

To approve the enclosed Regulation about the requirements to identification of clients and beneficiaries, including the degree (extent) of risk in committing client operations aimed at legalization (laundering) of proceeds from crime and financing of terrorism”

HEAD
Y.A.CHIKHANCHIN
Approved
by the Order No. 59
of the Federal Service
for Financial Monitoring
as of February 17th, 2011

REGULATION
ON THE REQUIREMENTS TO IDENTIFICATION OF CLIENTS AND BENEFICIARIES, INCLUDING TAKING INTO ACCOUNT THE DEGREE (EXTENT) OF RISK OF CLIENT OPERATIONS AIMED AT LEGALIZATION (LAUNDERING) OF PROCEEDS FROM CRIME AND FINANCING OF TERRORISM

I. General provisions

1.1. This Regulation sets the requirements to identification of clients and beneficiaries, including the degree (extent) of risk in committing client operations aimed at legalization (laundering) of proceeds from crime and terrorism financing.

This Regulation shall be implemented by organizations performing operations with monetary funds or other property (hereinafter referred as - organizations), referred to in Article 5 of the Federal Law No. 115-FL “On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism” as of August 7, 2001 (hereinafter referred as – the Federal law), excluding credit organizations.

This Regulation shall also be applied to persons referred to in Article 7.1 of the Federal Law.

1.2. Organizations, according to subparagraph 1 paragraph 1 of Article 7 of the Federal Law are obliged to identify the client, the client’s representative and (or) the beneficiary, excluding cases defined in paragraphs 1.1 and 1.2 Article 7 Of the Federal Law.

1.3. Organizations are obliged to identify persons (clients), to whom they provide services or with whom they perform operations (commit transactions) of one-time character (not involving future service for the client in the organization, since in their course obligations of the parties are executed simultaneously <*>) (hereinafter referred - the “one-off” operations), regardless of the type, nature and size of services provided or operations performed, as well as persons (clients), who are receiving services suggesting a continuing nature of relationships.

<*> For example, buying jewelry in retail stores, the implementation of postal remittance, etc.

1.4. If a representative acts on behalf of a legal entity or a physical person, the organization must identify such a representative, verify his credentials, as well as identify and analyze the represented client.

1.5. The organization, according to paragraph 1 of Article 7.3 of the Federal Law must take measures, reasonable and available in the current circumstances, to identify among

individuals undertaken to service or being served, foreign public officials (any appointed or elected persons holding any positions in a legislative, executive, administrative or judicial organization of a foreign state, and any persons exercising a public function for a foreign state, including for a public agency or public enterprise) <*>, as well as update on a regular basis the information available to the organizations about foreign public officials receiving services from them.

<*> According to Article 2 of the United Nations Convention against Corruption (The Collection of Legislative Acts of the Russian Federation, 2006, N 26, p. 2780), ratified by the Federal Law No. 40-ФЗ "On ratification of the United Nations Convention against Corruption " of 08.03.2006 (The Collection of Legislative Acts of the Russian Federation, 2006, N 12, p. 1231).

1.6. In the course of identification of a client, a client's representative and (or) a beneficiary, and updating information about them, the organization is entitled, according to paragraph 5.4 of Article 7 of the Federal Law, to require the client or the client's representative to provide and to receive from the client, or the client's representative client, identifying documents, incorporation documents, documents on state registration of legal entity (individual entrepreneur.

1.7. In the course of identification of a client, a client's representative or a beneficiary, the organization makes use of information contained in the unified state register of legal entities, the consolidated state register of foreign companies accredited in the Russian Federation, as well as information on lost, invalid passports, on passports of deceased individuals of lost passport forms obtained according to paragraph 5 of Article 9 Of the Federal Law, from relevant federal executive authorities in the prescribed manner.

The organization may also use other additional (auxiliary) sources of information available to organizations on legal grounds.

1.8. According to paragraph 11 of Article 7 of the Federal Law, organizations are entitled to deny the client's request concerning the operation, excluding operations of entering funds received on the account of a person or entity for which no documents are required to record information according to the provisions of Federal law.

1.9. The organization, according to paragraph 6 of Recommendations on development by organizations, conducting operations with money or other property, of internal control rules in order to counteract the legalization (laundering) of proceeds from crime and terrorist financing, approved by the Federal Government No. 967-r of 10.06.2010 (The Collection of Legislative Acts of the Russian Federation, 2010, N 26, p. 3377) (hereinafter referred as - Recommendations), within its internal control rules develops a control program for identification of clients, client's representatives and/or beneficiaries (hereinafter referred as – Identification Program) and a program for evaluation of risk degree (extent) in committing client operations related to the legalization (laundering) of proceeds from crime and terrorism financing (hereinafter - the Program of risk assessment).

Identification Program shall include the procedure of identification of client, client's representative and/or beneficiary.

In its Identification Program, according to paragraph 13 of Recommendations, the organization must foresee the procedure of acceptance of clients who are foreign public officers, which would take into account responsibilities of organizations, set out in Article 7.3 of the Federal Law, as well as measures for determination of origin of money or other property of those foreign public officials.

Identification Program may also contain other provisions included at the discretion of organizations.

1.10. In the course of fulfillment of the requirements of the Federal law and this Regulation, organizations should consider the prohibition on of informing clients and other persons about the measures of combating legalization (laundering) of proceeds from crime and terrorist financing, set in Article 4 of the Federal Law.

II. Requirements to identification of client, client's representative and/or beneficiary

2.1. Identification of client, client's representative and/or beneficiary includes the following measures:

determination of information specified in subparagraph 1 paragraph 1 of Article 7 of the Federal Law, regarding client, client's representative and beneficiary;

verification of presence/absence of information regarding client, client's representative or beneficiary, about their involvement in extremist activities or terrorism, obtained according to paragraph 2 of Article 6 of the Federal Law;

identification of client affiliation, representative of client, or beneficiary, with a foreign public official <*>;

<*> Concerning individuals.

identification of legal entities and individuals who have registration, respectively, place of residence or location in the state (territory), which does not comply with the recommendations of the Financial Action Task Force (FATF), or uses an account with a bank registered in that State (in this area);

assessment and assignment to clients of degrees (levels) of risk.

2.2. According to paragraph 10 of Recommendations, for a more detailed study of the legal entity it is recommended, in addition (in the presence of his or her consent), to establish and record the date of legal entity state registration, its address, as well as codes for types of federal statistical observation (if available).

2.3. The organization, according to subparagraph 2 paragraph 1 of Article 7 of the Federal Law, takes measures, reasonable available in the circumstances, to collect information and documents which show that the client operates to the benefit or the profit of another person (the beneficiary) including on the basis of agency agreement, contract assignments, commissions and asset management within performing operations (transactions), as well as for identification of the beneficiary in the amount prescribed by paragraph 2.1 of this Regulation.

2.4. In the course of identification of client, representative of client, or beneficiary, as well as in the course of performing operations to the benefit of thereof, the organization must verify the fact of presence/absence of information regarding client, client's representative or beneficiary, in the list of persons involved in extremist activities (hereinafter – the List) <*>.

<*> The List is composed and maintained by the Federal Service for Financial Monitoring, according to the Decree of the Russian Federation Government No. 27 "On Approval of the procedure for determining the list of organizations and individuals regarding whom there is information about their involvement in extremist activities, and on disclosing of this list to organizations performing operations with monetary funds or other assets" of 18.01.2003 (The Collection of Legislative Acts of the Russian Federation, 2003, N 4, p. 329; 2005, N 44, p. 4562; 2006, N 3, p. 297; 2008, N 48, p. 5604; N 50, p. 5958).

When organization carries out the verification of presence of information regarding client, client's representative or beneficiary, in this List, it should use the List, actual for the current date.

2.5. The results of verification in presence/absence of information regarding client, client's representative or beneficiary, in the List, as well as the date of verification, shall be fixed by organization in the client's file or otherwise, as foreseen in internal control rules.

Information about the results of verification of presence/absence of information regarding client, client's representative or beneficiary, must not be available to client, client's representative, beneficiary or any other persons, with the exception of public authorities according to their competence in the cases stipulated by legislation of the Russian Federation.

2.6. Identification of clients and beneficiaries, according to paragraph 2 of Article 7 of the Federal Law shall be based on the degree (level) of risk of committing operations by clients aimed at legalization (laundering) of proceeds from crime and terrorist financing (hereinafter – Risk).

2.7. The organization shall perform such identification, according to the documents valid to the date or their submission, containing the information necessary to identify the client, client representative and the beneficiary.

If the identification documents are presented, composed wholly or in any part of thereof in a foreign language, such documents must be submitted to organizations in duly certified translation into Russian.

In the event that the organization performs the identification identify according to documents issued by state authorities of foreign states, such documents must be legalized in the established order, except as provided for in international agreement of the Russian Federation.

Provisions of the second and third indents of this paragraph to not cover identification documents issued by the competent authorities of foreign countries, provided that the foreign national has a document confirming his/her right of legal residence in the territory of the Russian Federation (eg, visa, migration card).

The organization performs identification according to the documents, submitted by the client (or the client's representative) in original or in the form of duly verified copy (excluding documents, verifying identity of physical persons).

In the case if a document is partly connected with identification of client (or the client's representative), or a beneficiary, he/she may provide a certified extract from such a document for identification.

In the case of submitting copies of documents by a client, the organization is entitled to require their originals for review of thereof.

2.8. Information about the client, as well as about the client's representative and/or beneficiary is recommended to be reliably fixed in the client's profile (Annex 4 to this Regulation) or otherwise, as foreseen in internal control rules.

The client's profile can be filed either in a paper form, or in the form of an electronic document.

The client's profile, created in the form of an electronic document, in the case of its transmission to a paper form, shall be verified by a signature of an employee of the organization, who is responsible for work such a client.

Information contained in the client's profile, maintained in the form of an electronic document, in the case of its transmission to a paper form, shall be corresponding to its electronic analogue.

2.9. Organizations shall compile the client's profile in the following cases:

Second name, first name (unless otherwise stated in the law or national custom), as well as other available information about the organization's client, representative of the client, the beneficiary, are absolutely the same as the information contained in the List;

with respect to the client, the client's representative, beneficiary or the transaction itself, the organization has a suspect concerning possible relation of thereof to legalization (laundering) of proceeds obtained by means of crime or terrorism financing;

there are grounds for documentary fixing of information, established in paragraph 2 of Article 7 of the Federal Law;

the organization estimates the degree (extent) of Risk as high.

2.10. Organizations shall update their information about clients and beneficiaries at least once a year in the case of establishment the business relationship of a continuing character, or in the case of repeated addressing of the client who performed "one-off operation," and if the organization has doubts about the reliability of the information obtained earlier from the Identification Program, or in relation to client, representative of the client, beneficiary, or in the case if the operation has raised concerns that they are related to the legalization (laundering) of proceeds of crime or terrorism financing.

2.11. In case of receiving any information (documents) from the client which supporting a change in the information being established in order to perform identification, organizations should make appropriate changes in the client's profile or fix them on the day of receipt, by means of a procedure settled in internal control rules.

2.12. Within identification of client, client's representative and beneficiary, as well as in the course of performing operations and transactions, the organization performs estimation and grants a degree (extent) of Risk to the client.

2.13. The organization estimates the degree (extent) of Risk, taking into account features of transactions, kinds and conditions of action, which are characterized with an increased risk of client's operations aimed at legalization (laundering) of proceeds from crime and financing of terrorism (hereinafter - the signs of high degree (extent) of Risk), independently included by the organization into the internal control rules based on the recommendations of the Financial Action Task Force (FATF).

2.14. The organization estimates the degree (extent) of Risk, taking into account business relations with the client (by the moment of acceptance for providing services).

2.15. According to paragraph 16 of Recommendations, for the purpose of estimation the degree (extent) of Risk from the client, and in order to perform further control of its changes, the organization maintains constant monitoring of operations (transactions) as they take place.

In case if operations (transactions) or activities of the client are classified as increased risk, the organization pays particular attention to operations (transactions) performed by this client, for the purpose of elucidating motives for documentary fixing of information, defined in indent 4 paragraph 2 of Article 7 of the Federal Law, operations subject to the criteria and indications of uncommon transactions provided for in the rules of internal control, and in order to provide to the competent authority information about the operation, set out in paragraph 3 of Article 7 of the Federal Law.

2.16. Estimation of Risk degree (extent), as well as rationale for risk assessment, shall be recorded by the organization in the client's profile, or in any other manner provided in the rules of internal control.

2.17. Organizations shall update information received by means of identification the client, client's representative and beneficiary, at least once in six months in the presence of a high degree (extent) of risk and not less than once a year in other cases, as well as review the degree (extent) of Risk with changes in specified information or in case when:

with respect to client, client representative, beneficiary or the operation raises the suspicion that they are related to legalization (laundering) of proceeds from crime or terrorist financing;

there are grounds for a documentary record of information provided in paragraph 2 of Article 7 of the Federal Law.

For the purpose of implementation this paragraph by organizations, the start date for a specified period for updating of the information should be considered as the day following the date of the client's filling out the profile, or the last update (change) of the information obtained as a result of identification of client, representative of the client, the beneficiary, or consignment of the degree (extent) of Risk.

2.18. Revision of Risk degree (extent) of clients performing operations for the purpose of legalization (laundering) of proceeds from crime or terrorist financing, and update of information, obtained as a result of identification of client, representative of the client, the beneficiary, may also be initiated in other cases, within procedures and terms provided by the organization in the rules of internal control.

2.19. The results of estimation Risk degree (extent) of clients performing operations for the purpose of legalization (laundering) of proceeds from crime or terrorist financing, must not be available to other persons, with the exception of public authorities, according to their competence in the cases stipulated by legislation of the Russian Federation.

III. Final provisions

3.1. Documents obtained as a result of identification the client, client representative, beneficiary, as well as documents relating to the activities of client (including correspondence and other documents at the discretion of organizations), shall be kept in organizations for at least 5 years from the date of termination of the relationship with client.

3.2. Information and documents containing information necessary to identify a physical person or a legal entity, individual entrepreneur, as well as related to the client's activities, must be stored in such a way that they can be promptly available to the Federal Service for Financial Monitoring, as well as for other public authorities, according to their competence in the cases stipulated by legislation of the Russian Federation.

Annex 1
to the Regulation on requirements
for identification of clients and

beneficiaries, including estimation
of risk degree (extent) for
client's operations,
aimed at legalization (laundering)
of proceeds from crime
and financing of terrorism

INFORMATION
TO BE DETERMINED FOR THE PURPOSE OF PHYSICASL PERSON IDENTIFICATION

1. According to subparagraph 1 paragraph 1 of Article 7 of the Federal Law, the organization shall determine the following information concerning individuals:
   1.1. Second name, name and patronymic (unless otherwise provided by law or national custom).
   1.2. Citizenship.
   1.3. Date of birth.
   1.4. Details of identity document: name, serial number, date of issue of document, name of issuing authority and the department code (if available).
   1.5. Details of migration card: series, card number, date of beginning the residence term, date of expiration of the residence term.
   1.6. Details of the document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation: series (if available) and document number: date of commencement of permission to stay (right of residence), date of expiration permission to stay (right of residence).
   1.7. Taxpayer identification number (if available).
   1.8. Information (address) about the registration of residence and actual place of residence (inhabitance).
2. According to paragraph 1 of Article 7.3 of the Federal Law, the organization shall determine information about the fact whether an individual is a foreign public official, his/her spouse, close relative (relative in the direct ascending or descending order (parent or child, grandparent or grandchild), or whether he/she is a brother or sister on the half blood (i.e. having the same father or mother), adoptive parent or adopted child).
3. In order to provide more detailed examination of an individual it is recommended in addition (in the presence of his or her consent) to establish the place of birth.
4. According to subparagraph 1 paragraph 1 of Article 7 of the Federal Law, the organization shall establish information about the individual's representative (if there is any available):
   4.1. Date and number of the document confirming the corresponding authority;
   4.2. Information, foreseen in paragraphs 1 - 3 of this Annex.

Annex 2
to the Regulation on requirements
for identification of clients and
beneficiaries, including estimation
of risk degree (extent) for client's operations,

aimed at legalization (laundering)
of proceeds from crime
and financing of terrorism

INFORMATION

TO BE DETERMINED FOR THE PURPOSE OF LEGAL ENTITY OR AN INDIVIDUAL ENTREPRENEUR IDENTIFICATION

1. According to subparagraph 1 paragraph 1 of Article 7 of the Federal Law, the organization shall determine the following information concerning legal entities:
   1.1. Name (full, abbreviated (if available) and name in a foreign language (if any)).
   1.2. Organizational legal form.
   1.3. Taxpayer identification number - for residents, taxpayer identification number or a foreign organization code - for non-residents.
   1.4. State registration: the basic state registration number (BSRN) (for non-residents - the registration number in the country of registration) and serial number of the document confirming the state registration.
   1.5. Aggress (place or residence) specified in the Uniform State Register of Legal Entities (for residents), place or residence specified in the founding documents and the address (place or residence) of representation office, divisions, other isolated unit of a non-resident in the territory of the Russian Federation, or information about the registration of residence and the actual place of residence (seat) of an individual - the authorized representative resident in the territory of the Russian Federation (if any)).
   1.6. Contact telephone and fax numbers.
2. In order to provide more detailed examination of a legal entity it is recommended in addition (in the presence of his or her consent) to establish and fix the date of state registration of a legal entity, its mailing address, as well as codes of types of federal statistical observation (if available).
3. Information obtained in order to identify individual entrepreneurs:
   3.1. The information provided by subparagraph 1 paragraph 1 of Article 7 of the Federal Law for the purpose of identification of individuals.
   3.2. Information about state registration of a person as an individual entrepreneur: basic state registration number of the record of state registration of individual entrepreneur (BSRNIE) the date of state registration and details of the document confirming introduction of a record concerning this state registration into the Unified State Register of Individual Entrepreneurs, name and address of the registration authority.
   3.3. Mailing address and contact telephone numbers and fax numbers.
4. Of the representative of a legal entity or individual entrepreneur:
   4.1. Date and number of the document confirming the corresponding authority;

Information, established in paragraphs 1 - 3 of this Annex.

Annex 3
to the Regulation on requirements
for identification of clients and
beneficiaries, including estimation
of risk degree (extent) for client’s operations,
aimed at legalization (laundering)
of proceeds from crime

and financing of terrorism

INFORMATION

TO BE DETERMINED FOR THE PURPOSE OF BENEFICIARY DETERMINATION AND IDENTIFICATION

1. According to subparagraph 2 paragraph 1 of Article 7 of the Federal Law, the organization shall determine the following information about the grounds, indicating that the client operates to the benefit or the profit of the beneficiary in the course of carrying out operations with monetary funds or other assets
2. Information obtained in order to identify the beneficial – individual, according to subparagraph 1 paragraph 1 of Article 7 of the Federal Law:
   2.1. Surname, name and patronymic (unless otherwise provided by law or national custom).
   2.2. Citizenship.
   2.3. Date of birth.
   2.4. Details of identity document: name, serial number, date of issue of document, name of issuing authority and the department code (if available).
   2.5. Details of migration card: series, card number, date of beginning the residence term, date of expiration of the residence term.
   2.6. Details of the document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation: series (if available) and document number: date of commencement of permission to stay (right of residence), date of expiration permission to stay (right of residence).
   2.7. Taxpayer identification number (if available).
   2.8. Information (address) about the registration of residence and actual place of residence (inhabitance).
3. Information obtained in order to identify the beneficial – legal entity, according to subparagraph 1 paragraph 1 of Article 7 of the Federal Law:
   3.1. Name (full, abbreviated (if available) and name in a foreign language (if any)).
   3.2. Organizational legal form.
   3.3. Taxpayer identification number - for residents, taxpayer identification number or a foreign organization code - for non-residents.
   3.4. State registration: the basic state registration number (BSRN) (for non-residents - the registration number in the country of registration) and serial number of the document confirming the state registration.
   3.5. Aggress (place or residence) specified in the Uniform State Register of Legal Entities (for residents), place or residence specified in the founding documents and the address (place or residence) of representation office, divisions, other isolated unit of a non-resident in the territory of the Russian Federation, or information about the registration of residence and the actual place of residence (seat) of an individual - the authorized representative resident in the territory of the Russian Federation (if any)).
   3.6. Contact telephone and fax numbers.

Annex 4
to the Regulation on requirements
for identification of clients and

beneficiaries, including estimation
of risk degree (extent)
client's operations,
aimed at legalization (laundering)
of proceeds from crime
and financing of terrorism

INFORMATION
RECOMMENDED TO BE INCLUDED INTO THE CLIENT'S PROFILE

1. Information specified by the identification of client, client's representative and the beneficiary, defined in Annexes 1 - 3 to this Regulation.
2. Information about the degree (extent) of Risk, including substantiation of the Risk estimation, fixed by the organization according to paragraph 2.16 of this Regulation.
3. Results of verification of client, client's representative and the beneficiary, concerning presence/absence of information about them in the List, and the date of verification.
4. Information of affiliation of client with a foreign public official <*>;

<*> To be specified concerning individuals

5. Information regarding affiliation of client (registration, place of residence, presence of a bank account) with a state (territory), which does not comply with the recommendations of the Financial Action Task Force (FATF).
6. Date of start of relationships with the client (date of concluding the first contract for carrying out operations with monetary funds or other assets).
7. Date of filling in the profile.
8. Date updating the profile.
9. Surname, name and patronymic (unless otherwise provided by law or national custom), position of an employee, responsible for work with the client.
10. Signature of a person completing the client's profile in hard copy (with identification of surname, name and patronymic (unless otherwise provided by law or national custom), position, or surname, name and patronymic (unless otherwise provided by law or national custom), position of a person who filled in the client's profile in the form of an electronic document.
11. Other information (at the discretion of organizations).

Registered at the Ministry of Justice of the RF on October 15th, 2010, No. 18742

THE MINISTRY OF JUSTICE OF THE RUSSIAN FEDERATION
ORDER
No. 252 as of October 7th, 2010

ON THE PROCEDURE
FOR POSTING OF ACTIVITY REPORTS
AND MESSAGES ON CONTINUING ACTIVITY OF
NON-PROFIT ORGANIZATIONS
ON THE INTERNET

Pursuant to paragraph 3.2 of Article 32 of the Federal Law No. 7-FZ "On Non-profit Organizations" as of 12 January 1996, (The Collection of the Russian Federation Legislative

Acts, 1996, N 3, p. 145; 1998, N 48, p. 5849; 1999, N 28, p. 3473; 2002, N 12, p. 1093; N 52, p. 5141; 2003, N 52, p. 5031; 2006, N 3, p. 282; N 6, p. 636; N 45, p. 4627; 2007, N 1, p. 37, 39; N 10, p. 1151; N 22, p. 2563; N 27, p. 3213; N 49, p. 6039, 6061; 2008, N 20, p. 2253; N 30, p. 3604, 3616; 2009, N 23, p. 2762; N 29, p. 3582, 3607; 2010, N 15, p. 1736; N 21, p. 2526; N 30, p. 3995) I hereby order:

1. To approve the attached Procedure for posting of activity reports and messages on continuing activity of non-profit organizations on the Internet.
2. Department of Administration (Breymaer I.V.), the Department for non-profit organizations (Titov V.A.), heads of territorial bodies of Russian Ministry of Justice shall ensure the possibility of posting of activity reports and messages on continuing activity of non-profit organizations on information resources of the Russian Ministry of Justice on the Internet accessed via the official websites of Russian Ministry of Justice and its territorial agencies on the Internet.
3. To establish that posting of activity reports and messages on continuing activity of non-profit organizations on information resources of the Russian Ministry of Justice on the Internet for 2009 is being carried out before December 31, 2010.

The Minister
A.V.KONOVALOV

Annex
to the Order of the Ministry of Justice
of the Russian Federation
No. 252 of 07.10.2010

ON THE PROCEDURE FOR POSTING OF ACTIVITY REPORTS AND MESSAGES ON CONTINUING ACTIVITY OF NON-PROFIT ORGANIZATIONS ON THE INTERNET

1. This Procedure was developed pursuant to paragraph 3.2 of Article 32 of the Federal Law No. 7-FZ “On Non-profit Organizations” of 12 January 1996, (The Collection of Legislative Acts of the Russian Federation, 1996, N 3, p. 145; 1998, N 48, p. 5849; 1999, N 28, p. 3473; 2002, N 12, p. 1093; N 52, p. 5141; 2003, N 52, p. 5031; 2006, N 3, p. 282; N 6, p. 636; N 45, p. 4627; 2007, N 1, p. 37, 39; N 10, p. 1151; N 22, p. 2563; N 27, p. 3213; N 49, p. 6039, 6061; 2008, N 20, p. 2253; N 30, p. 3604, 3616; 2009, N 23, p. 2762; N 29, p. 3582, 3607; 2010, N 15, p. 1736; N 21, p. 2526; N 30, p. 3995) and regulates posting on the Internet of reports of non-profit organizations on their activities, in the amount of information to be submitted to the Ministry of Justice of Russia or its regional office, and messages of non-profit organizations on continuation of their activity.
2. Non-profit organizations, founders (participants, members) of which are foreign nationals and (or) organization or persons without citizenship, or who had within a year incomes of property and funds from international or foreign organizations, foreign citizens, stateless persons, or non-profit organizations whose proceeds of property and funds within a year amounted to three or more million rubles, shall annually, not later than April 15th of the year following the reporting year, place on the Internet reports on their activities in the amount of data provided in documents including reports on

activities, on personal composition of governing bodies, as well as in documents on expenditure of funds and use of other property, including those obtained from international and foreign organizations, foreign citizens and stateless persons, according to forms, approved by the Ministry of Justice of Russia in accordance with Article 32 of the Federal Law “On Non-profit Organizations” (hereinafter - reports).

Non-profit organizations, founders (participants, members) of which are not foreign nationals and (or) organization or persons without citizenship, or who within a year had no incomes of property and funds from international or foreign organizations, foreign citizens, stateless persons, or non-profit organizations whose proceeds of property and funds within a year amounted to less than three million rubles, shall annually, not later than April 15th of the year following the reporting year, place on the Internet messages on continuation of their activity (hereinafter - messages).

3. Reports and messages shall be posted on informational resources of the Ministry of Justice of Russia on the Internet, designed for placing of reports and messages, which can be accessed via the official site of Russian Ministry of Justice (www.minjust.ru) and official websites of its regional offices on the Internet (hereinafter - Information Resources of the Russian Ministry of Justice on the Internet).

Reports and messages may be additionally placed on the Internet at the website of a non-profit organization and on other sites on the Internet.

Periods of placing the reports and messages on the Internet shall not be less than 1 year.

Data on the date of birth, identity documents and address (residence) of members of the governing body of the nonprofit organization are not subject to posting on the Internet.

Reports and messages containing information and images whose distribution is restricted or prohibited by Russian law are not subject to posting on the Internet.

4. Sending of the report or the message to be placed on information resources on the Russian Ministry of Justice on the Internet is performed either by filling out the form of a report or a message contained on the website, or by attaching the file containing the completed report or message.
5. The date of placement reports and messages on the information resources of Russian Ministry of Justice on the Internet is the date of providing open access to them.

GENERAL PROSECUTION OFFICE OF THE RUSSIAN FEDERATION
ORDER
No. 209 as of May 15th, 2010
ON STRENGTHENING OF PROSECUTION OFFICE SUPERVISION
IN THE LIGHT OF NATIONAL STRATEGY ON
COMBATING CORRUPTION
IMPLEMENTATION

Ratification by the Russian Federation the main international legal anti-corruption instruments and the associated involvement of Russia into the Group of States against Corruption (GRECO), adoption and entry into force of Federal laws “On combating corruption” and “On the anti-corruption expertise of legal acts and draft normative legal acts” and approval of the National Strategy of Combating Corruption and the National Plan of Combating Corruption for 2010 - 2011 years, created a solid legal basis for effective combating corruption in the Russian Federation, which meets international standards.

The prevalence of this phenomenon remains high. In this regard, it requires increased public prosecutor’s supervision over the federal legislation in the sphere of implementation of national anti-corruption policy key directions, defined by the National Strategy of Combating Corruption. Furthermore, effective coordination of law enforcement in this area shall be ensured.

Given the priority areas of prosecutorial activities, guided by Art. 17 of the Federal Law “On the Prosecution of the Russian Federation,” I hereby order

1. Deputy Prosecutors General of the Russian Federation, heads of major departments and offices of the Russian Federation General Prosecution office, prosecutors of subjects of the Russian Federation, prosecutors of cities and regions, other territorial, military prosecutors and prosecutors of specialized prosecution offices shall consider corruption as one of the system threats for security of the Russian Federation, and shall take steps to strengthen fight against it, and shall intensify efforts to detect and prevent abuses of official powers by civil and municipal servants.

The most important task of oversight activities is considered timely warning of corruption offenses, identification and elimination of their causes and conditions.

2. The Bureau for supervision over the execution of legislation on combating corruption, according to the Regulation on administration and other organizational and administrative documents of the Russian Federation General Prosecution office shall:
   1) coordinate the activities of units of the Russian Federation General Prosecution office in the field of combating corruption, including implementation of activities foreseen in the National Plan on Combating Corruption. Based on an analysis of its own surveillance activities, as well as information from other divisions of the Russian Federation General Prosecution office and subordinate prosecutors exercise, involving division General Prosecution office of the Russian Federation:

preparing of informational, analytical and other materials provided by the National Plan on Combating Corruption and the Plan Calendar for activities of the Presidium of the Council under the President of the Russian Federation on combating corruption

development of measures to improve the public prosecutor’s supervision;

   2) systematically verify the execution of legislation on combating corruption in the federal bodies of executive power with the assistance of other units of the General Prosecution office of the Russian Federation, if necessary;
   3) supervise the work of the Russian Federation subjects prosecutors and similar specialized prosecutor’s offices regarding supervision over the implementation of legislation against corruption, ensure organizational and methodological management of such activities, check the organization of the prosecutor’s supervision over the implementation of legislation in this field;
   4) to discuss the problems of law enforcement and interagency cooperation in the sphere combating corruption at the meetings of the Expert Group on combating corruption in the Interagency Group on combating economic crimes, on a regular basis;

5) initiate a discussion on the most demanding issues on coordination meetings of law enforcement agencies heads;
6) systematically perform compilation and analysis of the review the citizens and organizations applications concerning corruption cases;
7) participate in and ensure the work of the Russian delegation at the Group of States against corruption (GRECO), facilitate the implementation of recommendations developed by it;
8) conduct work towards implementation of the UN Convention against corruption;
9) provide law enforcement authorities of foreign countries with practical assistance in developing measures of preventing corruption;
10) participate in the National Contact Point to ensure practical international cooperation in the field of identification, arrest, confiscation and return of assets obtained through corruption activities.

3. The main offices and offices of the General Prosecution office of the Russian Federation, the Academy of the Russian Federation General Prosecution office shall submit by 21 January and 21 July, within their competence and based on existing materials, to the Bureau for supervision over the execution of legislation on combating corruption, their available information with outcomes of six months, in order to prepare report to the Council under the President Of the Russian Federation on combating corruption:

on the results of work of the prosecution authorities in combating corruption, including the sphere of oversight the execution of legislation by bodies that conduct detective and search activity, inquiry and preliminary investigation, detection of crime, causing proceedings, and termination of the investigation the criminal cases on crimes of corruption focus, as well as of coordination meetings, the establishment and functioning of which is stipulated by Article 8 of the Federal Law “On Prosecution office of the Russian Federation”;

on the results of relevant law enforcement agencies work in combating corruption manifestations.

4. Prosecutors of the Russian Federation subjects, prosecutors of cities and regions, other territorial, military and other prosecutors of specialized prosecution offices shall:
   1) establish and maintain, in order to obtain data on corruption practices, a business engagement with civil society organizations, media, business entities. Promptly organize background checks of information concerning corruption offenses, and decide on them for bringing the guilty persons to statutory liability, including the involvement of legal persons to administrative responsibility. Systematically analyze the work on review of applications of citizens and organizations on the facts of corruption;
   2) maintain, in order to improve the identification of crimes of corruption direction, permanent working groups from among the representatives of law enforcement and supervisory authorities, and within their work plan and carry out joint target preventive measures, consider the implementation of activities under the National Plan of Combating Corruption and long-term plans of combating corruption, functioning on the territory supervised;
   3) strengthen the supervision over the legality of the Russian Federation subject’s state government bodies’ legal acts, local governments, including those imposing prohibitions and restrictions on business activities, rights and freedoms of citizens. Strive for the abolition of unlawful acts, including through recourse to the court;

4) guided by the methodology for the anti-corruption expertise of legal acts and draft laws and regulations, approved by the Decree No. 96 of the Government of the Russian Federation of February 26, 2010, and the provisions of the Order of the Attorney General Of the Russian Federation No. 400 “On Organization anti-corruption expertise of legal acts” of December 28, 2009, provide the organization and carrying out of relevant work, the results of which shall be analyzed and summarized at least once in six months;
5) in the course of public prosecution implementation pay special attention to the work of commissions on compliance with the requirements for official conduct of the Russian Federation public officials, and to the conflict of interest settlement, as well as the work of federal executive bodies territorial divisions personnel departments, state government bodies of the Russian Federation subjects and other state agencies, for prevention of corruption and other offenses;
6) conduct on a quarterly basis in the bodies implementing operative investigative activities, verification of compliance with the legislation in obtaining and documenting information on corrupt activities, decisions on its verification and follow up in cases of operational accounting. In order to ensure realization of the rights and freedoms of individuals, make greater use of powers to restore impaired during operative investigation rights and lawful interests of individuals and legal entities, provide compensation for the damage. In the course of overseeing the legality of the operational and investigational activity, assume that main efforts of law enforcement agencies should be aimed at detection and suppression of crimes that exemplify a great danger to the public;
7) ensure effective public prosecutor’s supervision over implementation of laws at the reception, recording and resolving allegations of crimes related to corruption direction, compliance with the law of adopted procedural decisions to initiate or not to institute criminal proceedings.

In the case of revelation concerned red tape instances, making illegal decisions, incomplete audits, raise the question of bringing to justice the perpetrators, as well as consider the responsibility of public prosecutors for not providing adequate supervision of their activities;

8) in the course of criminal cases supervising investigation involving crimes of corruption focus, pay attention to the existence of representations and other measures to address the causes and conditions conducive to corruption manifestations of officers;
9) assign the most skilled employees to maintain the state prosecution for specified categories; in particularly significant cases provide support of public prosecution personally;
10) in a considered way, paying necessary attention to the rights of participants in criminal proceedings and provisions for non-disclosure of preliminary investigation data, inform the public about the work of the prosecution authorities in order to combat corruption and about the concrete results of public prosecutions.

5. Prosecutors of the Russian Federation subjects, an equivalent to them prosecutors of specialized prosecution offices shall:
   1) intensify the coordination meetings of law enforcement agencies heads to discuss topical problems of law enforcement to combat corruption.

Copies of materials from coordination meetings, and work plans of prosecution offices in the sphere of combating corruption, as well as performance reports on the decisions (performance plans) shall be provided to the Agency for supervision over the execution of legislation on combating corruption and to the General Organizational Inspectorial Board

(military prosecutors shall submit the relevant materials to the Central Military Prosecutor's Office)

2) immediately inform the Agency for Supervision over the implementation of legislation on combating corruption of non-compliance legislation on public service, combating corruption legal acts of federal executive bodies, their territorial departments and officials (transportation prosecutors shall also inform the Agency for Supervision over the implementation of legislation in transport and customs sphere);
3) in the cases of infringement by the federal executive bodies territorial divisions heads, legislation in the field of civil service and on combating corruption, provide to the Agency for Supervision over the implementation of legislation on combating corruption motivated proposals for raising of the question before the relevant federal executive authority, regarding bringing of the heads of territorial divisions to responsibility (transportation prosecutors shall also inform the Agency for Supervision over the implementation of legislation of transport and customs sphere);
4) with the assistance of the Federal Antimonopoly Service regional offices, as well as other executive agencies, systematically verify compliance with the legislation on placing orders for goods, works and services for state and (or) municipal needs, including in the course of conducting public auctions in electronic form. They shall enforce, within their jurisdiction, the transparency of procurement procedures. Principally respond to the facts of commission by the state and municipal officials of illegal actions that caused harm to the corresponding budgets. In all cases raise the issue of bringing perpetrators to justice, appropriate to the nature of their actions and commensurate damage they caused.

By means of public prosecution seek redress of the caused harm. Increasingly use for this purpose of the prosecutor's right to appeal to an arbitration court with claims for invalidation of transactions and the application of the consequences of invalidity of void transactions;

5) carry out personal control over the organization of supervision over investigation of the most pressing criminal cases on crimes of corruption focus.

Promptly take measures to curb the illegal influence on prosecutors, aimed at affecting the validity and rationale of measures taken in the case;

especially significant violations of the law, affecting the socio-economic situation in the region, state, as well as committed by persons who hold public office positions of the Russian Federation, the subjects of the Russian Federation, shall be immediately enlightened to the Agency for Supervision over the Implementation of Legislation on Combating Corruption;

7) on a quarterly basis (before the 15th day of the month following the reporting period) report to the Agency for Supervision over the Implementation of Legislation on Combating Corruption about the state prosecutor's supervision in this area. The reporting notes shall reflect the following mandatory information:

analysis of legislation state and fighting crime, organization of the prosecutor's supervision in this field;

data on the outcomes of operative and investigational activity during the reporting period, including identification and suppression of corruption of great public danger and committed by persons with special legal status;

practice of considering the reports of corruption crimes and investigation of cases of this category;

practice of prosecutors participation in court trials of criminal cases on crimes of corruption orientation (the relevant information including copies of court decisions on the most important cases before the 15th of the month following the reporting period shall be submitted to the General Directorate for participation of prosecutors in court trials);

results of work performed by Russian Interior Ministry, Federal Security Service of Russia, Russian Federal Drug Control Service, Federal Customs Service of Russia, the FSIN of Russia, Ministry of Emergency Situations of Russia in combating corruption crimes;

results of activities carried out within the reporting period together with law enforcement and regulatory agencies, aimed at prevention if corruption, including in the framework of the permanent working groups, foreseen in subparagraph 2 paragraph 4 of this Order;

state of combating corruption in law enforcement agencies, including the number of law enforcement officers (by the relevant departments and categories), prosecuted for the reporting period, with the most typical examples;

results for the anti-corruption expertise of legal acts, proposals for their improvement and updating of legislation;

identified in the course of implementation of public prosecutions main causes and factors contributing to corruption, the measures taken to address them;

problems and shortcomings in the work against corruption, proposals to address them;

8) in order to streamline the work of analysis and consideration of applications received from the official Internet portal of the Russian Federation General Prosecution office (www.genproc.gov.ru/ipriem/corrupt), provide:

maintenance of separate evidence for these messages, monitoring of the progress related to their review, collection, storage and analysis of statistical and other data relating to the resolution of such appeals;

immediate dispatch, upon consideration of applications, copies of prosecutor's response acts, as well as analytical and other information on the resolution of such appeals, to the Agency for Supervision over the Implementation of Legislation on Combating Corruption (military prosecutors shall submit relevant materials to the Central Military Prosecutor's Office).

6. Agency for Supervision over the Implementation of Legislation in the transport and customs sphere shall generalize results of the practice of prosecutorial supervision over the implementation of legislation on combating corruption on a quarterly basis (before the 20th day of the month following the reporting period) and address them to the Agency for Supervision over the Implementation of Legislation on Combating Corruption.
7. Military prosecutors shall:
   1) in accordance with this Order and the organizational and administrative documents of the Deputy Prosecutor General of the Russian Federation - Chief Military Prosecutor - provide the systematic public prosecutor's supervision over the implementation of legislation on combating corruption in supervised military units, bodies and institutions:
   2) regularly check, with the assistance of the Federal Service for Defense Order and its territorial bodies, the state of enforcement of legislation on the state defense order in the course of organization and implementation of supply of weapons, military and special equipment and supplies for the needs of the Russian Federation Armed Forces, other troops, military formations and bodies;

3) regularly discuss problems of law enforcement in the field of combating corruption in the coordination meetings to combat crime in the Armed Forces, other troops, military formations and bodies of the Russian Federation;
4) on a quarterly basis analyze the practice of supervising the execution of legislation on combating corruption. Relevant reports (up to 10th day of the month following the reporting period) shall be submitted to the department of supervision (of enforcement of legislation on combating corruption) of the Central Military Prosecutor's Office.

8. Division of Supervision (of enforcement of legislation on combating corruption) the Central Military Prosecutor's Office shall address the generalized results regarding practice of public prosecutions under subparagraph 4 paragraph 7 of this Order, on a quarterly basis (before the 20th day of the month following the reporting period) to the Agency for Supervision over the Implementation of Legislation on Combating Corruption.
9. Academy of General Prosecution Office of the Russian Federation, in cooperation with the Agency for Supervision over the Implementation of Legislation on Combating Corruption shall:
   1) organize training and education of prosecutors in the field of combating corruption;
   2) timely prepare appropriate guidelines for the actual directions of the prosecutor supervision over the implementation of legislation on combating corruption, including inspections of execution of this legislation.
   3) make proposals regarding introduction into the work of the Russian Federation prosecution service of innovative technologies in order to enhance objectivity and provide reasonable transparency in management decisions, as well as provide inter-agency electronic communication and interaction with citizens and organizations in the implementation of public prosecution in the field of anti-corruption.
10. Agency for Supervision over the Implementation of Legislation on Combating Corruption in the established order at the latest by August 1st, 2010 shall develop and submit to the appropriate lower-level prosecutors a template of quarterly report, foreseen in subparagraph 7 paragraph 5 of this Order, with detailed sections to be recorded, at least once a year to analyze the content of these reports, and by such analysis shall develop proposals for improving their quality.
11. Repealed the Order of Prosecutor General of the Russian Federation No. 196 "On Improvement of the prosecutor's supervision over the execution of legislation on combating corruption" of October 1st, 2008.
12. Publish this Order in the "Legitimacy" magazine.
13. Control over the implementation of this Order shall be entrust to the Deputy Prosecutor General of the Russian Federation Buksman A.E., Assistant Prosecutor General of the Russian Federation - Chief Military Prosecutor Fridinsky S.N. and Deputies of the Prosecutor General of the Russian Federation on the directions of activities.

The Order shall be directed to the heads of major departments and offices of the General Prosecution office of the Russian Federation, the Academy of General Prosecution Office of the Russian Federation rector, prosecutors of Russian Federation subjects, equivalent to them military prosecutors and prosecutors of other specialized prosecution offices, who shall bring it to the attention of subordinated employees.

Prosecutor General
of the Russian Federation

valid state
Legal Counselor
Y.Y.CHAJKA

ORDER
OF THE FEDERAL FINANCIAL MARKETS SERVICE
NO. 10-49/PZ-N OF JULY 20, 2010
ON ENDORSING THE REGULATIONS ON LICENCE TERMS AND CONDITIONS FOR THE PURSUANCE OF PROFESSIONAL ACTIVITIES ON THE SECURITIES MARKET

In accordance with Item 6 of Article 42 of Federal Law No. 39-FZ of April 22, 1996 on the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1918, No. 17, 1996; item 5857, No. 48, 1998; item 3472, No. 28, 1999; item 3424, No. 33, 2001; item 5141, No. 52, 2002; item 2711, No. 27; item 3225, No. 31, 2004; item 900, No. 11; item 2426, No. 25, 2005; item 5, No. 1; item 172, No. 2; item 1780, No. 17; item 3437, No. 31; item 4412, No. 43, 2006; item 45, No. 1; item 2117, No. 18; item 2563, No. 22; item 4845, No. 41; item 6247, No. 50; item 6249, No. 50, 2007; item 4982, No. 44; item 6221, No. 52 (Part 1), 2008; item 28, No. 1; item 777, No. 7; item 2154, No. 18 (Part 1); item 2770, No. 23; item 3642, No. 29; item 5731, No. 48; item 6428, No. 52, 2009; item 1988, No. 17, 2010), the Regulations on the Federal Financial Markets Service endorsed by Decision of the Government of the Russian Federation No. 317 of June 30, 2004 (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2780, No. 27, 2004; item 3429, No. 33, 2005; item 1400, No. 13; item 5587, No. 52, 2006; item 1417, No. 12, 2007; item 2192, No. 19; item 5337, No. 46; item 378, No. 3, 2008; item 738, No. 6, 2009; item 3350, No. 26, 2010) I hereby order:

1. The endorsement of the Regulations on Licence Terms and Conditions for the Pursuance of a Professional Activity on the Securities Market attached hereto (hereinafter referred to as “the Regulations”).
2. The deeming the following as no longer effective:

Order of the Federal Financial Markets Service No. 07-21/pz-n of March 6, 2007 on Endorsing the Procedure for Licensing Types of Professional Activity on the Securities Market (registered by the Ministry of Justice of the Russian Federation, registration No. 9315 of April 23, 2007);

Order of the Federal Financial Markets Service No. 07-87/pz-n of August 9, 2007 on Amending the Procedure for Licensing Types of Professional Activity on the Securities Market endorsed by Order of the Federal Financial Markets Service No. 07-21/pz-n of March 6, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 10090 of September 3, 2007);

Item 2 of Order of the Federal Financial Markets Service No. 07-100/pz-n of September 20, 2007 on Amending Some Orders of the Federal Financial Markets Service (registered by

the Ministry of Justice of the Russian Federation, registration No. 10327 of October 15, 2007);

Order of the Federal Financial Markets Service No. 08-39/pz-n of October 7, 2008 on Amending the Procedure for Licensing Types of Professional Activity on the Securities Market endorsed by Order of the Federal Financial Markets Service No. 07-21/pz-n of March 6, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 12588 of November 7, 2008);

Order of the Federal Financial Markets Service No. 10-3/pz-n of January 26, 2010 on Amending Some Orders of the Federal Financial Markets Service (registered by the Ministry of Justice of the Russian Federation, registration No. 16554 of March 4, 2010).

3. It is hereby established that within six moths after the date of entry into force of the present Regulations professional participants in the securities market shall bring their activities in line with the provisions of Item 2.10 of the Regulations and within one year after the date of entry into force of the present Regulations they shall bring them in line with the provisions of Items 2.1.5 and 2.1.13 of the Regulations.

Head V.D.Milovidov

Registered by the Ministry of Justice of the Russian Federation on August 30, 2010
Registration No. 18288

Annex

Regulations
on Licence Terms and Conditions for the Pursuance of Professional Activities on the Securities Market
(endorsed by Order of the Federal Financial Markets Service No. 10-49/pz-n of July 20, 2010)

I. General Provisions

1.1. The present Regulations regulate the relationships that come into being between the Federal Financial Markets Service and the legal entities formed and pursuing their activities in accordance with the legislation of the Russian Federation in connection with the licensing of types of professional activity on the securities market.

The procedure for obtaining a licence, the term for, and a list of, the documents required for the purpose of obtaining a licence, re-making a licence form, issuing a replacement licence form or cancelling a licence on an application of the licensee and also issuing excerpts from a register of professional participants in a securities market (effected by territorial bodies of the Federal Securities Markets Service), suspending and resuming a licence and cancelling a licence for repeated breach of the legislation of the Russian Federation within one year (in the course of licence control) are defined by the Administrative Rules for the Federal Financial Markets Service to Carry out the State Function of Licensing the Activities of Professional Participants in the Securities Market endorsed by Order of the Federal Financial Markets Service No. No. 07-90/pz-n of August 21, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 10248 of October 3, 2007) (hereinafter referred to as “the Administrative Rules)*.

1.2. In accordance with the present Regulations licensing shall be carried out in respect of the following types of professional activity on the securities market:
brokerage;

dealership;
securities management;
depositary activity;
clearing;
keeping a register of the owners of securities;
organising trade on a securities market and/or operating as a stock exchange.

1.3. A licence shall be issued for each type of professional activity on the securities market.

A licence of professional participant in the securities market shall be issued for the pursuance of brokerage, dealership, securities management, depositary activity, clearing and the organisation of trade.

A licence of stock exchange shall be issued for the pursuance of organisation of trade on the securities market as a stock exchange.

A register keeping licence shall be issued for keeping a register of the owners of securities.

1.4. A licensee is entitled to combine a professional activity on a securities market with other types of activity either subject or not subject to licensing under the legislation of the Russian Federation.

1.5. The following types of professional activity in the securities market may be combined:

1.5.1 brokerage, dealership, securities management and depositary activity;

1.5.2. clearing and depositary activities;

1.5.3. organisation of trade on a securities market and clearing.

1.6. If a licence seeker has applied for a licence it shall be issued with a licence with no limitation on the effective term thereof.

1.7. In the following cases a licence shall become invalid:

1.7.1. the licensee has been liquidated or has terminated its operation in the event of re-organisation (except for transformation);

1.7.2. the licence has been cancelled.

1.8. Starting from the date on which documents are filed with the federal executive governmental body in charge of securities market matters (hereinafter referred to as “the licensor”) a licence seeker shall meet the licence terms and conditions established by the present Regulations.

1.9. A licensor shall comply with the licence terms and conditions envisaged by the present Regulations.

1.10. The licensor shall verify the reliability of the information contained in the documents filed for the purpose of getting a licence.

1.11. Documents filed with the licensor as containing more than one sheet shall be rope-bound, sheet-numbered and attested by the head or an empowered person and the seal of the organisation.

II. Licence Terms and Conditions

2.1. Below are the licence terms and conditions:

2.1.1. the observance of the legislation of the Russian Federation on securities, the legislation of the Russian Federation on execution proceedings and also the legislation of the Russian Federation on countering the legalisation of incomes received through crime (money laundering) and the financing of terrorism;

2.1.2. the implementation of court’s judgements—which have become final—concerning aspects of the pursuance of a licensed type of activity in the securities market;

2.1.3. the compliance of the owner's equity of the licensee and its other financial indicators with the ratios of sufficiency of owner's equity and the other indicators established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.1.4. the compliance of the licensee's employees with the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.1.5. the licensee's having a sole executive body for which the licensee is the main employer;

2.1.6. the licensee's having at least one controller for which the licensee is the main employer;

2.1.7. the licensee's sole executive body having a work record of at least two years in the capacity of the head of a section or of another structural unit of an organisation pursuing professional activities in the securities market and/or managing investment companies, unit investment companies and non-state pension funds or the activities of a specialised depositary of investment companies, unit investment companies and non-state pension funds or self-regulating organisations of professional participants in the securities market and/or managing companies of investment companies, unit investment companies and non-state pension funds whose job description included the duty to take (prepare) decisions on financial market matters or of the federal executive governmental body in charge of securities market matters.

The provisions of the present item do not extend to credit organisations;

2.1.8. the lack of conviction for crimes in the area of economic activities and/or crimes against state authority—for the persons sitting on the board of directors (supervisory board), members of a collective executive body, the ole executive body and a controller of the licensee, and also the lack of an administrative sanction in the form of disqualification—for the persons sitting on the board of directors (supervisory board) and the licensee's sole executive body;

2.1.9. the licensee's giving an opportunity for the licensor to execute supervisory powers and also the licensee's providing full and reliable information on the progress of an inspection of the licensee;

2.1.10. the provision of full information on the structure of the licensee's property on a magnetic medium and paper medium within 15 working days following the accounting quarter;

2.1.11. the availability of the hardware and software which are required to pursue professional activities on the securities market and meet the provisions of the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters, and also the provisions of internal documents of the professional participant in the securities market;

2.1.12. it is arranged that the licensee receives post at the address (whereabouts) of the licensee;

2.1.13. the licensee which makes deals at the expense of clients which are not qualified investors has a completed board of directors (supervisory board) before the commencement of said deals.

The licensee shall notify the licensor of the persons elected as members of the board of directors (supervisory board), within ten working days after the date of the minutes of a general meeting of stakeholders (shareholders) of the company concerning the election of the

members of the board of directors (supervisory board) and provide a copy of the minutes (an excerpt from the minutes) attested in the established procedure, documents confirming that the members of the board of directors (supervisory board) meet the terms established by Item 2.1.8 of the Regulations and also a statement indicating the employers of the members of the board of directors (supervisory board) for the last three years, information on the existence/lack of the fact that a licence has been cancelled (revoked) or a decision has been taken on imposition of a bankruptcy proceeding in respect of each of the employers, attested in the established procedure.

The notice shall comprise a number and date, the full name of the licensee in Russian, the date of the state registration and the state registration number of the licensee, the name of the body that has effected the state registration of the licensee, taxpayer identification number, reason-for-registration code, basic state registration number, the licensee's address (whereabouts), information on the availability of licences of professional participant in the securities market, the types of activities, the numbers of the licences and the date of issue and effective term of the licences, and said notice shall be attested with the signature of the licensee's head or another empowered person and an imprint of the licensee's seal and comprise the reason for the notice's being served (election of members of the board of directors).

2.1.14. it is arranged that the licence seeker (sole executive body and a controller) can be found at the address stated in the documents filed for licensing purposes, starting from the date on which they are filed with the licensor.

2.2. Apart from the observance of the licence terms and conditions set out in the present Regulations the following is a licence term and condition for a licence seeker: the owner's equity of the licence seeker has been placed in a deposit in a credit organisation for a term of at least 90 days from the date on which documents are filed with the licensor for licensing purposes, and in this case it is prohibited to place amounts of money in deposits which lack maturity dates or has maturity defined by the time of call and/or to have the owner's equity of the licence seeker calculated in the procedure established by the legislation of the Russian Federation on securities if the composition of the assets involved in the calculation of the owner's equity includes only the assets envisaged by Items 3.1, 3.2, 3.8, 3.12 and 3.13 of the Regulations on the Procedure for Calculating the Owner's Equity of Professional Participants in the Securities Market, Managing Companies of Investment Companies, Unit Investment Companies and Non-State Pension Funds, Commodity Exchanges and Exchange Mediators Which Conclude Contracts in Exchange Trading Which Are Derivatives Underlied by a Commodity endorsed by Order of the Federal Financial Markets Service No. 08-41/pz-n of October 23, 2008 (registered by the Ministry of Justice of the Russian Federation, registration No. 13265 of February 4, 2009)**.

2.3. Apart from the observance of the licence terms and conditions envisaged by Item 2.1 of the present Regulations a licensee holding licences to pursue brokerage and/or dealership and/or securities management shall have:

2.3.1. at least one employee whose duties include the keeping of in-house record of transaction in securities and who meets the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.3.2. at least one employee for each of said types of professional activity in the securities market who meets the qualification requirements established by the

legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters.

2.4. Apart from the observance of the licence terms and conditions envisaged by Item 2.1 of the present Regulations a licensee organising trade on a securities market and/or carrying out the activities of a stock exchange shall meet the following licence terms and conditions:

2.4.1. the availability of a separate structural unit responsible for ensuring the appropriate mode of handling commercial, service and other information;

2.4.2. the availability of a separate structural unit responsible for securities listing/delisting;

2.4.3. the availability of an exchange board (boards of sections);

2.4.4. the licensee being a stock exchange which combines its operation with the activities of a currency exchange and/or of a commodity exchange (organisation of exchange trade) and/or clearing has a separate structural unit for the pursuance of each of said types of activity;

2.4.5. the availability of a separate structural unit for the provision of the services which directly assist in the conclusion of the contracts deemed derivatives;

2.4.6. upon the expiry of six months after the date of issuance of the licence the licensee being a stock exchange has at least 75 professional participants in the securities market which have been cleared for trading on the stock exchange.

2.5. Apart from the licence terms and conditions envisaged by Item 2.1 of the present Regulations a licensee pursuing depositary activity shall also meet the following licence terms and conditions:

2.5.1. the availability of a separate structural unit including employees whose exclusive functions encompass depositary activity in the securities market and at least two specialists (one of whom is the head of this structural unit) having duties encompassing depositary record-keeping as meeting the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.5.2. the head and employees of the structural unit whose exclusive functions include the pursuance of depositary activity on the securities market and also a controller, the head and employees of the licensee's internal control service (if any) whose duties encompass control over the pursuance of depositary activity on the securities market shall neither occupy positions relating to the pursuance of professional activities in the securities market nor be specialists whose duties include the keeping of in-house record of transactions in securities in other legal entities which pursue a professional activity in the securities market.

2.6. A licensee pursuing depositary activity on the securities market is entitled to carry out the functions of a settlement depositary on the securities market, i.e. to settle accounts for securities as the result of clearing and post all transactions to securities accounts of participants in the securities market in the course of deals made through the organisers of trade on the securities market which hold relevant licences (hereinafter referred to as "settlement depositary").

A licensee combining a depositary activity on the securities market with brokerage and/or dealership and/or securities management is not entitled to carry out the functions of a settlement depositary.

2.7. For a licensee to carry out the functions of a settlement depositary there is a need for conditions for depositary activity approved by the licensor.

2.8. Apart from the licence terms and conditions envisaged by Item 2.1 of the present Regulations the licensee keeping a register of the owners of securities shall also meet the following licence terms and conditions:

2.8.1. within six months after the receipt of the licence the availability of at least 15 issuers whose serial securities issues have undergone state registration in accordance with the legislation of the Russian Federation, each having over 500 owners of securities, and the licensee keeping registers of the owners of securities thereof;

2.8.2. upon the expiry of six months after receipt of the licence the availability of at least 50 contracts with the issuers whose serial securities issues have undergone state registration in accordance with the legislation of the Russian Federation, each having over 500 owners of securities, and the licensee keeping registers of the owners of securities thereof;

2.8.3. the availability in the licensee's staff of at least one employee who meets the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.8.4. the availability in the licensee's branch of a controller for whom the licensee is main employer and who meets the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters, save cases when the branch is exclusively carrying out the functions of receiving the information and documents required for transactions in the register from registered persons or their empowered representatives and handing them over to the head organisation and also of receiving information and documents from the head organisation and handing them over to registered persons or their empowered representatives;

the availability in the licensee's branch of the head and at least one specialist who meet the qualification requirements established by the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.8.5. if a contract is concluded with an issuer for keeping a register of the owners of the issuer's securities the licensee shall provide information about it within seven working days after a certificate acknowledging the acceptance of the register is signed to the licensor together with a copy of the contract concluded and a copy of the certificate of acceptance of the register, both attested in the established procedure, and also together with reference to the number of owners of the issuer's securities as of the time when the certificate of acceptance of the register was signed;

if a contract for keeping a register concluded with an issuer is terminated (rescinded) and the register is handed over to the issuer or to another registrar the licensee shall provide information about it within seven working days after the certificate of acceptance of the register by the issuer to the licensor together with a copy of the certificate of acceptance of the register by the issuer and also a copy of a notice of rescission of the contract for keeping the register (if the contract for keeping the register concluded with the issuer has been rescinded), both attested in the established procedure, and also with reference to the number of owner of the issuer's securities as of the time when the certificate of acceptance of the register was signed;

2.8.6. the licensee's charter capital cannot be paid up with securities issued by its shareholders or founders;

2.8.7. a register may be kept inter alia by detached units located outside of the licensee's place of business, provided they are formed as branches, if the relevant functions are written down in the regulations on such branch.

2.9. Apart from the license terms and conditions envisaged by Item 2.1 of the present Regulations the following are also deemed licence terms and conditions:

2.9.1. the fact that a licensee pursuing clearing on the securities market has a separate structural unit whose employees have clearing on the securities market as their exclusive functions, and also at least two employees of said structural unit whose duties encompass clearing on the securities market and who meet the relevant qualification requirements established by the legislation of the Russian Federation, for instance normative legal acts of the federal executive governmental body in charge of securities market matters;

2.9.2. the licensee which combine a professional activity on the securities market with the provision of the services of a financial consultant on the securities market has a separate structural unit whose exclusive functions include the provision of the services of a financial consultant on the securities market and at least two employees (one of whom is the head of this structural unit) whose duties include the provision of the services of a financial consultant on the securities market and who meet the qualification requirements established by the legislation of the Russian Federation, for instance normative legal acts of the federal executive governmental body in charge of securities market matters.

2.10. Apart from the license terms and conditions envisaged by Items 2.1, 2.3 and 2.5 of the present Regulations the following are also deemed licence terms and conditions for licence seekers being credit organisations:

2.10.1. the availability of a separate structural unit (separate structural units) whose employees have brokerage and/or dealership and/or securities management as their exclusive functions;

2.10.2. the fact that the head of a separate structural unit whose employees have brokerage, dealership and security management as their exclusive functions meets the terms and conditions envisaged by Items 2.1.4, 2.1.5, 2.1.7 and 2.1.8, provided working in this capacity is his/her main employment.

2.11. The licensee shall ensure a continuous direction of its day-to-day activities. The powers of the sole executive body of a professional participant in the securities market shall not be assigned to a legal entity.

2.12. If a decision on suspension or early termination of the powers of the sole executive body is taken the licensee shall simultaneously with it take a decision on instituting a temporary sole executive body or a new sole executive body. In this case the functions of the temporary sole executive body may be carried out only by a person who meets the requirements established by Subitems 2.1.4, 2.1.5, 2.1.7 and 2.1.8 of the present Regulations.

2.13. Within five working days after said decision the licensee shall notify the licensor of the person appointed as sole executive body and/or controller of the licensee and provide copies of documents acknowledging the appointment (election) of the sole executive body, attested in the established procedure, as well as documents acknowledging that:

2.13.1. said persons meet the qualification requirements established by the legislation of the Russian Federation on securities;

2.13.2. the person appointed as sole executive body meets the requirements set out in Subitems 2.1.5 and 2.1.7 of the present Regulations;

2.13.3. the controller meets the requirements set out in Subitem 2.1.6 of the present Regulations. The notice shall comprise a number and date, the full name of the licensee in Russian, the date of its state registration and registration number, the name of the body that did the state registration of the licensee, taxpayer identification number, reason-for-registration code, basic registration number, the licensee's address (whereabouts), information on the availability of licences of professional participant in the securities market, the type of activity, the numbers of the licences, the dates of issue and effective term of the licences, the reason for the notice's being sent (the appointment of a sole executive body or a controller of the organisation), the name in full (with patronymic, if any) of the appointed sole executive body or controller of the organisation, the series and number of a qualification certificate form, a description of financial market specialisation, the name in full (with patronymic, if any) of the preceding sole executive body or controller of the organisation; said notice shall be attested with the signature of the licensee's head or another empowered person and an imprint of the licensee's seal.

III. Suspending a Licence and Cancelling a Licence

3.1. Licence suspension shall be carried out by the licensor if participants in the securities market have been in breach of the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters, repeatedly during one year.

3.2. A licence shall be suspended by a decision of the licensor for a term of up to six months.

3.3. The suspension of a licence shall cause a ban on the pursuance of the relevant type of professional activity on the securities market until the licensor takes a decision on resumption of the licence.

3.4. A notice of the licensor's decision on suspension of the licence shall be sent to the licensee in writing within three working days after the date of the decision together with an indication of the reasons for the suspension. Simultaneously with the notice of the decision on suspension of the licence the licensor shall send an order for elimination of the irregularities discovered to the licensee.

If the irregularities committed by the licensee cannot be eliminated the licensor shall send an order for measures aimed at preventing future irregularities to the licensee simultaneously with a notice of the decision on suspension of the licence.

3.5. A licensee whose licence has been suspended shall do the following:

3.5.1. terminate the pursuance of the relevant type of professional activity on the securities market from the date of entry into force of the decision of the federal executive governmental body in charge of securities market matters on suspension of the licence issued;

3.5.2. notify in writing clients (depositors and participants in trading) of the suspension of the licence within three working days after the termination of the relevant type of professional activity;

3.5.3. on the request of a client (depositor or participant in trading) and in accordance with his directions: refund his money and transfer the securities held by the licensee.

3.6. Appeal may be taken by the licensee from a decision of the licensor on suspension of the licence, in the procedure established by the legislation of the Russian Federation.

3.7. If the licensee has eliminated the irregularities deemed ground for suspension of the licence the licensee shall provide the licensor with documents confirming that the irregularities have been eliminated, within the term established in the order but in any case 15 working days prior to the expiry of the term of suspension of the licence.

If the licensee has taken measures aimed at preventing irregularities in the future the licensee shall provide the licensor with documents confirming that said measures have been taken, within the term established in the order but in any case 15 working days prior to the expiry of the term of suspension of the licence.

Within 15 working days after receiving the documents confirming the elimination of the irregularities or the taking of the measures for prevention of future irregularities the licensor shall consider this issue and take a decision on resumption of the licence.

The licensor's notice of the decision on resumption of the licence shall be sent to the licensee in writing within three working days after the date of the decision.

If the irregularities deemed ground for suspension of the licence have not been eliminated or if within the term set in the order no documents were filed with the licensor to confirm that measures for prevention of future irregularities had been taken the licensor shall take a decision on cancellation of the licence.

3.8. In the following cases a licence shall be cancelled by the licensor:

3.8.1. during one year professional participants in the securities market have repeatedly violated the legislation of the Russian Federation on securities, for instance normative legal acts of the federal executive governmental body in charge of securities market matters, and/or on execution proceedings;

3.8.2. during one year professional participants in the securities have repeatedly violated the provisions of Articles 6 and 7 (except for Item 3 of Article 7) of Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Incomes Received through Crime (Money Laundering) and the Financing of Terrorism (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3418, No. 33, 2001; item 3029, No. 30; item 4296, No. 44, 2002; item 3224, No. 31, 2004; item 4828, No. 47, 2005; items 3446 and 3452, No. 31, 2006; item 1831, No. 16; item 4011, No. 31; item 6036, No. 49, 2007; item 2776, No. 23; item 3600, No. 29, 2009; Rossiyskaya Gazeta, No. 147, 2010);

3.8.3. the banking transactions licence has been cancelled or revoked—for credit organisations;

3.8.4. a professional participant in the securities market has committed the actions envisaged by paragraphs 2-10 of Item 2 of Article 51 of Federal Law No. 39-FZ of April 22, 1996 on the Securities Market;

3.8.5. a professional participant in the securities market has defaulted on the pursuance on the securities market of the professional activity for which the professional participant holds the licence, for one year after the licensor's decision on issuance of the licence;

3.8.6. on the licensee's initiative.

3.9. If a licensee had sent a licence cancellation application on his own initiative to the licensor and such application was received by the licensor after the date on which an order for a field inspection of the licensee or an order for a desk inspection of the licensee was signed but prior to the date of registration of the report resulting from the inspection then the licensor shall take a decision on refusal to cancel the licence on the licensee's initiative.

If the application for licence cancellation on the licensee's initiative was received by the licensor after the date of registration of the report on the results of the inspection but before the date of the licensor's decision on the results of the inspection then the licensor shall take a decision on refusal to cancel the licence on the licensee's initiative if the report contains information on the cases of breach of the legislation of the Russian Federation discovered in the course of the inspection. Unless irregularities on part of the licensee have been discovered in the course of the inspection completed, the licensor shall take a decision on cancellation of the licence on the licensee's initiative according to the licensee's application received by the licensor after the date of registration of the inspection report but before the date of the decision taken on the results of the inspection.

No decision on cancellation of the licence on the licensee's initiative shall be taken if the relevant licensee's licence has been suspended.

3.10. A licensee whose licence has been cancelled shall do the following:

3.10.1. terminate the relevant type of professional activity on the securities market from the date of entry into force of the decision of the federal executive governmental body in charge of securities market matters on the cancellation of the licence issued;

3.10.2. within three working days after the termination of the relevant type of professional activity notify in writing clients (depositors and participants in trading) of the cancellation of the licence;

3.10.3. on the request of a client (depositor or participant in trading) and in accordance with his directions immediately refund his money and transfer the securities held by the licensee;

3.10.4. within five working days after the entry into force of the decision of the federal executive governmental body in charge of securities market matters on cancellation of this licence hand over the form of the cancelled licence.

3.11. If the form of the cancelled licence is not provided within the term envisaged by Subitem 3.10.4 the licensor shall send information within 60 days after the date of the decision on cancellation of the licence to law-enforcement bodies about the fact that the form of the cancelled licence has not been provided.

3.12. If a licence to keep a register of the owners of securities has been cancelled the licensee shall do the following after the time when the notice of the licensor's decision is received (if the notice is received before the expiry of 15 working days after the date of the decision) or within 15 working days after the date of the decision:

3.12.1. hand over registers of the owners of securities to another organisation keeping a register of the owners of securities or to the issuer, in the procedure established by the legislation of the Russian Federation on securities;

3.12.2. hand over to the issuer the source documents deemed ground for amending a register-keeping system (assignment orders, mortgage orders and the other documents making up the register-keeping system).

3.13. The licensor shall send information on cancellation of the licence of a professional participant in the securities market to organisers of trade on the securities market and/or stock exchange within five working days after the date of the decision.

- As amended by Order of the Federal Financial Markets Service No. 08-53/pz-n of November 18, 2008 on Amending the Administrative Rules for the Federal Financial Markets Service to Carry out the State Function of Licensing the Activities of Professional Participants in the Securities Market endorsed by Order of the Federal

Financial Markets Service No. 07-90/pz-n of August 21, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 13353 of February 16, 2009), Order of the Federal Financial Markets Service No. 09-42/pz-n of October 20, 2009 on Amending the Administrative Rules for the Federal Financial Markets Service to Carry out the State Function of Licensing the Activities of Professional Participants in the Securities Market Endorsed by Order of the Federal Financial Markets Service No. 07-90/pz-n of August 21, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 16556 of March 4, 2010), Order of the Federal Financial Markets Service No. 10-27/pz-n of April 1, 2010 on Amending the Administrative Rules for the Federal Financial Markets Service to Carry out the State Function of Licensing the Activities of Professional Participants in the Securities Market Endorsed by Order of the Federal Financial Markets Service No. 07-90/pz-n of August 21, 2007 (registered by the Ministry of Justice of the Russian Federation, registration No. 17204 of May 13, 2010).

** As amended by Order of the Federal Financial Markets Service No. 10-31/pz-n of May 6, 2010 on Amending Order of the Federal Financial Markets Service No. 08-41/pz-n of October 23, 2008 on Endorsing the Regulations on the Procedure for Calculating the Owner's Equity of Professional Participants in the Securities Market, Managing Companies of Investment Companies, Unit Investment Companies and Non-State Pension Funds (registered by the Ministry of Justice of the Russian Federation, registration No. 17537 of June 9, 2010).

FEDERAL SERVICE FOR FINANCIAL MONITORING

Information Letter No. 8 of January 13, 2011 "Interim Guidelines for Filling out Individual Fields of 4-SPD Form (Federal Service for Financial Monitoring Order No. 245 of October 5, 2009)"

I. General Provisions

1. These Interim Guidelines are designed to eliminate the systematic errors related to the submission to the Rosfinmonitoring of incorrect reports on transactions with monetary funds or other assets committed by organizations executing transactions with monetary funds or other assets (hereinafter "organizations")
2. These Interim Guidelines shall be followed by organizations when filling out 4-SPD form specified by the Regulations on Submission to the Federal Service for Financial Monitoring of Information Provided for under Federal Law No. 115-FZ of August 7, 2001 "On Combating Money Laundering and Terrorist Financing" and approved by Federal Service for Financial Monitoring Order No. 245 of October 5, 2009 (hereafter the "Regulations").
3. These Interim Guidelines shall be used by organizations in the period prior to the introduction by the Rosfinmonitoring of relevant amendments to Rosfinmonitoring Order No. 245 of October 5, 2009.

II. Guidelines for Filling out Individual Fields of Sheet 1 of 4-SPD Form "Information on Transactions with Monetary Funds or other Assets"

1. Each sheet of the SED (electronic document management system) or 4-SPD form shall contain the serial number and date of a report on a transaction with monetary funds or other assets.

All report numbers shall be formed by organizations (individuals) in ascending order, within one calendar year of reporting, beginning with number “XX00001”, where “XX” is the organization’s branch code (for reports submitted by a branch; otherwise the value is “00”) assigned to each branch by the organization itself.

2. Field 112 “Characteristics of a transaction linked to terrorist financing” is required to be filled out by organizations submitting data under code 7001. Otherwise, the field value should be “0”.
3. In the absence (for legitimate reason) or unavailability of the information needed to fill out all the fields of SED or 4-SPD form (except for “required” fields); provided, however, the organization (individual) has taken all available measures to obtain such information, the relevant fields shall contain value “0”.

The DD.MM.YYYY fields shall be entered in the following format: “01/01/2099”.

4. If the client’s actions have been found to contain any signs of an unusual transaction prior to its execution (e.g. a suggestion or attempt by the client to execute a transaction with encumbered property; a suggestion by the client to refund the amount due under a terminated transaction to third parties, including into the account held in a non-resident bank, or into his account held in a bank other than the bank the funds for such transaction were originally received from, etc.), enter in field 113 “Transaction date” the date of the client’s order to execute the transaction.
5. Field 114 “Transaction detection date” should contain the date when a transaction with monetary funds or other assets was detected, to be entered in DD.MM.YYYY format, where: DD is a day of the month, MM is a month number and YYYY is year number.

If the information is being submitted under transaction ID code 6001 (field 115 “Transaction ID code” contains “6001”), enter in this field the date when the transaction, whose details shall be submitted to the competent authority under paragraph 3 of Article 7 of Federal Law No. 115-FZ of August 7, 2001 “On Combating Money Laundering and Terrorist Financing” (hereinafter “Federal law No. 115-FZ), was detected.

That said, the transaction detection date shall be the date when as a result of application of the rules of internal control to combat money laundering and terrorist financing the organization director takes a final decision to classify the client’s transaction as suspicious.

If the submitted to the Rosfinmonitoring information pertains to transactions subject to mandatory control under Article 6 of Federal Law No. 115-FZ of which the organization (individual) became aware of in the course of its activities, and to which the organization (individual) was not a party to, enter in this field the date when the organization (individual) became aware of such transaction (the date of receipt by the organization (individual) of information and (or) a document confirming the execution of the transaction).

This field is required to be filled out.

6. The values “1000”, “3000”, “4000” “5000”, “6000”, “7000 “ and “8000” contained in the ID Code Directory of transactions details of which are to be submitted to the Rosfinmonitoring under Federal Law No. 115-FZ (Annex 4 to the Regulations) are sub-headings and should not be used as transaction ID codes when filling out field 115 “Transaction ID code” and 116” Additional transaction ID codes”.
7. Field 119 “Transaction amount in rubles,” consists of two blocks: the first is to contain the amount in rubles, the second (after the comma) in kopeks.

If the transaction amount does not include kopeks (i.e. round numbers), the second block must contain value “00”.

Similarly shall be filled out field 118 “transaction amount in the currency of its execution”.

Field 119 “Transaction amount in rubles” is required to be filled out even if the currency of the transaction are the Russian ruble, with the relevant data also to be entered in field 118 “Transaction amount in the currency of its execution”.

8. Fields 121, 122 and 124 are to be filled out as follows:

8.1. Field 121 “Transaction purpose” should contain the name and details of the document that establishes, modifies or terminates the civil rights and obligations, under which the transaction is being executed.

8.2. Field 122 “Payment purpose” should contain the name and details of the supporting document, on the basis of which the transaction is being executed.

8.3. Field 124 “Transaction type” reflects the nature (content) of the transaction, specifics of its execution and actions of individuals and entities with monetary funds or other assets, irrespective of the form and manner of their implementation, aimed at the establishment, modification or termination of the related civil rights and obligations.

Example 1:

Field 121 “Transaction purpose”: “non-residential premises lease agreement No. 2 of January 1, 2010”.

Field 122 “Payment purpose”: “payment order No. 2 of February 1, 2010”.

Field 124 “Transaction type”: “payment of rent for February 2011”.

Example 2:

Field 121 “Transaction purpose”: “contract for delivery of jewelry No. 1 of January 1, 2010”.

Field 122 “Payment purpose”: “delivery and acceptance certificate No. 1 of January 10, 2010”.

Field 124 “Transaction type”: “Transfer of a consignment of jewelry”.

III. Guidelines for Filling out Individual Fields of Sheet 3 of 4-SPD Form “Information on the Payer to the Transaction with Monetary Funds or other Assets”

1. When filling out field 317 “Registration number in the country or registration”, it is necessary to consider the following:

If a party to the transaction is a legal person resident of the Russian Federation, use this field to enter the 13-digit primary state registration number (PSRN).

If a party to the transaction is a branch or representative office of a foreign legal entity accredited in the Russian Federation, enter such branch’s or representative office’s certificate of accreditation Ref. No. (assigned by the State Registration Chamber under the Ministry of Justice), and the date of issuance of the certificate of accreditation (without the accreditation extension procedures) in field “Registration date”.

If a party to the transaction is an individual entrepreneur resident of the Russian Federation, enter the 15-digit primary state registration number of an individual entrepreneur (PSRNIE).

Should the individual entrepreneur not have the PSRNIE, enter the registration number of the place of establishment and registration.

If a party to the transaction is a natural person, enter value “0”.

Similarly shall be filled out fields 419, 517, 617, 717 and 817 of other sheets of 4-SPD form.

2. Fields 320-322 should contain the details of the credit institution that had the payer as its client during the transaction.

Fields 320-322 should contain value “0” if no credit institution is involved in the transaction with monetary funds or other assets.

If transaction settlements are carried out through multiple accounts held in different banks, enter details of one of the credit institutions in blocks of fields 320-322, while information on the remaining banks, in field 126 “Additional information”. Fields 320-322 are required to be filled out,

3. Field 328 “Citizenship code” is required to be filled out if a party to the transaction is a natural person or individual entrepreneur. The said field consists of three blocks, each of which is to be filled with relevant information in accordance with the guidelines contained in paragraph 4.10 of the Guidelines for Filling out Fields of SED 4-SPD Form (Annex 2 to the Regulations).

Otherwise all blocks of the said field shall contain value “0”.

FEDERAL FINANCIAL MONITORING SERVICE

Information letter of August 2, 2011, № 17

«On features of transactions, types and operating conditions with an increased risk of performing transactions by clients with the purpose of legalization (laundering) of proceeds from crime and terrorist financing»

This Information letter contains a list of features of transactions, types and operating conditions with an increased risk of performing transactions by clients with monetary funds or other property (hereinafter - organizations), provided in Article 5 of the Federal Law of 07.08.2001 № 115-FZ “On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing” (hereinafter - Federal law) (excluding credit organizations), operations (transactions) with the purpose of legalization (laundering) of proceeds from crime and terrorist financing, established by the Federal Financial Monitoring Service based on the practices of its activity, as well as the recommendations of the Financial Action Task Force (FATF) (provided in the Annex to this Information letter).

According to paragraph 2.1 of Provision on the requirements to identification of clients and beneficial interest owners, including tacking into account the degree (level) of risk of performing transactions by clients with the purpose of legalization (laundering) of proceeds from crime and terrorist financing, approved by the order of the Federal Financial Monitoring Service on the 17th of February, 2011 , № 59 (hereinafter - Provision), identification of a client, client representative, and (or) a beneficial interest owner includes, inter alia, assessment and assignment to the client of the degree (level) of risk of performing

transactions by a client with the purpose of legalization (laundering) of proceeds from crime and terrorism financing (hereinafter - Risk).

According to paragraph 2.13 of the Regulation an organization assesses the degree (level) of Risk taking into account features of transactions, types and operating conditions with an increased risk of performing transactions by clients with the purpose of legalization (laundering) of proceeds from crime and terrorist financing (hereinafter - features of high degree (level) of Risk), independently included by an organization in the internal control rules based on the recommendations of the Financial Action Task Force (FATF).

For purposes of improvement of the effectiveness of measures aimed at combating legalization (laundering) of proceeds from crime and terrorist financing, as well as decrease of risk of possible involvement in money laundering and terrorist financing for organizations and other entities provided in Article 7.1 of the Federal Law, it is reasonable to apply the above list of features of high risk degree (level) while assessing the degree (level) of customers' risk, including it in the internal control rules.

The above list may be supplemented by an organization (other entity), taking into consideration peculiarities of its activity, as well as specific character of operations (transactions) performed.

According to paragraph 2 of article 2.15 of the Regulation, if operations (transactions) or client's activity refer to the increased risk, organizations should pay particular attention to operations (transactions) carried out by this client to identify the possible reasons for the documentary record of information as provided by sub-paragraph 4 of paragraph 2 of Article 7 of the Federal law, and operations, subject to the criteria and features of unusual transactions provided in the rules of internal control with purposes of providing information to the authority about transactions specified in paragraph 3 of Article 7 of the Federal Law.

Annex
To the Information letter
of August 2, 2011 № 17

List of features of transactions, types and operating conditions with an increased risk of performing transactions by clients with the purpose of legalization (laundering) of proceeds from crime and terrorist financing

1. Organization and carrying out of gambling activities.
2. Activities connected with selling, including commission, of art objects, antiques, furniture, cars, luxury goods.
3. Activities connected with purchasing, buying and selling of precious metals, precious stones and jewelry containing precious metals and precious stones, and scrap of these products.
4. Activities connected with performing transactions with real estate and/or rendering of intermediary services in transactions with real estate.
5. Tour operator and travel agency activities, as well as other activities on organization of trips (tourism activity).
6. Any activity connected with intensive cash turnover.
7. The period of activity from the date of state registration of a legal entity, an individual entrepreneur, obtaining the status of a lawyer, a notary is less than 1 year.
8. The period of the client being served in the organization (time that has passed since the date of acceptance oa the client for service) is less than 1 year.

9. Absence at the residing address of a legal person of permanent regulatory bodies, other bodies or entities, Which have the right to act on behalf of such a legal person without a power of attorney.
10. The client communicates with the organization, performing transactions with monetary funds or other property, solely through a representative, acting under the power of attorney.
11. A client and/or a beneficial interest owner or a founder is a participant of the federal special-purpose program or national projects or a resident of a special economic zone.
12. A client and/or a beneficial interest owner, or a founder is an organization, in the authorized capital of which there is a share of state property.
13. A client and/or a beneficial interest owner is a nonresident of the Russian Federation.
14. A client is a foreign public official or acts in the interests (for the benefit) of a foreign public official.

15. A client is a spouse, a close relative (relative in the direct ascending and descending lines (a parent and a child, a grandfather, a grandmother and a grandson), full blood and half blood (having a common father or mother), a brother and a sister, an adoptive parent and an adopted child) of a foreign public official.

16. Performing by a client transactions with money or other property, requiring an obligatory control in accordance with paragraph 2 of Article 6 of the Federal Law.

17. Presence of suspicious transactions in the client's activity, information about which has to be submitted to the authorized body.

18. A client shall settle accounts on operations (transactions), using Internet technologies, electronic payment systems, alternative remittance systems or other remote access systems, or other means without direct contact (excluding once-only payments through the payment terminal at the amount of less than 15 000 of rubles or its equivalent in foreign currency).

19. A client and/or its contractor, a representative of the client, a beneficial interest owner, or a founder is in the list of organizations and individuals against which there is information about their involvement in extremist activities[1].

20. The address of registration (location or place of residence) of a client, a representative of a client, a beneficial interest owner or a founder coincides with the address of registration (location or place of residence) of persons presented in the list of organizations and individuals against which there is information about their involvement in extremist activities.

21. A client is a close relative of a person included in the list of organizations and individuals against which there is evidence of their involvement in extremist activities or terrorism.

22. Activities of public and religious organizations (associations), charities, foreign non-profit nongovernmental organizations and their branches and subsidiaries, which operate in the territory of the Russian Federation.

[1] The list is compiled and maintained by the Federal Financial Monitoring Service in accordance with the decree of the Government of the Russian Federation of 18.01.2003 № 27 "On approval of the Provision for determining the list of organizations and individuals against which there is information about their involvement in extremist activities, and bringing this list to the attention of organizations performing transactions with monetary funds or other property".

23. A client is a head or founder of a public or religious organization (association), charity fund, foreign non-profit non-governmental organization, its branch or representative office, which operates in the territory of the Russian Federation.

24. A client and/or its contractor, a representative of a client, a beneficial interest owner, or a founder of a client is registered in the state or territory with a high terrorist or extremist activity.

25. A client and/or its contractor, a representative of a client, a beneficial interest owner or a founder of a client accordingly has a registration, place of residence or location in the state (territory), which does not follow the recommendations of the Financial Action Task Force (FATF), or if these operations are carried out with the usage of an account in a bank registered in that state (this area).

26. A client or its founder (beneficial interest owner) or the counterparty of the client on the operation (transaction) is registered or carries out the activity in the state or territory with preferential tax treatment of taxation and (or) it does not provide disclosure and providing information while carrying out financial transactions (offshore zone)[2].

27. Other features at the discretion of the organization.

[2] To determine the states or territories it is necessary to follow the order of the Ministry of Finance of 13.11.2007 № 108n "On approving the list of states and territories granting preferential tax treatment of taxation and (or) not providing disclosure and supplying information on financial transactions (offshore zone)."

FEDERAL FINANCIAL MONITORING SERVICE

INFORMATION LETTER
as of March 18, 2009, № 2

Federal Financial Monitoring Service has formulated basic principles and approaches concerning realization of identification procedure on the basis of analysis and generalization of practice in the application of Federal Law as of 07.08.2001 No. 115-FL < On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing > (hereinafter referred as - Federal law), and also in connection with questions which arise in organizations (except credit organizations) in the process of realization the requirements in aspect identification of persons serving (clients) and beneficial interest owners.

The approaches presented in the Information Letter are recommended to be applied by organizations performing operations with monetary funds or other properties (hereinafter referred as – organization), described in Chapter 5 of Federal Law (except credit organizations), and to persons described in Chapter 17.1 of Federal Law as well. For purposes of this Information letter a person is considered to be a client if he is taken to service or is serving in the organization.

Organizations are obliged to identify both persons taken to service in the organization for establishment of long-termed relations, and persons being served or with whom one-time transactions are made (operations are made) regardless of the type, nature and extent of services provided or transactions made (operations made). If a representative acts on behalf of an individual or juridical person, an organization is obliged to identify a representative, check his credentials, identify and study a represented client.

An organization is obliged to take reasonable and obtainable measures in the given conditions for disclosure of foreign public officers among individual persons taken to service or serving, and identification of sources of funds or other property of mentioned persons.

The organization should work out a program of client identification in rules of internal control, as well as that of determination and identification of beneficial interest owners (hereinafter – Identification Program). The Identification program must include an order of identification of clients, including a complex of measures for disclosure of foreign public officers among individual persons serving or taken to the service, and disclosure of funds sources and other property of mentioned persons, determinations and identifications of beneficial interest owners taking into account recommendations given in Chapter 2 of this Information letter. Other cases may be included in the program at the discretion of an organization.

In addition to the Identification Program in rules of internal control the organization should work out a program of risk degree (level) evaluation while performing operations by the client with the purpose of legalization (laundering) of proceeds from crime and terrorist financing (hereinafter referred as – Risk Evaluation Program).

The Identification Program and Risk Evaluation Program are approved by a managing director of an organization (if otherwise stated in constituent documents).

Recommendations for identification of clients and beneficial interest owners.

For the purpose of client identification, determination and identification of beneficial interest owners an organization collects data and documents confirming the data provided in the Annex 1-3 to this Information letter, and other necessary information and documents. An

organization can also use other additional (auxiliary) sources of information legally obtainable for organization.

In case of long-termed relations establishment the character of operations and transactions before they are completed does not allow to identify a client, determine and identify beneficial interest owners (taking into account obtainable measures in the given conditions) to the extent defined in the Annexes 1-3 to this Information letter, organization must complete client identification, determination and identification of beneficial interest owners within not more than 7 working days from the day when an operation or a transaction was made.

The first passage of this paragraph does not cover one-time transactions with monetary funds or other properties, transactions which are under obligatory control according to Chapter 6 of Federal Law, and also if the worker of organization have suspicion on the basis of realization of internal control program that some transactions were performed with the purpose of legalization (laundering) of proceeds from crime and terrorist financing.

Identification of clients and beneficial interest owners is performed with consideration of risk degree (level) for performing transactions by a client with the purpose of legalization (laundering) of proceeds from crime and terrorist financing (hereinafter referred as – Risk). When identifying a client or determining and identifying beneficial interest owners while performing transactions and operations, an organization checks presence or absence of information about involvement of a client or beneficial interest owners in extremist activity and terrorism, obtained according to paragraph 2 of Chapter 6 of Federal Law (hereinafter referred as – List of extremists).

The documents containing information* which allows to identify a client and also to determine and identify beneficial interest owners must be valid by the date when a client produces them. Documents drawn up in full or any part of them in a foreign language should be submitted to an organization with appropriate certified translation into Russian. Documents issued by the state authorities of foreign countries must be legalized in the established order, except for the cases provided by international treaties of the Russian Federation. Documents are submitted to the organization by the client in original form or in the form of properly certified copy (with the exception of identity documents of individuals). If only a part of the document refers to client identification, establishment and identification of the beneficiary concerns, certified extract from the document can be represented. In the case copies of the documents are produced an organization is entitled to require the submission of original documents for review.

Information about the client, the beneficial interest owners is recorded in the client application form to the extent set out in Annex 4 of this information letter. The client application form is written on paper or in the form of an electronic document. The client application form, written in a form of an electronic document, when transferred on hard copy shall be signed by an authorized officer of the organization. The information in the client application form that is stored in electronic form, when transferred to the paper form must comply with their electronic counterpart in its content . In case of change of information contained in the client application form and/or beneficial interest owner’s form, the client must provide the organization with updated information and documents confirming the information provided by Annexes 1 - 3 to this Information letter, not later than within one month after the last change. The organization should introduce update information obtained from a customer in his application form on the day the information is received.

The client application form need not to be drawn:

if the information required in accordance with Chapter 7 of Federal Law and provided by this Information letter is recorded in other ways defined by rules of transactions conducting in accordance with Russian law reflected in the rules of internal control;

organizations engaged in purchase, sale and purchase of precious metals and precious stones, jewels from them and scratched items when their clients perform operations with monetary funds or other properties valued less than 600 000 rubles or equivalent of the sum in foreign currency.

Filling of an application form is obligatory if:

a name and (unless otherwise stated in the law or national custom) middle name, as well as other information of the organization about physical persons is completely consistent with the information contained in the List of extremists;

if the organization has suspicion that the client, beneficial interest owners or operations are related to legalization (laundering) of proceeds from crime and terrorist financing;

if the nature of operation is complex and unusual, that indicates the absence of evident economic sense or apparent lawful purpose, and/or performance
of this operation suggests that the purpose of its implementation is to evade the mandatory review procedures under federal law;
organization assesses the degree (level) of risk as high.

The organization should update information about a client and beneficial interest owners, if it has any doubts about the reliability of the information obtained earlier by means of realization of the Identification Program, or if there are suspicions that a client, beneficial interest owners or the operation are related to legalization (laundering) of proceeds from crime and terrorist financing.

Documents obtained in the result of realization of the Identification Program, including a client application form and other documents containing information necessary for identification of individual and juridical person, as well as documents relating to activities of a client (including the correspondence and other documents at the discretion of the organization) should be kept in the organization for at least five years from the date of termination of relationship with a client.

Recommendations on assessment of the degree (level) of risk for performing transactions by the client with the purpose of to legalization (laundering) of proceeds from crime and terrorist financing.

3.1. The organization assesses the degree (level) of risk on the basis of the List of characteristics of transactions, types and operating conditions with the risk of performing transactions by a client with the purpose of to legalization (laundering) of proceeds from crime and terrorist financing provided by Annex 5 to this Information letter, taking into account the characteristics of such operations, types and operating conditions, independently included by the organization in the rules of internal control.

3.2. Initial assessment of the degree (level) of risk is performed at the stage of establishment of business relationship with a client.

An organization must constantly control client’s operations for further assessment of the degree (level) of risk.

3.3. Assessment of the degree (level) of risk, as well as the basis of risk assessment are recorded by organization in the client application form or in another way provided by the

rules of internal control, when a client application form need not to be drawn in accordance with paragraph 2.6 of this Information letter.

3.4. The degree (level) of risk is assessed as high, if at least one of the indicators of the basis of risk assessment, given in Annex 5 to this Information letter and provided by the rules of internal control of the organization is rated as high.

The organization should pay particular attention to transactions with monetary funds or other properties held by the client, the transactions (activities) which refer to the high degree (level) of risk, as well as by means of constant monitoring - control over the operations of the client.

The organization should update the information obtained as a result of client identification, determination and identification of the beneficial interest owners, at least once in six months at a high degree (level) of risk and not less than once a year in other cases, it should review the degree of risk in accordance with change of information or when:

the organization has suspicion that the client, beneficial interest owners or transactions are related to to legalization (laundering) of proceeds from crime and terrorist financing;

nature of the transaction is complex and unusual, indicating the absence of evident economic sense or apparent lawful purpose, and/or performance of this transaction suggests that the purpose of its implementation is to evade the mandatory review procedures under federal law.
3.6. Revision of the degree (level) of risk of performing transactions by a client with the purpose of to legalization (laundering) of proceeds from crime and terrorist financing, and update of information obtained from client identification, determination and identification of beneficial interest owners can be made in other cases as well in manner and terms fixed by the organization.

Annex 1 to the Information letter
No. 2 as of March 18, 2009
The information established in order to identify an individual person:

Surname, name and patronymic (unless otherwise provided by law or national custom).

citizenship

Requisites of identity document: name, serial number, date of issue of a document, name of the issuing authority and the department code (if available).

Note: In accordance with the laws of the Russian Federation identity documents include:

1) for a citizen of the Russian Federation:
passport of the Russian Federation;

birth certificate of a citizen (for a citizen of the Russian Federation under 14 years);

General Civil passport;
seaman’s passport (identity document);

military ID, a temporary certificate issued to replace a military identification card or identity card (for those who perform military service);
a temporary identity card of the Russian Federation, issued by Internal affairs body before a passport is obtained;
other documents that are recognized as identity documents in accordance with the laws of the Russian Federation.

2) for foreign citizens:
foreign national passport or other document established by federal law or recognized as

an identity document of a foreign citizen in accordance with an international treaty of the Russian Federation

3) for persons without citizenship:
document issued by a foreign state and recognized under international treaty of the Russian Federation as a document identifying the stateless person;
A temporary residence permit;
resident permit;
other documents provided by federal law or recognized in accordance with the treaty of the Russian Federation as a document certifying the stateless person.

4) for refugees:
Certificate of consideration of petition for recognition of refugee status, issued by the diplomatic or consular office of the Russian Federation or an immigration control post or territorial agency of the federal executive body authorized to perform the functions of control and supervision in the field of migration;
refugee certificate.

4. Data of a migration card: series, card number, a date of the beginning of stay and expiration date of stay.

5. Data of the document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation: series (if available) and document number, date of beginning of the term for the right of stay (residence), date of expiration of right of residence(domicile).

Note: In accordance with the laws of the Russian Federation, the documents confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation, include:

visa;
resident permit;
a temporary residence permit;
other document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation in accordance with the laws of the Russian Federation.

6. Information on whether an individual person is a foreign public officer, his spouse, close relative (relative in the direct ascending or descending order (parent or child, grandparents or grandchild), or he is full blood or half blood (having a common father or mother) brother or sister, adoptive parent or adopted child).

7. Information (address) about registration at place of residence and actual place of residence (stay).
8. Taxpayer Identification Number (if available).
9. Date and place of birth.
10. Information about a representative of an individual person: number and date of the document confirming the existence of appropriate credentials; information provided in paragraphs 1 - 5, 7 and 8 of this Annex.

Annex 2
to the Information letter
No. 2 as of March 18, 2009

The information established with the purpose of identification a juridical person and individual entrepreneur.

1. Information obtained with the purpose of identification of a juridical person.
1.1. Name (full, abbreviated (if available) and name in a foreign language (if available).
1.2. A legal form.
1.3. Taxpayer identification number - for a resident, taxpayer identification number or code of a foreign organization - for non-residents.

1.4. Information about state registration: the basic state registration number (BIN) and the date of making an entry of state registration (for non-resident - the registration number in the country of registration, date of registration); series and number of the document confirming the state registration, name and address of the registering authority.

1.5. Address (location) specified in the Uniform State Register of juridical persons (for residents), the location specified in the constituent documents, postal address (es), address (location) of representation office, offices, other separate subdivision of a non-resident on the territory of the Russian Federation, or information about the registration of residence and actual place of residence (place of stay) of an individual person - the authorized representative resident in the territory of the Russian Federation (if there is any).

1.6. Information about the types and conditions of activity provided in Annex 5 to this information letter, including information of the license for an activity which is under licensing: the type, number, date of license; by whom it was issued; period of validity, a list of licensed activities.

1.7. Information about the bodies of a juridical person (structure and personal composition of the government bodies of a juridical person, information about the personnel composition of the founders (participants) of a juridical person are presented in respect of the founders (participants) holding five percent or more of the shares (interests) of a juridical person.

Amount of the information about personnel composition of founders (participants) of a juridical person includes:

- for individual persons: surname, first name (unless otherwise provided by law or national custom), and the series (if there is any) and number of identity document, the taxpayer identification number (if there is any);
- for juridical persons: name, taxpayer identification number or code of a foreign organization.

18.1. Information about the amount of registered and paid-up equity (reserve) capital or the amount of authorized fund, properties.

1.9. Information about presence or absence of a permanent executive body of a juridical person (if there is no a permanent executive body of a juridical person – than about a body or person authorized to act on behalf of a juridical person without warrant of attorney) at address (location) of a juridical person specified in the constituent documents and in the Uniform State Register of Legal Entities - for residents, information about presence or absence of representation offices, offices, other separate division at address (location) in the Russian Federation (if there is any) - for non-residents.

1.10. Contact telephone numbers and fax numbers.
2. Information obtained with the purpose of identification of individual entrepreneurs.
2.1 Information provided in the Annex 1 to this Information letter.
2.2. Information about state registration of an individual person as an individual entrepreneur: basic state registration number of the record of state registration of individual entrepreneurs(OGRNIP) the date of state registration and data of the document

confirming that the payment to the Unified State Register of Individual Entrepreneurs, record of this state registration, name and address of registration authority.

2.3. Information provided in sub-paragraph 1.6 and paragraph 3 of this Annex.
2.4. Postal address, contact telephone numbers and fax numbers.
3. Information about a representative of a juridical person or individual entrepreneur: number and date of the document confirming presence of appropriate credentials; information provided in paragraphs 1 - 5, 7, 8 of Annex 1 to this Information letter.

Annex 3
to Information letter
No. 2 as of March 18, 2009

Information with the purpose of determination and identification of a beneficial interest owner

1. Information about the grounds, indicating that the client is acting for the benefit of another person in performing operations with monetary funds or other properties.

2. The information obtained with the purpose of identification of a beneficial interest owner:
as for individual persons - name, surname and (unless otherwise stated in the law or national custom), nationality, requisites of the identity document, data of migration card, the document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation, address of the place of residence (registration) or temporal residence, taxpayer identification number (if there is any);
as for legal persons - name, taxpayer identification number or code of a foreign organization, registration number, place of state registration and address of location.

Annex 5
to Information letter
No. 2 as of March18, 2009

Information that is included in the client application form.

1. Information obtained by means of identification of a client and beneficial interest owner, specified in Annexes 1-3 to this Information letter.

2. Information about the degree (level) of risk including validation of risk assessment.
3. Date of filling and updating the client application form.
4. Date of start of relationship with the client (the date of the first operations with monetary funds or other properties.

5. Surname, name and patronymic (unless otherwise provided by law or national custom), office of an employee in charge of the work with the client.

6. Signature of a person who filled a client application form in a hard copy (with the first name and patronymic (unless otherwise provided by law or national custom), position or last name, first name and patronymic (unless otherwise provided by law or the national custom), position of the person who filled a client application form in the form of an electronic document.

7. Other information (at the discretion of the organization).
Annex 5

to Information letter
No. 2 as of March 18, 2009

Information that is included in the client application form.

1. Information obtained by means of identification of a client and beneficial interest owner, specified in Annexes 1-3 to this Information letter.

2. Information about the degree (level) of risk including validation of risk assessment.
3. Date of filling and updating the client application form.
4. Date of start of relationship with the client (the date of first transactions with monetary funds or other properties.

5. Surname, name and patronymic (unless otherwise established by law or national custom), position) of an employee in charge of the work with the client.

6. Signature of a person who filled a client application form in a hard copy (with the first name and patronymic (unless otherwise provided by law or national custom), position) or last name, first name and patronymic (unless otherwise provided by law or the national custom), position of the person who filled a client application form in the form of an electronic document.

7. Other information (at the discretion of the organization).

Annex 5
to Information letter
No. 2 as of March18, 2009

The list of
features of transactions, types and operating conditions, with increased risk of client's transactions for legalization (laundering) of proceeds from crime and terrorist financing.

No. A feature of a transaction, type and operating conditions
1. Activity connected with organization and carrying gambling games.
2. Activity connected with realization including commission realization of objects of art, antiques, furniture, cars and objects of high luxury and other goods of high value.

3. The main activity is connected with buying, buying and selling precious metals, precious stones and jewelry containing precious metals and precious stones, and scraps of such products.

4. Implementation of activities related to transactions with real estate and/or intermediary services in transactions with real estate.

5. Tour operator and travel agency activities, as well as other activities in the organization of travel (tourism activity).

6. Any activity connected with an intense traffic of cash.

7. The period of client's activity from the date of state registration of a juridical person, individual entrepreneur, obtaining the status of a lawyer notary officer is less than a year.

8. Performing transactions by a client, the nature of which suggests that their purpose is to evade the implementation of mandatory control under Federal Law.

9. Performing transactions by a client with monetary funds or other properties, provided that committed transactions are subject to mandatory control in accordance with paragraph 2 of Chapter 6 of Federal Law.

10. Presence in client's activity of suspicious transactions, information about which was produced to the authorized body.

11. Performing by client operations and other transactions with the use of Internet technologies or other remote access systems, or other means without direct contact.

12. Lack of information about a client (a juridical person, including a credit organization) in the official reference books, as well as inability to contact the client using addresses and telephone numbers given by him.

13 Location of a client – a juridical person declared by the state registration does not coincide with the location of actual activity of its governing bodies (the permanent executive body or other body or person authorized to act on behalf of a legal person without a warrant).

14. The client or his founder (beneficial interest owner) or the counterparty of a client in an operation (transaction) is registered or operates in the state or on the territory that provides the preferential tax treatment and tax (or) do not disclose and provide information on financial operations (offshore zone).

15. There is a written request of the Federal Financial Monitoring Service for provision of information about the client.

16. There is information that data produced by a client contain wrong (deliberately misleading) information.

17. Other features at the discretion of the organization *

- The degree (level) of the Risk is independently determined by an organization

On application of paragraph 5.3 of Chapter 7 of the Federal Law of 07.08.2001 № 115-"On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing"

"On application of paragraph 5.3 of Chapter 7 of the Federal Law of 07.08.2001 № 115-"On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing"

This Information letter interprets the questions connected with production of information provided by paragraph 5.3 of Chapter 7 of the Federal law of 07.08.2001 №

115-FZ "On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing" (hereinafter – Federal law) by organizations performing transactions with monetary funds or other properties specified in Chapter 7 of the Federal Law.

1. If the state (territory) where (in which) there are branches and representative offices and subsidiary organizations of organizations performing transactions with monetary funds or other property prevents the realization of this Federal Law or its separate parts by branches and representative offices and subsidiary organizations, organizations performing transactions with monetary funds or other properties are obliged to produce information about these facts to the authorized body and also to the supervision body in the corresponding field of an organization performing transactions with monetary funds or other property (if there is any).

2. Organizations performing transactions with monetary funds or other property are recommended to provide the information specified in paragraph 5.3 of Chapter 7 of the Federal Law in terms established by paragraph 4 of the Provision on representation of information to the Federal Service for Financial Monitoring by organizations performing

transactions with monetary funds or other properties (approved by the decree of the Government of the Russian Federation of 17.04.2002 №245).

3. Organizations performing transactions with monetary funds or other properties produce appropriate information in any form and on the official form of the organization. At that, a message is signed by the head (official authorized by him) and it is certified with the seal of the organization.

4. Approximate information included in the message on prevention of realization of the Federal Law by a foreign state (territory) is given in the Appendix to this Information letter.

Appendix
Approximate information
included in the message on prevention
of realization of the Federal Law of 07.08.2001 №
115 -"On Combating Legalization (Laundering) of Proceeds from Crime and Terrorist Financing" by a foreign state.

Information about an organization, performing transactions with monetary funds or other properties which sent the message:
1.1. name;

1.2. PSRN (Primary State Registration Number), TIN;

1.3. legal address.

2. Information on the branch (representative office, subsidiary organization) located on the territory of the state that prevents its implementation of the Federal Law of 07.08.2001 № 115-FZ.

1.1. name;

1.2. code of a foreign organization (if available);

1.3. registration number in the country of registration (if available).

3. Information on defeating implementation of the Federal Law of 07.08.2001 № 115-FZ

3.1. name of the foreign country (territory);

3.2. requirement of the Federal Law of 07.08.2001 № 115-FZ, realization of which is prevented by a foreign country (territory);

3.3. form of obstruction (legal act of a foreign state, order of the public authority of a foreign state, etc.).

4. Date of drawin up a message.

5. Seal of organization.

6. Signature of the head of organization (officer authorized by him).

REGULATIONS
OF THE CENTRAL BANK OF RUSSIA
NO. 262-P OF AUGUST 19, 2004
ON THE IDENTIFICATION BY CREDIT INSTITUTIONS OF CLIENTS AND BENEFICIARIES FOR THE PURPOSES OF COUNTERACTION TO THE LEGALISATION (LAUNDERING) OF INCOMES DERIVED ILLEGALLY AND TO FINANCING TERRORISM
(WITH THE AMENDMENTS AND ADDITIONS OF SEPTEMBER 14, 2006)

On the basis of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 33 (Part I), 2001, Item 3418; No. 30, 2002, Item 3029; No. 44, Item 4296; No. 31, 2004, Item 3224) and of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia) (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 28, 2002, Item 2790; No. 2, 2003, Item 157; No. 52 (Part I), Item 5032; No. 27, 2004, Item 2711; No. 31, Item 3233), the Bank of Russia establishes requirements for the identification by credit institutions of persons making use of their services (clients) and beneficiaries for the purposes of counteraction to the legalisation (laundering) of incomes derived illegally and to financing terrorism.

Chapter 1. General Provisions

1.1. The credit institution shall identify the person making use of its services (hereinafter referred to as the client) for performance of banking operation and closure of other transactions in accordance with the Federal Law on Banks and Banking Activity (Vedomosti S'ezda Narodnykh Deputatov RSFSR i Verkhovnogo Soveta RSFSR, No. 27, 1990, Item 357; (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 6, 1996, Item 492; No. 31, 1998, Item 3829; No. 28, Item 3459; No. 28, Item 3469; Item 26, 2001, Item 2586; No. 33 (Part I), Item 3424; No. 12, 2002, Item 1093; No. 27 (Part I), 2003, Item 2700; No. 50, Item 4855; No. 52 (Part I), Item 5033; No. 27, 2004, Item 2711) (hereinafter referred to as banking operations and other transactions), except for the cases established by the Federal Law on the Counteraction Against the Legalisation (Laundering) of Incomes Received in a Criminal Way and Against the Financing of Terrorism.

1.2. The credit institution shall establish and identify the beneficiary, that is a person whose benefit the customer acts for, in particular under a brokerage, agency, commission and grant agreement, when carrying out transactions with funds or other assets";except for the cases established by the Federal Law on the Counteraction Against the Legalisation (Laundering) of Incomes Received in a Criminal Way and Against the Financing of Terrorism.

1.3. The credit institution may neither determine nor identify the beneficiary if the client is an organisation closing transactions in monetary funds or other property mentioned in Article 5 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism, or the person mentioned in Article 7.1 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism.

The credit institution may neither determine nor identify the beneficiary if the client is the foreign state's resident bank-member of the Group for the Elaboration of Financial Measures to Combat Money Laundering (FATF).

The client mentioned in Paragraph 2 of this Item shall also meet at least one of the following criteria

to have its rating indicator assigned by an international rating agency*;

to be included in the international banking reference book “Bankers Almanac” (Reed Business Information Publishers, UK, any issue of the reference book published no earlier than the calendar year preceding the calendar year of performing the banking operation or of closing a different transaction) or in the list (register) of operating credit institutions of the respective foreign state.

This Item shall not be applied if the client mentioned in this Item has aroused the credit institution’s suspicion in relation to operations with monetary funds or this client’s other property about the fact that they are connected with the legalisation (laundering) of incomes derived illegally or with financing terrorism.

1.4. A programme for the identification of clients, determination and identification of beneficiaries (hereinafter referred to as the Identification Programme) shall be elaborated and approved at the credit institution.

The Identification Programme shall include the procedure for the identification of clients, determination and identification of beneficiaries, including the procedure for the estimation of the degree (level) of the risk of the client’s performance of operations for the purposes of legalisation (laundering) of incomes derived illegally or of financing terrorism (hereinafter referred to as the Risk) and of the grounds for such risk estimate. The Identification Programme may also contain other provisions included at the credit institution’s discretion.

The Identification Programme shall be approved by the head of the credit institution.

1.5. The requirement of Item 1.2 of these Regulations shall be regarded as met by the credit institution if it can confirm, on the basis of the respective documents and information, including those indicated in Appendix 3 to these Regulations, that it has adopted justified measures, accessible under the circumstances, to determine and identify beneficiaries.

1.6. Identification shall not be carried out in relation to the authorities of the Russian Federation or to the authorities of the subjects of the Russian Federation.

Chapter 2. Procedure for the Identification of Clients, Determination and Identification of Beneficiaries

2.1. For the purposes of identification of the client, determination and identification of the beneficiary, the credit institution shall gather the information and documents stipulated by Appendices 1-3 to these Regulations, documents which serve as the ground for the banking operations and other transactions, and also other necessary information and documents.

The federal executive bodies shall supply, within their jurisdiction and in the procedure agreed by them with the Bank of Russia, to the credit institutions information contained in the unified stated register of legal entities, the summary state register of foreign companies’ representative offices accredited on the territory of the Russian Federation, and also information about lost or invalid passports, dead natural persons’ passports, and about lost passport slips.

The credit institution may also use other additional (auxiliary) information sources accessible to the credit institution on lawful grounds.

2.2. All documents making it possible to identify the client and also to determine and identify the beneficiary shall be valid on the date of presenting them.

Documents drawn up in a foreign language in full or in some of their parts shall be presented by the credit institution with their properly certified translation into Russian. The documents supplied by the foreign states' authorities certifying the non-resident legal entities' status shall be accepted by the credit institutions if they have been legalised in the established procedure (the said documents may be presented without their legalisation in the cases stipulated by an international treaty of the Russian Federation).

The originals of all documents or their properly certified copies shall be presented by the clients to the credit institutions. If only a part of the document relates to the client's identification, the determination and identification of the beneficiary, the certified abstract from it may be presented.

If the copies of the documents are presented, the credit institution shall be authorised to demand for the presentation of the original documents to study them.

2.3. Information about the client, beneficiary shall be recorded in the client's questionnaire (dossier) in accordance with the list indicated in Appendix 4 to these Regulations. Other information may be also included in the client's questionnaire (dossier) at the credit institution's discretion.

The client's questionnaire (dossier) may be completed on a paper medium or in electronic form. The client's questionnaire (dossier) completed in electronic form shall be affixed with the signature of the credit institution's authorised employee for its transfer to paper medium.

The form of the client's questionnaire (dossier) shall be determined by the credit institution.

The client's questionnaire (dossier) shall be stored at the credit institution for at least five years from the day of terminating relationships with the client.

2.4. The client's questionnaire (dossier) may not be drawn up for the banking operations and other transactions mentioned in Item 3.1 of these Regulations, if the information required in accordance with Article 7 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism and with these Regulations is recorded in other ways determined by the rules for performance of the banking operations and other transactions.

2.5. The information indicated in the client's questionnaire (dossier) may be recorded and stored by the credit institution in an electronic database to which operative access shall be provided to the credit institution's personnel engaged in the identification of the client, determination and identification of the beneficiary, on a permanent basis for checking information about the client, beneficiary.

2.6. The credit institution shall be authorised to carry out repeated identification of the client, determination and identification of the beneficiary if such a client, beneficiary has been identified by the credit institution in accordance with Article 7 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism and with these Regulations and if operative access is provided to information about this client or beneficiary on a permanent basis.

The credit institution shall carry out repeated identification of the client, determination and identification of the beneficiary if trustworthiness of the information received earlier as a result of the implementation of the Identification Programme arouses the credit institution's doubts.

2.7. The credit institution shall verify the presence of information about the client's or beneficiary's participation in extremist activity received in accordance with Item 2 of Article 6 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism (hereinafter referred to as the List of Extremists).

2.8. If the nature of the banking operations and other transaction makes it impossible before the performance of the said operations and closure of transactions to identify the client, determine and identify the beneficiary in the volume determined by Appendices 1-3 to these Regulations, the credit institution shall complete the process of identification of the client, determination and identification of the beneficiary within a maximum of seven days from the day of performing the banking operation or of closing another transaction.

Paragraph one of this Item shall not extend to the banking operations or other transactions mentioned in Item 3.1 of these Regulations.

If a credit organisation is unable to complete the ascertainment and the identification a beneficiary in operations subject to compulsory control or any other operations, the data on which were sent to the federal executive body, which takes measures to counteract the legalisation (laundering) of incomes received in a criminal way and the financing of terrorism (hereinafter referred to as the authorised body, for the reason that a client failed to present the necessary documents and data, the credit organisation shall be recommended to inform the authorised body about this. The message shall be sent in the order established by the Central Bank of Russia, with an indication of all the data on the beneficiary, which the credit organisation has on the date of the dispatch of the message.

2.9. The credit institution shall estimate the degree (level) of the Risk with account of the following operations of an increased degree (level) of the Risk:

2.9.1. Performance by the legal entity (its isolated division) other than a credit institution and by the businessman of operations for the withdrawal of money in cash from a bank account (bank deposit) (except for the withdrawal of money in cash for wages and salaries and for reimbursement in accordance with the labor legislation of the Russian Federation, for payment of pensions, scholarships, allowances and other obligatory social payments stipulated by the legislation of the Russian Federation or for payment to be made for clerical and other economic spending, except for the acquisition of fuels and oils and agricultural products).

2.9.2. Operations with residents of the states or territories mentioned in Items 2, 3 of Appendix 1 to the Direction of the Bank of Russia No. 1317-U of August 7, 2003 on the Procedure for the Establishment by the Authorised Banks of Correspondent Relations with Non-resident Banks Registered in the States and on the Territories According Easy Tax Treatment and/or Not Stipulating for the Disclosure and Supply of Information for Performing Financial Operations (Offshore Zones) registered with the Ministry of Justice of the Russian Federation on September 10, 2003, Registration No. 5058 ("Vestnik Bans Rossii", No. 51, September 17, 2003).

2.9.3. Activity in the sphere of organisation and keeping of totalisers and game establishments (casinos, bookmaker offices and so on), of organisation and holding of lotteries, totalisers (pari mutuel) and of other games based on risk, including in electronic form, and also the activity of pawnshops.

2.9.4. Activity in connection with the sale, including on commission, of antiques, furniture, cars.

2.9.5. Closure of transactions in precious metals, gems or in jewelry with precious metals and gems and with the scrap of such articles..

2.9.6. Closure of transactions in real estate and rendering of agency services for closure of transactions in real estate.

2.9.7. Operations with legal entities whose permanent managerial bodies, other bodies or persons authorised to act on behalf of such a legal entity without a power of attorney are absent at this legal entity's location.

2.9.8. The presence in the client's activity of suspicious operations information about which shall be supplied to the authorised body**.

2.9.9. Repeated operations or transactions whose nature gives grounds to believe that they are closed for the purpose of evading the procedures of obligatory control stipulated by the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism.

2.9.10. The transfer by the legal entities of monetary funds to the natural persons' bank account (bank deposits) (except for wages and salaries and for reimbursement in accordance with the labour legislation of the Russian Federation, for payment of pensions, scholarships, allowances and other obligatory social payments stipulated by the legislation of the Russian Federation) with the subsequent withdrawal by the natural persons of the said monetary funds in cash or transfer of the said monetary funds to other persons' bank accounts (bank deposits).

2.9.11. Performance of the banking operations and closure of other transactions with the use of Internet technologies.

2.9.12. Operations with residents of states or territories about which it is known from international sources that they do not comply with the generally accepted standards in combating the legalisation (laundering) of incomes derived illegally and financing of terrorism or are foreign states or foreign territories with an increased corruption level.

2.9.13. Operations with residents of foreign states or foreign territories about which it is known from international sources that they are used for the manufacture or trafficking of narcotic drugs and also the states and territories allowing the free turnover of narcotic drugs (except for states or territories making use of narcotic drugs exclusively for medical purposes).

The credit institution may also use additional kinds of operations of an increased degree (level) of the Risk.

2.10. The credit institution shall devote special attention to transactions of an increased degree (level) of Risk in monetary funds or other property closed by the client.

2.11. The credit institution shall update information received as a result of the identification of the client, determination and identification of the beneficiary and also revise the degree (level) of the Risk as changes are introduced in the said information or as the degree (level) of the Risk is changed, but at most once per year if the client's transaction has been attributed to the increased degree (level) of the Risk, and at most once in three years in other cases.

The credit institution may also revise the degree (level) of the Risk in other cases and in the procedure and within the time limits established by the credit institution.

Chapter 3. Special Requirements for the Identification of Clients and Beneficiaries for Performance of Individual Kinds of Banking Operations and Closure of Other Transactions

3.1. The natural person may be identified on the basis of the document certifying identity which does not contain all information required in accordance with Article 7 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism and with these Regulations (hereinafter referred to as the simplified identification of the natural person) for carrying out:

the transfer of monetary funds on the natural persons' orders;

the banking operations and other transactions in foreign currency cash and in the currency of the Russian Federation, cheques (including travellers' cheques) whose nominal value is denominated in foreign currency, stipulated by the Instructions of the Bank of Russia No. 113-I of April 28, 2004 on the Procedure for the Opening, Closure, Organisation of the Exchange Offices' Work in the Procedure for the Performance by the Authorised Bank of Individual Kinds of Banking Operations and Closure of Other Transactions in Foreign Currency Cash and in the Currency of the Russian Federation, Cheques (Including Travellers' Cheques) Whose Nominal Value Is Denominated in Foreign Currency with the Participation of Natural Persons, registered with the Ministry of Justice of the Russian Federation on June 2, 2004, Registration No. 5824 ("Vestnik Banka Rossii", No. 33, June 9, 2004).

The Simplified Identification of the natural person shall presuppose the determination of the surname, name and (unless stipulated otherwise by the law or national custom) patronymic, the elements of the document certifying the client's identity.

The simplified identification of the natural person stipulated by this Item shall be carried out solely in the presence of all of the following requirements:

the operation is not subject to obligatory control in accordance with Article 6 of the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally an to Financing Terrorism, and the surname, name and (unless stipulated otherwise by the law or national custom) patronymic and also other information at the credit institutions disposal about the natural person is completely inconsistent with the information contained in the List of Extremists;

the client, beneficiary or the operation do not give grounds to the credit institution's suspicions that they are connected with the legalisation (laundering) of incomes derived illegally or with financing terrorism;

the operation is not of a muddled or unusual nature testifying to the absence of the obvious economic meaning or obvious lawful purpose and the performance of the said operation does not give grounds to believe that it serves the purpose of evading the procedures of obligatory control stipulated by the Federal Law on Counteraction to the Legalisation (Laundering) of Incomes Derived Illegally and to Financing Terrorism.

The Simplified Identification of the natural person for performing banking operations and closing other transactions mentioned in Paragraph 3 of this Item may be also carried out on the basis of a driver's certificate.

3.2. Abolished.

3.3. For closing transactions with the use of payment (banking) cards, the identification shall be carried out on the bass of the essential elements of the payment (banking) card and also of codes (passwords).

3.4. or the establishment of correspondence relations with the non-resident bank, the credit institution shall demand for the supply of information stipulated in Item 1 of Appendix 2 to these Regulations and also of information about the non-resident bank's measures for counteraction to the legalisation (laundering) of incomes derived illegally and to financing terrorism.

The decision on the establishment of correspondent relations with the non-resident bank shall be adopted with the consent of the head of the credit institution or of the credit institution's employee authorised by him for the purpose.

Chapter 4. Concluding Provisions

4.1. The identification programmes operating on the day of coming into force of these Regulations shall be brought into line with its requirements within three months from the day of the coming into force of these Regulations.

4.2. The credit institutions shall provide guarantees for the requirements of these Regulations to be met in relation to the clients making use of their services on the day of coming into force of these Regulations, including the requirements for the determination and identification of beneficiaries, within one year from the day of the coming into force of these Regulations.

4.3. These Regulations shall take effect upon the expiration of 10 days after the day of its official publication in "Vestnik Banka Rossii".

Chairman
of the Bank of Russia
of the Russian Federation S.M. Ignatyev

- By way of reference: Moody's Investors Service, Standard & Poor's or Fitch Ratings.

** This Subitem may be not taken into account unless in the course of the period, fixed in accordance with these Regulations for updating information received as a result of the identification of the client, determination and identification of the beneficiaries, suspicious operations were revealed in the client's activity information about which was supplied to the authorised body.

Registered by the Ministry of Justice of the Russian Federation on September 6, 2004
Registration No. 6005

Appendix 1
to the Regulations of the Central Bank of Russia
No. 262-P of August 19, 2004
on the Identification by Credit Institutions
of Clients and Beneficiaries for the Purposes
of Counteraction to the Legalisation (Laundering)
of Incomes Derived Illegally
and to Financing Terrorism

Information Received for the Purposes of Identification of Natural Persons

1. Surname, name and (unless this follows from the law or national custom) patronymic.
2. Date and place of birth.
3. Citizenship.

4. The essential elements of the document certifying identity: series and number of the document, date of issuing the document, name of the body which has issued the document and the division's code (if any).

In accordance with the legislation of the Russian Federation the following documents shall serve as certifying identity:

4.1. For the citizens of the Russian Federation:

passport of the citizen of the Russian Federation;

certificate of registry offices, of the executive body or of the local-self-government body of the citizen's birth for the citizen of the Russian Federation under 14;

foreign passport common for all citizens;
seaman's passport; serviceman's identity certificate or military card;
temporary certificate of identity of the citizen of the Russian Federation issued by an internal affairs agency pending the drawing up of the passport;

other documents recognised in accordance with the legislation of the Russian Federation as documents certifying identity.

4.2. For foreign citizens:

Foreign national's passport or another document established by Federal Law or recognised in accordance with the international treaty of the Russian Federation as a document certifying identity.

4.3. For stateless persons if they reside permanently on the territory of the Russian Federation:
permit for residence in the Russian Federation.
4.4. For other stateless persons:
document issued by a foreign state and recognised in accordance with the international treaty of the Russian Federation as a document certifying the stateless person's identity;

temporary residence permit;
residence permit;
other documents stipulated by federal laws or recognised in accordance with the international treaty of the Russian Federation as documents certifying the stateless person's identity.

4.5. For refugees:

certificate of the consideration of the application for the person to be recognised as a refugee, issued by the diplomatic or consular institution of the Russian Federation or by an immigration control post, or by the territorial executive body of the migration service;

refugee's certificate.

5. The migration card data: the card's number, the date of the start of duration of stay and the date of the end of duration of stay and the data of the document certifying the foreign national's or the stateless person's right to stay (reside) in the Russian Federation: the document's series (if any) and number, the date of the start of duration of the right to stay (reside), the date of the end of duration of the right to stay (reside).

In accordance with the legislation of the Russian Federation, the following documents shall be regarded as certifying the foreign national's or the stateless person's right to stay (reside) in the Russian Federation:

residence permit;
temporary residence permit;
visa;
another document certifying in accordance with the legislation of the Russian Federation the foreign national's or the stateless person's right to stay (reside) in the Russian Federation.

6. Address of the place of residence (registration) or of the place of stay.
7. Taxpayer identification number (if any).
8. Contact telephone and fax numbers (if any).

Appendix 2
to the Regulations of the Central Bank of Russia
No. 262-P of August 19, 2004
on the Identification by Credit Institutions
of Clients and Beneficiaries for the Purposes
of Counteraction to the Legalisation (Laundering)
of Incomes Derived Illegally
and to Financing Terrorism

Information Received for the Purposes of Identification of Legal Entities and Businessmen

1. Information received for the purposes of identification of legal entities:
1.1. Full and also abbreviated (if any) name and the name in the foreign language.
1.2. Organsational structure and legal status.
1.3. Taxpayer identification number for resident, taxpayer's identification number or the foreign organisation's code (if any both) for non-resident.

1.4. Information about state registration: date, number, name of the place of registration.
1.5. Address of location and postal address.
1.6. Information abut the licence for carrying out licensed activity: kind, number, date of issuing the licence; who issued it; its duration; list of the kinds of licenced activity.

1.7. Bank's identification code for resident credit institutions.

1.8. Information about the legal entity's bodies (structure and personal composition of the legal entity's administrative bodies).

1.9. Information about the amount of the registered and paid authorised (share) capital or about the amount of the authorised fund, property.

1.10. Information about the presence or absence at its location of the legal entity, of its permanently operating administrative body, a different body or person which are authorised to act on the legal entity's behalf without a power of attorney.

1.11. Contact telephone and fax numbers.
2. Information received for the purposes of identification of businessmen.
2.1. Information stipulated by Appendix 1 to these Regulations.
2.2. Information about registration as businessman: registration date, state registration number, name of the registering body, place of registration.

2.3. Information stipulated by Subitem 1.6 of these Regulations.
2.4. Postal address and contact telephone and fax numbers.

Appendix 3

to the Regulations of the Central Bank of Russia
No. 262-P of August 19, 2004
on the Identification by Credit Institutions
of Clients and Beneficiaries for the Purposes
of Counteraction to the Legalisation (Laundering)
of Incomes Derived Illegally
and to Financing Terrorism

Information Received for the Purposes of Determination and Identification of the Beneficiary

1. Information about the grounds certifying that the client acts in another person's favour for performing the banking operation and closing other transactions.

2. Information about the beneficiary stipulated by Appendix 1 or Appendix 2 to these Regulations.

Appendix 4
to the Regulations of the Central Bank of Russia
No. 262-P of August 19, 2004
on the Identification by Credit Institutions
of Clients and Beneficiaries for the Purposes
of Counteraction to the Legalisation (Laundering)
of Incomes Derived Illegally
and to Financing Terrorism

Information Included in the Client's Questionnaire (Dossier)

1. Information received as a result of the identification of the client, determination and identification of the beneficiary indicated in Appendices 1-3 to these Regulations.

2. Information about the degree (level) of the Risk, including the justification of the Risk estimate.

3. Date of the start of relations with the client, in particular, the date of opening the first bank account (bank deposit).

4. Date of completing and updating of the client's questionnaire (dossier).

5. The surname, name and (unless follows otherwise from the law or national custom) patronymic, post of the employee responsible for work with the client, in particular, of the employee who has opened the account and approved the account's opening, of the account overseer (if any).

6. Signature of the person who has completed the client's questionnaire (dossier) on print medium (with indication of the surname, name and (unless follows otherwise from the law or national custom) patronymic, post of the employee who has completed the client's questionnaire (dossier) in electronic form.

7. Other information at the credit institution's discretion.

Registered in the RF Ministry of Justice on June 9, 2011 No.20973

CENTRAL BANK OF THE RUSSIAN FEDERATION
INSTRUCTIVE REGULATION
No.2634-U dated May 13, 2011

ON AMENDMENTS
TO APPENDIX 4 OF BANK OF RUSSIA REGULATION NO.2-P DATED OCTOBER 3, 2002 ON NON-CASH PAYMENTS IN THE RUSSIAN FEDERATION

1. Following the adoption of Federal Law No.176-FZ dated July 23, 2010 On Amendments to the Federal Law on Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism and to the Russian Federation Code on Administrative Offences (Collected Legislation of the Russian Legislation, 2010, N0.30, page 4007) and pursuant to the Resolution of the Board of Directors of the Bank of Russia (Minutes No.9 of the BoR Board of Directors meeting dated May 12, 2011) Appendix 4 of Bank of Russia Regulation No.2-P dated October 3, 2002 On Non-Cash Payments in the Russian Federation registered by the Ministry of Justice of the Russian Federation on December 23, 2002 No.4068, on March 21, 2003 No.4300, on June 30, 2004 No.5880, on May 25, 2007 No. 9547, on February 6, 2008 No.11122 (Vestnik of the Bank of Russia No.74 of December 28, 2002, No.17 of April 2, 2003, No.39 of July 7, 2004, No.33 of June 6, 2007, No.9 of February 20, 2008) shall be amended as follows:

The following paragraph shall be added to Column 3 in Line 8:

"In the situations specified in Clause 1.1 of Article 7.2 of Federal Law No.115-FZ dated August 7, 2001 on Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism (Collected Legislation of the Russian Legislation, 2001, No.33, page 3418; 2002, No.30, page 3029; No.44, page 4296; 2004, No.31, page 3224; 2005, No.47, page 4828; 2006, No.31, page 3446, page 3452; 2007, No.16, page 1831; No.31, page 3993, page 4011; No.49, page 6036; 2009, No.23, page 2776; No.29, page 3600; 2010, No.28, page 3553; No.30, page 4007; No.31, page 4166), after the name of a payer the address of his location is indicated. The "//" character is used before and after the location address for marking the address of a payer's location. It is permitted to use abbreviations that allow to clearly identify this information on a player when indicating the location address".

2. This Instructive Regulation comes into force in 10 days following its official publication in Vestnik of the Bank of Russia.

Chairman
of the Central Bank
of Russian Federation
S.M. IGNATIEV

CENTRAL BANK OF THE RUSSIAN FEDERATION
LETTER
No.31-T dated February 27, 2009

ON INFORMATION POSTED ON ROSFINMONITORING WEB-SITE

The Central Bank of the Russian Federation hereby informs that the Federal Financial Monitoring Service posts on its official web-site www.fedsfm.ru in the International Cooperation and News sections statements of the international organizations engaged in the

development of measures for combating legalization (laundering) of criminal proceeds and financing of terrorism (FATF, MONEYVAL, EAG, etc.) adopted at the plenary meetings.

It is recommended for the credit institutions take into account the information posted on Rosfinmonitoring site.

Communicate this Letter to the credit institutions.

Deputy Chairman
of the Bank of Russia
V.N. MELNIKOV

CENTRAL BANK OF THE RUSSIAN FEDERATION
LETTER
No.32-T dated March 9, 2011

ON INFORMATIVE LETTER NO.9 OF THE FEDERAL FINANCIAL MONITORING SERVICE DATED 26.01.2011

The Central Bank of the Russian Federation hereby informs that the Federal Financial Monitoring Service has issued the Informative Letter No.9 dated 26.01.2011 “On Application of Clause 5.3 of Article 7 of Federal Law No.115-FZ dated 07.08.2001 On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism” clarifying the issues pertaining to submitting to the Federal Financial Monitoring Service and the supervisory authority of information on impeding by foreign states of implementation of the provisions of Federal Law No.115-FZ dated 07.08.2001 On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism by branches, representative offices and subsidiaries of the institutions engaged in transactions with funds and other assets.

This Informative Letter is posted on the official web-site of the Federal Financial Monitoring Service (www.fedsfm.ru, Press Service section News – Press Release subsection and Feedback section Assistance to Institutions – Questions and Answers subsection).

Communicate this Letter to the credit institutions.

Deputy Chairman
of the Bank of Russia
V.N. MELNIKOV

CENTRAL BANK OF THE RUSSIAN FEDERATION
LETTER
No.61-T dated April 28, 2010

ON INFORMATION POSTED ON OFFICIAL WEB-SITE OF THE ASSOCIATION OF RUSSIAN BANKS

The AML/CFT Committee of the Association of Russian bank has developed the Standard Internal Control Rules for a Credit Institution which are posted on the official web-site of the Association of Russian Banks in the Recommendations of ARB Committees section at.

Communicate this Letter to the credit institutions.

Deputy Chairman
of the Bank of Russia
V.N. MELNIKOV

CENTRAL BANK OF THE RUSSIAN FEDERATION
LETTER
No.19-T dated February 17, 2011

ON INFORMATION POSTED ON ROSFINMONITORING WEB-SITE

The Central Bank of the Russian Federation hereby informs that posted on the official web-site of Rosfinmonitoring (www.fedsfm.ru) is the informative letter dated January 11, 2011 that recommends the institutions engaged in transactions with funds or other assets to pay special attention to the transactions (deals) carried out with the use of the KTF International Finance documents.

Communicate this Letter to the credit institutions.

Deputy Chairman
of the Bank of Russia
V.N. MELNIKOV

DIRECTION OF THE CENTRAL BANK OF RUSSIA NO. 1317-U OF AUGUST 7, 2003 ON THE PROCEDURE FOR THE ESTABLISHMENT BY AUTHORISED BANKS OF CORRESPONDENT RELATIONS WITH NONRESIDENT BANKS REGISTERED IN STATES AND ON TERRITORIES GRANTING A PRIVILEGED TAX REGIME AND/OR NOT STIPULATING THE DISCLOSURE AND FURNISHING OF INFORMATION IN THE CONDUCT OF FINANCIAL OPERATIONS (IN OFFSHORE ZONES)

On the basis of the Law of the Russian Federation on Currency Regulation and Currency Control (Vedomosti Syezda Narodnykh Deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, 1992, No. 45, item 2542; Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1999, No. 1, item 1; No. 28, item 3461; 2001, No. 23, item 2290; No. 33 (part I), item 3432; 2002, No. 1 (part I), item 2; 2003, No. 1, item 2; item 7; No. 9, item 804; Rossiyskaya Gazeta, No. 32, July 9, 2003), the Federal Law on Banks and Banking Activity (Vedomosti Syezda Narodnykh Deputatov RSFSR i Verkhovnogo Soveta RSFSR,

1990, No. 27, item 357; Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 6, item 492; 1998, No. 31, item 3829; 1999, No. 28, item 3459; item 3469; 2001, No. 26, item 2586; No. 33 (part I), item 3424; 2002, No. 12, item 1093; Rossiyskaya Gazeta No. 126, July 1, 2003) and Article 4 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2002, No. 28, item 2790) and in accordance with a decision of the Board of Directors of the Bank of Russia (Protocol No. 18 of July 25, 2003) the following procedure for the establishment by authorised banks of correspondent relations with nonresident banks shall be introduced.

1. Establishment of correspondent relations:

the opening for authorised banks of nostro accounts in foreign currency in foreign banks registered in foreign countries or on territories granting a privileged tax regime and/or not stipulating the disclosure and furnishing of information in the conduct of financial operations (hereinafter, offshore zones), where by foreign banks shall be understood organisations that are banks or other credit organisations having a licence or another document enabling the conduct of banking operations and issued by an authorised body of the country of residence, or are juridical persons having the right to open correspondent accounts under the legislation of the foreign state (hereinafter, nonresident banks);

the opening by authorised banks for nonresident banks of loro accounts in foreign currency or in the currency of the Russian Federation in accordance the currency legislation of the Russian Federation.

The list of the states and territories where the offshore zones are situated is given in Annex No. 1 to this Direction.

2. Authorised banks may establish correspondent relations with nonresident banks registered in the states and on the territories indicated in Item 1 of Annex No. 1 to this Direction in accordance with the legislation of the Russian Federation disregarding the requirements of Item 3 of this Direction.

3. Authorised banks may establish correspondent relations with nonresident banks registered in the states and on the territories indicated in Items 2 and 3 of Annex No. 1 to this Direction only if one of the following conditions is observed:

3.1. the nonresident bank has own funds (capital) not less than an amount equivalent to 100 million euros calculated at the rate of exchange of the central (national) bank of the state on whose territory is registered the nonresident bank as on the date of the latest financial reporting date for the non-resident bank preceding the date of the conclusion of an agreement on the establishment of correspondent relations and has submitted the following documents with a Russian translation attested in the established procedure:

copies of the audit conclusions on the reliability of the financial reporting of the nonresident bank with the attachment of the financial reporting forms whose reliability was confirmed by an audit organisation (an auditor) by the delivery of a conclusion on the reliability of the financial reporting of the nonresident bank for the latest three years of its activity;

documents confirming that the nonresident bank has a permanent office in the state where the nonresident bank is registered;

3.2. the nonresident banks meet the requirements indicated in Annex No. 2 to this Direction.

4. With nonresident banks which are, in relation to the authorised banks, affiliated or main banks, and also with the central (national) banks of the foreign states and territories that are indicated in Annex No. 1 to this Direction, the authorised banks shall establish correspondent relations in accordance with the legislation of the Russian Federation disregarding the requirements of Item 3 of this Direction.

5. The authorised banks shall submit to the Bank of Russia information about the opened correspondent nostro accounts in nonresident banks and the loro accounts for nonresident banks in the procedure established by the Bank of Russia.

6. This Direction shall enter into force upon the expiry of ten days after the day of its official publication in Vestnik Banka Rossii.

Chairman of the Central Bank of the Russian |
Federation S.M. Ignatyev

Registered by the Ministry of Justice of the Russian Federation on September 10, 2003
Registration No. 5058

Annex No. 1 to Direction
of the Bank of Russia
No. 1317-U of August 7, 2003
on the Procedure for the Establishment by Authorised Banks
of Correspondent Relations with Nonresident Banks Registered
in States and on Territories Granting a Privileged Tax Regime
and/or Not Stipulating the Disclosure and Furnishing of Information
in the Conduct of Financial Operations (in Offshore Zones)

List of States and Territories Granting a Privileged Tax Regime and/or Not Stipulating the Disclosure and Furnishing of Information in the Conduct of Financial Operations (Offshore Zones)

(with the Amendments and Additions of December 27, 2006, February 8, 2010)

1. Group One:

1.1. Certain administrative units of the United Kingdom of Great Britain and Northern Ireland:

- Channel Isles (the islands of Guernsey, Jersey, and Sark)
- the Isle of Man

1.2. Ireland (Dublin, Shannon)
1.3. Abrogated
1.4. Republic of Malta
1.5. People’s Republic of China (Hong Kong (Siangan))
1.6. Grand Duchy of Luxembourg
1.7. Swiss Confederation
1.8. Republic of Singapore
1.9. Republic of Montenegro

2. Group Two:
2.1. Antigua and Barbuda
2.2. Commonwealth of the Bahamas
2.3. Barbados

2.4. State of Bahrain
2.5. Belize
2.6. Brunei Darussalam
2.7. Territories dependent on the United Kingdom of Great Britain and Northern Ireland:

- Anguilla
- Bermudas
- British Virgin Islands
- Montserrat
- Gibraltar
- Turks and Caicos Islands
- Cayman Islands

2.8. Grenada
2.9. Republic of Djibouti
2.10. Commonwealth of Dominica
2.11. People's Republic of China (Macao (Aomin))
2.12. Republic of Costa Rica
2.13. Lebanese Republic
2.14. Republic of Mauritius
2.15. Malaysia (Labuan island)
2.16. Republic of Maldives
2.17. Principality of Monaco
2.18. Netherlands Antilles
2.19. New Zealand:

- Cook Islands
- Niue

2.20. United Arab Emirates
2.21. Abrogated
2.22. Portuguese Republic (Madeira island)
2.23. Independent State of Western Samoa
2.24. Republic of Seychelles
2.25. Saint Kitts and Nevis
2.26. Saint Lucia
2.27. Saint Vincent and the Grenadines
2.28. USA:

- Virgin Islands of the United States

- Commonwealth of Puerto Rico

- State of Wyoming
- State of Delaware

2.29. Kingdom of Tonga
2.30. Democratic Socialist Republic of Sri Lanka
2.31. Republic of Palau

3. Group Three:
3.1. Principality of Andorra
3.2. Federal Islamic Republic of the Comoros:
- Anjouan islands
3.3. Aruba

3.4. Republic of Vanuatu
3.5. Republic of Liberia
3.6. Principality of Liechtenstein
3.7. Republic of Marshall Islands
3.8. Republic of Nauru
3.9. Abrogated.

Annex No. 2 to Direction
of the Bank of Russia
No. 1317-U of August 7, 2003
on the Procedure for the Establishment by Authorised Banks
of Correspondent Relations with Nonresident Banks Registered
in States and on Territories Granting a Privileged Tax Regime
and/or Not Stipulating the Disclosure and Furnishing of Information
in the Conduct of Financial Operations (in Offshore Zones)

For the purpose of Subitem 3.2 of this Direction the following requirements shall be established:

1. Nonresident banks having a credit rating not lower than one of those indicated in the table:

Name of the rating company	Name of the assessment criterion	Indicator
Moody's	degree of creditworthiness	long-term not lower than AaZ
Standard and Poor/FITCH Ratings	degree of creditworthiness	long-term not lower than AA-

2. Nonresident banks from among the thousand major banks of the world by value of their assets according to the data of the manual Bankers' Almanac (publishing house Reed Business Information, UK, any issue of the manual Bankers' Almanac published in the calendar year preceding the calendar year of the opening of the correspondent account shall be used).

DIRECTION
OF THE CENTRAL BANK OF RUSSIA
NO. 2005-U OF APRIL 30, 2008
ON ESTIMATING BANKS' ECONOMIC POSITION

The present Direction establishes the procedure for estimating banks' economic position on the basis of the Federal Law on the Central Bank of the Russian Federation (the Bank of

Russia) (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 28, 2002, Item 2790; No. 3, 2003, Item 157; No. 52, Item 5032; No. 27, 2004, Item 2711; No. 31, Item 3233; No. 25, 2005, Item 2426; No. 30, Item 3101; No. 19, 2006, Item 2061; No. 25, Item 2648; No. 1, 2007, Items 9 and 10; No. 10, Item 1151; No. 18, Item 2117), of the Federal Law on Banks and Banking Activity (Vedomosti S'yezda Narodnykh Deputatov RSFSR i Vekhovnogo Sovieta RSFSR, No. 27, 1990, Item 357; Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 6, 1996, Item 492; No. 31, 1998, Item 3829; No. 28, 1999, Items 3459 and 3469; No. 26, 2001, Item 2586; No. 33, Item 3424; No. 12, 2002, Item 1093; No. 27, 2003, Item 2700; No. 50, Item 4855; No. 52, Items 5033 and 5037; No. 27, 2004, Item 2711; No. 31, Item 3233; No. 1, 2005, Items 18 and 45; No. 30, Item 3117; No. 6, 2006, Item 636; No. 19, Item 2061; No. 31, Item 3439; No. 52, Item 5497; No. 1, 2007, Item 9; No. 22, Item 2563; No. 31, Item 4011; No. 41, Item 4845; No. 45, Item 5425; No. 50, Item 6238; No. 10, 2008, Item 895).

Chapter 1. General Provisions

1.1. A bank's economic position is estimated in accordance with the results of estimates:

- of the capital;
- of the assets;
- of the profitability;
- of the liquidity;
- of the obligatory normatives, established in Instructions of the Bank of Russia No. 110-I of January 16, 2004 on Banks' Obligatory Normatives, registered with the Ministry of Justice of the Russian Federation on February 6, 2004 under No. 5529; on August 27, 2004 under No. 5997; on March 14, 2005 under No. 6391; on July 28, 2005 under No. 6833; on August 19, 2005 under No. 6926; on April 25, 2006 under No. 7740; on July 5, 2007 under No. 9755; on December 10, 2007 under No. 10659 (Vestnik Banka Rossii, No. 11 of February 11, 2004; No. 53 of September 8, 2004, No. 19 of April 13, 2005; No. 40 of August 10, 2005; No. 46 of August 31, 2005; No. 26 of May 4, 2006; No. 39 of July 11, 2007; No. 69 of December 17, 2007) (hereinafter referred to as Instructions of the Bank of Russia No. 110-I) and in Instructions of the Bank of Russia No. 124-I of July 15, 2005 on Setting Open Currency Position Amounts (Limits), the Methods for Calculating Them and the Details of Supervision over the Observance Thereof by Credit Organisations registered with the Ministry of Justice of the Russian Federation on August 5, 2005 under No. 6889; on June 26, 2007 under No. 9703; and on December 6, 2007 under No. 10636 (Vestnik Banka Rossii, No. 44 of August 19, 2005; No. 38 of July 4, 2007; and No. 69 of December 17, 2007) (hereinafter referred to as the obligatory normatives);
- of the standard of management;
- of the transparency of the structure of the bank's property.

1.2. When estimating banks' economic position, account shall be taken of the existence of measures taken against banks in conformity with Articles 38 and 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), of measures, applied in accordance with Article 3 of the Federal Law on the Insolvency (Bankruptcy) of Credit Institutions (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 9, 1999, Item 1097; No. 26, 2001, Item 2590; No. 12, 2002, Item 1093; No. 31, 2004, Item 3220; No. 34, Item 3536; No. 52, 2006, Item 5497; No. 1, 2007, Item 10; No. 49, Item 6064), as well as the existence of grounds for withdrawal of the licence for the performance of banking operations in conformity with Article 20 of the Federal Law on Banks and Banking Activity for implementation of measures aimed at preventing the credit institutions' insolvency (bankruptcy) in conformity with Article 4 of the Federal Law on the Insolvency (Bankruptcy) of Credit Institutions.

1.3. The estimates of the capital, the assets, of the profitability and the liquidity, of the standard of management and of the transparency of the structure of the bank's property shall be made in conformity with Chapters 3-5 of the present Direction.

1.4. The banks' economic position shall be estimated by the Bank of Russia's territorial institutions by assigning the bank to one of five classification groups.

Chapter 2. Characteristic of the Classification Groups

2.1. To Group 1 are assigned banks in whose activity no current difficulties have been exposed, in particular the banks, for which the capital, assets, profitability and liquidity in accordance with Chapter 3 of the present Direction and the standard of management in conformity with Chapter 4 of the present Direction are estimated as "good", and the structure of the property in accordance with Chapter 5 of the present Direction is recognised as transparent or as sufficiently transparent.

To Group 1 cannot be assigned banks with even a single reason for being assigned to a different classification group.

2.2. To Group 2 are assigned banks, which have no current difficulties, but in whose activity shortcomings are exposed which, if not eliminated, may lead to the appearance of difficulties in the next twelve months, in particular banks for which there exists even only a single one of the following grounds:

2.2.1. the capital, assets, profitability and liquidity or the management standard are estimated as "satisfactory", and the structure of the property is recognised as transparent or as sufficiently transparent;

2.2.2. not even a single one out of the obligatory normatives (with the exception of the N1 normative of the sufficiency of the bank's own funds [capital]) in aggregate for six and more operational days in the course of only a single month in the accounting quarter.

To Group 2 cannot be assigned banks that have even a single ground for assigning them to Groups 3-5.

2.3. To Group 3 are assigned banks having in their activity shortcomings whose non-elimination may in the next twelve months lead to the appearance of a situation threatening the lawful interests of their depositors and creditors, in particular banks for which even a single one of the following grounds exists:

2.3.1. the capital, assets or liquidity shall be estimated as "doubtful" or the profitability as "doubtful" or "unsatisfactory";

2.3.2. the structure of the property is estimated as non-transparent;

2.3.3. the management standard is recognised as "doubtful";

2.3.4. if even a single one of the obligatory normatives in aggregate for six and more operational days is not observed in the course of every month (with the exception of the N1 normative of the sufficiency of the bank's own funds [capital]) over four and more months;

2.3.5. there are operating restrictions and (or) prohibitions, imposed upon the performance of individual banking operations, envisaged in the licence for the performance of banking operations, and there exists a prohibition on opening affiliates.

To Group 3 cannot be assigned banks that have even a single ground for being assigning to Groups 4-5.

2.4. To Group 4 shall be assigned banks, violations in whose activity create a real threat to the interests of their depositors and creditors, and the elimination of which supposes

implementation of measures on the part of the bank's management bodies and shareholders (partners), in particular the banks for which there is in addition even a single one of the following grounds:

2.4.1. the capital, assets or liquidity are estimated as "unsatisfactory";

2.4.2. the management standard is assessed as "unsatisfactory"

2.4.3. the N1 normative of the sufficiency of the bank's own funds (capital) is not observed in the aggregate for no more than five operational days in the course of even a single month in the accounting quarter.

To Group 4 cannot be assigned banks that have even a single ground for assigning them to Group 5.

2.5. To Group 5 are assigned banks whose present condition, if no measures are taken by the bank's management bodies and (or) shareholders (partners), will lead to the termination of these banks' activity on the banking services market, in particular banks for which there exists even a single one of the following grounds:

2.5.1. grounds for taking measures for preventing insolvency (bankruptcy) envisaged in the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations (hereinafter referred to as the banks having signs of insolvency (bankruptcy), regardless of whether measures were taken against the bank on the given grounds;

2.5.2. grounds for the withdrawal of the licence for the performance of banking operations.

Chapter 3. Estimating the Capital, Assets, Profitability and Liquidity

3.1. The capital shall be estimated in accordance with the results of estimating the indices of sufficiency of the own funds (capital), of the general sufficiency of capital and of estimating the standard of the capital (hereinafter referred to as the group of indices for estimating a bank's capital).

3.1.1. The index of sufficiency of own funds (capital) (PK1) is the actual value of the N1 obligatory normative "Normative of Sufficiency of the Bank's Own Funds (Capital)", calculated in conformity with Instructions of the Bank of Russia No. 110-I, of Form 0409135 "Information on Obligatory Normatives" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U of January 16, 2004 on the List, Forms and Procedure for Compiling and Submitting the Forms of the Credit Institutions' Reports to the Central Bank of the Russian Federation (in the wording of Direction of the Bank of Russia No. 1660-U of February 17, 2006), registered with the Ministry of Justice of the Russian Federation on January 23, 2004 under No. 5488; on March 23, 2006 under No. 7613; on December 18, 2006 under No. 8630; on March 29, 2007 under No. 9168; on June 25, 2007 under No. 9679; on September 17, 2007 under No. 10155; on December 11, 2007 under No. 10669 (Vestnik Banka Rossii, No. 12-13 of February 12, 2004; No. 19-20 of March 30, 2006; No. 71 of December 21, 2006; No. 17 of March 30, 2007; No. 37 of June 28, 2007; No. 55 of September 27, 2007; No. 69 of December 17, 2007) (hereinafter referred to as Direction of the Bank of Russia No. 1376-U) (hereinafter referred to as Form 0409135).

3.1.2. The index of the total sufficiency of the capital (PK2) is defined as the percentage ratio of the bank's own funds (capital) to its assets, into whose volume are not included the assets with a zero risk coefficient, in accordance with the following formula:

$$PK2 = \frac{K}{A - Arisk0} \times 100\%$$,

where:

K is the bank's own funds (capital), defined in conformity with Regulations of the Bank of Russia No. 215-P of February 10, 2003 on the Methodology for Defining the Own Funds of Credit Institutions, registered with the Ministry of Justice of the Russian Federation on March 17, 2003 under No. 4269; on July 17, 2006 under No. 8091; on March 7, 2007 under No. 9072; on July 26, 2007 under No. 9910; on December 20, 2007 under No. 10778 (Vestnik Banka Rossii, No. 15 of March 20, 2003; No. 41 of July 26, 2006; No. 14 of March 14, 2007; No. 44 of August 2, 2007; No. 71 of December 26, 2007) (hereinafter referred to as Regulations of the Bank of Russia No. 215-P). The value of the index "The own funds (capital), total" of Form 0409134 "Calculation of the Own Funds (Capital)" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409134);

A is the assets. It is the value of the index "Total assets" of Form 0409806 "Business Accounting Balance (the Published Form)" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409806) (any index of Form 0409806 is defined in accordance with the Elaboration Table for Compiling the Business Accounting Balance (the Published Form) of Item 3 of the Procedure for Compiling and Submitting Reports in Accordance with Form 0409806 "Business Accounting Balance (the Published Form)";

Arisk0 is the aggregate size of the assets with a zero risk coefficient. Represents the value of the Arisk0 of Form 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I.

3.1.3. The index for estimating the standard of capital (PK3) is defined as the percentage ratio of the additional capital to the fixed capital in accordance with the following formula:

$$PK3 = \frac{Kdop}{Kosn} \times 100\%$$,

where:

Kdop is the bank's additional capital, defined in accordance with Regulations of the Bank of Russia No. 215-P. It represents the value of the index "Additional capital, total" of Form 0409134;

Kosn is the bank's fixed capital, defined in conformity with Regulations of the Bank of Russia No. 215-P. It represents the value of the index "Fixed capital, total" of Form 0409134.

3.1.4. For estimating the bank's capital the summed result on the group of indices for estimating the capital (RGK) shall be calculated, which is an average weighted value of indices, defined in conformity with Subitems 3.1.1 - 3.1.3 of the present Item. The calculation of the summed result shall be made in accordance with the following formula:

$$RGK = \sum_{i=1}^{3} \left(mark_i \times weight_i \right) : \sum_{i=1}^{3} weight_i ,$$

where:

$mark_i$ is the estimate from 1 to 4 of the corresponding index, defined in conformity with Items 3.1.1 - 3.1.3 of the present Item (the marks estimate);

$weight_i$ is the estimate in accordance with the scale of relative value from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.1.1 - 3.1.3 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for estimating the capital are cited in Appendix 1 to the present Direction.

3.1.5. The summed result on the group of indices for estimating the capital is a whole number. If the fractional part of the obtained index has a value less than 0.35, the index shall be awarded the value, equal to its whole part. Otherwise, the index is assumed as equal to its whole part, increased by 1.

3.1.6.1 The summed result characterises the state of the capital in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

3.2. The estimate of the bank's assets is defined in accordance with the results of estimating the indices of the standard of loans, of the risk of losses, of the share of outstanding loans, of the size of reserves against losses on the loans and on the other assets, of the concentration of big credit risks, of the concentration of the credit risks on shareholders (partners) and of the concentration of credit risks on insiders (hereinafter referred to as the group of indices for estimating the assets).

3.2.1. The index of the standard of loans (PA1) is the specific weight of hopeless loans in the total volume of loans and is calculated by the following formula:

$$PA1 = \frac{SZbn}{SZ} \times 100\% ,$$

where:

SZ is the loans, the loan debt and the indebtedness equated to it, defined in conformity with Regulations of the Bank of Russia No. 254-P of March 26, 2004 on the Procedure for the Formation by Credit Institutions of Reserves Against Probable Losses on Loans and on Loan Debt and Indebtedness Equated to It, registered with the Ministry of Justice of the Russian Federation on April 26, 2004 under No. 5774; on April 20, 2006 under No. 7728; on December 27, 2006 under No. 8676; on December 10, 2007 under No. 10660; on January 23, 2008 under No. 10968 (Vestnik Banka Rossii, No. 28 of May 7, 2004; No. 26 of May 4, 2006; No. 1 of January 15, 2007; No. 69 of December 17, 2007; No. 4 of January 31, 2008) (hereinafter referred to as Regulations of the Bank of Russia No. 254-P) (hereinafter referred to as the loans), on the basis of data from Form 0409115 "Information on the Standard of the

Credit Institution's Assets" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 04091115);

SZbn is the hopeless loans, defined in conformity with Regulations of the Bank of Russia No. 254-P on the basis of data from Form 0409115.

3.2.2. The index of the risk of losses (PA2) is defined as the percentage ratio of the assets, not covered by the reserves, the reserves against probable losses on which shall comprise more than 20 per cent, to the bank's own funds (capital) in accordance with the following formula:

$$PA2 = \frac{A_{20} - \left(RP_{20} + \left(RR_{20} - R\right) + PP\right)}{K} \times 100\%,$$

where:

A_{20} is the assets (including positive differences between the nominal costs of futures deals for the purchase of basic assets and their market costs and (or) between the market costs of futures deals for the sale of basic assets and their nominal costs), the reserves against probable losses on which in conformity with Regulations of the Bank of Russia No. 254-P and Regulations of the Bank of Russia No. 283-P of March 20, 2006 on the Procedure for the Formation by Credit Institutions of Reserves Against Probable Losses, registered with the Ministry of Justice of the Russian Federation on April 25, 2006 under No. 7741; on July 2, 2007 under No. 9739; on December 6, 2007 under No. 10639 (Vestnik Banka Rossii, No. 26 of May 4, 2006; No. 39 of July 11, 2007; No. 69 of December 17, 2007) (hereinafter referred to as Regulations of the Bank of Russia No. 283-P), shall be formed in the size of over 20 per cent. They shall be defined on the basis of data from Form 0409115 and from Form 0409155 "Information on the Financial Instruments, Reflected on the Extra-Balance Accounts" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409155);

RP_{20} is the reserves against probable losses, actually formed for A_{20} in conformity with Regulations of the Bank of Russia No. 254-P and Regulations of the Bank of Russia No. 283-P. They are defined on the basis of data from Forms 0409115 and 0409155;

RR_{20} is the size of the settlement reserve against probable losses on A_{20} in conformity with Regulations of the Bank of Russia No. 254-P and Regulations of the Bank of Russia 283-P. It is defined on the basis of data from Form 0409115;

R - is the minimum size of the reserve against probable losses on A_{20} in conformity with Regulations of the Bank of Russia No. 254-P and Regulations of the Bank of Russia No. 283-P. It is defined on the basis of data from Form 0409115; PP - is the positive revaluation of the hedging deals, assumed in reduction of the reserves against probable losses on futures transactions in conformity with Regulations of the Bank of Russia No. 283-P. It is defined on the basis of data from Form 0409155.

3.2.3. The index of the share of outstanding loans (PA3) is the specific weight of the outstanding loans in the total volume of loans, and shall be calculated by the following formula:

$$PA3 = \frac{SZpr}{SZ} \times 100\%$$,

where:

SZpr is the loans, outstanding for more than thirty calendar days, defined on the basis of data from Form 0409115.

3.2.4. The index of the size of the reserves against losses on loans and on the other assets (PA4) is defined as the percentage ratio of the settlement reserve against probable losses on loans (hereinafter referred to as RVPS"), minus the formed RVPS, to the own funds (capital) by the following formula:

$$PA4 = \frac{RVPSr - RVPSf}{K} \times 100\%$$,

where:

RVPSr is the value of the settlement reserve against probable losses in conformity with Regulations of the Bank of Russia No. 254-P for loans, estimated on the individual basis. It is defined on the basis of data from Form 0409115;

RVPSf is the actually formed reserve against probable losses in conformity with Regulations of the Bank of Russia No. 254-P for loans, estimated on the individual basis. It is defined on the basis of data from Form 0409115.

3.2.5. The index of concentration of major credit risks (PA5) is the actual value of the N7 obligatory normative "Maximum Size of Major Credit Risks" of Form 0409135 in conformity with Instructions of the Bank of Russia No. 110-I.

3.2.6. The index of concentration of credit risks on shareholders (partners) (PA6) is the actual value of the N9.1 obligatory normative "Maximum Size of the Credits, Bank Guarantees and Sureties, Granted by the Bank to Its Partners (Shareholders)" of Form 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I.

3.2.7. The index of concentration of credit risks on insiders (PA7) is the actual value of the N10.1 obligatory normative "Aggregate Value of the Risk on the Bank's Insiders" of Form 0409135 calculated in conformity with Instructions of the Bank of Russia No. 110-I.

3.2.8. For estimating the bank's assets the summed result on the group of indices for estimating the assets (RGA) shall be calculated, which is an average weighted value of the indices defined in conformity with Subitems 3.2.1-3.2.7 of the present Item. The result shall be calculated by the following formula:

$$RGA = \sum_{i=1}^{7} \left(mark_i \times weight_i \right) : \sum_{i=1}^{7} weight_i$$,

where:

$mark_i$ is the estimate from 1 to 4 of the corresponding index defined in conformity with Subitems 3.2.1 - 3.2.7 of the present Item (the marks estimate);

$weight_i$ weight is the estimate by the scale of relative value from 1 to 3 of the corresponding index defined in accordance with Subitems 3.2.1 - 3.2.7 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for estimating the assets are cited in Appendix 2 to the present Direction.

3.2.9. The summed result on the group of indices for estimating the assets is a whole number. If the fractional part of the obtained index has a value less than 0.35, the index shall be awarded the value equal to its whole part. In the opposite case the index shall be assumed as equal to its whole part increased by 1.

3.2.10. The summed result characterises the state of the capital in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

3.3. The profitability shall be defined in accordance with the results of estimating the profitability indices of the assets, those of the profitability of the capital, of the structure of the outlays, of the net interest margin and of the net spread from credit operations (hereinafter referred to as the group of indices for estimating the profitability).

3.3.1. The index of the profitability of the assets ($PD1_0$) is defined as the percentage ratio (in the annual percentage) of the financial result minus the net profits from single operations to the average size of the assets in accordance with the following formula:

$$PD1_0 = \frac{FR - ChDtimes}{Asr} \times 100\%,$$

where:

FR - financial result of a bank which is the indicator “Profit before tax” (symbol 01000) or “Loss before tax (symbol 02000) of the form 0409102 “Report on the Profits and Losses of a Credit Organisation” (hereinafter, form 0409102) established by Annex 1 to Direction of the Bank of Russia No. 1376-U increased by the size of the taxes and fees referred to expenses in accordance with legislation of the Russian Federation (symbol 26411 of the form 0409102) and by the magnitude of the negative revaluation of securities whose current (fair) value has been determined by the bank in the absence of the average weighted price disclosed by the organiser of trade on the securities market (itemisation with the designation code 6102 of the form 0409110 “Itemisation of Certain Indications of the Activity of a Credit Organisation (hereinafter, form 0409110) established by Annex 1 to Direction of the Bank of Russia No. 1376-U) and decreased by the magnitude of the positive revaluation of such securities (itemisation with the designation code 6101 of the form 0409110). If the payments from the profit of the bank after tax (distribution among the shareholders (participants) as dividends (symbol 32001 of the form 0409102), deductions for the formation and replenishment of the reserve fund (symbol 32002 of the form 0409102) exceed the value of the after-tax profit (symbol 31001 of the form 0409102) or if the data of the payment were made with a loss occurred after taxation (symbol 31002 of the form 0409102), then the FR indication shall decrease by the amount of the excess of such payments over the profit of the bank after tax or by the amount of such payments with the loss of the bank after tax.”.

For the purposes of estimating the indices of the group of indices for estimating the profitability, the Banking Supervision Committee of the Bank of Russia has the right to adopt a decision on defining the financial result of the Bank (the FR) on the basis of a petition from the Bank of Russia's territorial institution, prepared on the grounds of the bank's corresponding application, while not taking into account:

- the outlays (losses) substantiated by the development of business;
- the outlays (losses), which were the reason behind the appearance of the grounds (of one of the grounds) for an implementation of measures for the bank's financial improvement;

ChDtimes is the net profits from single operations. It is the difference between the incomes and outlays on the bank's single operations.

To the incomes from single operations are assigned the other incomes (the total result of Section 7 of Chapter I of Form 0409102), with the exception of fines, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 17101 of Form 0409102), of the other sundry incomes (symbol 17306 of Form 0409102), and of the incomes of past years exposed in the accounting year (the total of Subsection 2 of Section 7 of Chapter I of Form 0409102), as well as the other operational incomes from the withdrawal (realisation) of the property (symbol 16302 of Form 0409102).

To the outlays on single operations are assigned the bank's outlays on the withdrawal (realisation) of property (symbol 26307 of Form 0409102), court and arbitration court expenditures (symbol 26407 of Form 0409102), the fines, penalties and arrears on other banking operations and deals (symbol 27102 of Form 0409102), and on the other (economic) operations (symbol 27103 of Form 0409102), the payments made in compensation for the inflicted losses (symbol 27103 of Form 0409102), those from writing off the shortages of material values (symbol 27302 of Form 0409102), cash and of the sums of false banknotes and coins (symbol 27303 of Form 0409102), as well as the outlays arising as the consequences of emergency circumstances in the economic activity (symbol 27307 of Form 0409102);

Asr is the average size of the assets. It shall be calculated by the formula for an average chronological value (in accordance with the data of the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, for which the numerator is calculated) for the A index.

3.3.2. The index of profitability (^{PD2_0}) is defined as the percentage (in annual per cent) ratio of the financial results minus the net assets from single operations and from the charged taxes, to an average size of the capital by the following formula:

$$PD2_0 = \frac{FR - ChDtimes - N}{K_{sr}} \times 100\%,$$

where:

N is the charged taxes. It is the index "Calculated (paid) taxes" of Form 0409807 "Report on Profits and Losses (the Published Form)" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409807) (any index of Form 0409807 shall be defined in conformity with the Elaboration Table for Compiling a Report

on Profits and Losses (Published Form), of Item 3 of the Procedure for Compiling and Submitting Reports in Accordance with Form 0409807 “Report of Profits and Losses (Published Form)”;

K_{sr} is the average size of the capital. It is calculated by the formula for average chronological (in accordance with the data from the report as on the state on the first day of the month, following the accounting, for all months, beginning with the report as in the state on January 1 and ending with the report as on the date, on which the numerator is calculated) value for the index K.

3.3.3. The index of the structure of the outlays (PD4) is defined as the percentage ratio of the administrative and managerial expenditures to the net incomes (outlays) by the following formula:

$$PD4 = \frac{Rau}{ChD} \times 100\%,$$

where:

Rau is the administrative and managerial expenditures. They are the total of Section 6 of Chapter II of Form 0409102, with the exception of the court and arbitration court expenditures (symbol 26407 of Form 0409102), of the taxes and fees on the outlays in conformity with the legislation of the Russian Federation (symbol 26411 of Form 0409102), and of the outlays on the withdrawal (on the realisation) of property (symbol 26307 of Form 0409102);

ChD is the value of the index “Net incomes (outlays)” of Form 0409807.

3.3.4. The index of the net interest margin (PD5) shall be defined as the percentage ratio (in annual per cent) of the net interest and similar incomes to the average size of the assets by the formula:

$$PD5 = \frac{ChDp}{Asr} \times 100\%,$$

where:

ChDp is the net interest and similar incomes. They are the difference between the interest incomes and the interest outlays (Rp). The interest incomes are the sum of values of the index of the interest incomes on loans (Dp) and of the interest incomes from investments in securities;

Dp is the interest incomes on loans. It is the sum of the interest incomes (the total of Section 1 of Chapter I of Form 0409102, with the exception of the interest incomes from investments into debentures (except bills) (Subsection 5 of Section 1 of Chapter I of Form 0409102), of incomes from rendering financial lease (leasing) services (symbol 12405 of Form 0409102), of the fines, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 17101 of Form 0409102), of incomes of past years exposed in the accounting year on operations for attracting and granting (placing) monetary funds (symbol 17201 of Form 0409102), of incomes from opening and keeping loan accounts for clients (an interpretation of Form 0409110 with the code of designation S12101/1.2), of

incomes from rendering consulting and information services in connection with the granting of loans (an interpretation of Form 0409110 with the code of designation S12406/1.2), of incomes from the restoration of the sums of reserves against probable losses, formed for claims for the receipt of interest incomes (an interpretation of Form 0409110 with the code of designation S16305/4.1). The interest incomes from investments in securities are the sum of the interest incomes from the investments in debentures (except bills) (Subsection 5 of Section 1 of Chapter I of Form 0409102) and of the incomes from the restoration of the sums of reserves against probable losses, formed for claims for the receipt of the interest incomes (an interpretation of Form 0409110 with the code of designation S16305/4.2);

Rp is the interest outlays. It is the sum of the interest outlays (the total of Section 1 of Form 0409102), of the fines, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 27101 of Form 0409102) and of the outlays of past years exposed in the accounting year on operations for attracting and granting (placing) monetary funds (symbol 27201 of Form 0409102), increased by the size of deductions into the reserves against probable losses, formed for claims for the receipt of the interest incomes (interpretations of Form 0409110 with the codes of designation S25302/4.1 and S25302/4.2).

3.3.5. The index of the net spread from credit operations (PD6) is defined as the difference between the percentage (in annual per cent) ratios of the interest incomes on loans to the average size of the loans and of the interest outlays to the average size of the liabilities generating the interest payments, by the following formula:

$$PD6 = \frac{Dp}{SZ_{sr}} \times 100\% - \frac{Rp}{OB_{sr}} \times 100\%,$$

where:

SZ_{sr} is the average size of loans. It is calculated by the formula of the average chronological (in accordance with the data from the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, on which the nominator is calculated) value for the SZ index;

OB_{sr} is the average size of the liability, generating the interest payments. The liabilities, generating the interest payments (OB) are the values of the index “Total liabilities” minus the values of the indices “Other liabilities” and “Reserves against probable losses on conventional liabilities of a credit character, on the other probable losses and on operations with the residents of the offshore zones” of Form 0409806. It is calculated by the formula of the average chronological (by the data of the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, for which the nominator is calculated) value for the OB index.

3.3.6. The value of indices in the group of indices for estimating the profitability shall be indicated in the annual percentage. The values of indices in the group of indices for estimating the profitability are reduced to the annual estimate by multiplying their values, obtained as on the quarterly accounting date, by twelve, and by dividing by the number of months that have passed as from the start of the year and up to the quarterly accounting date.

3.3.7. It shall be calculated the summed result for the group of indices for estimating the profitability (PGD), which is an average weighted value of indices, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item for estimating the profitability. The summed result shall be calculated by the following formula:

$$RGD = \sum_{i=1}^{5} \left(mark_i \times weight_i \right) : \sum_{i=1}^{5} weight_i ,$$

where:

$mark_i$ is the estimate from 1 to 4 of the corresponding index, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item (the marks estimate);

$weight_i$ is the estimate by the scale of relative importance from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for estimating the profitability are cited in Appendix 3 to the present Direction.

3.3.8. The summed result on the group of indices for estimating the profitability is a whole number. If the fractional part of the obtained index has the value of less than 0.35, the index shall be awarded the value equal to its whole part. Otherwise, the index shall be assumed as equal to its whole part increased by 1.

3.3.9. The summed result characterises the state of the profitability in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

3.4. Liquidity shall be defined in accordance with the results of estimating the indices of the general short-term liquidity, of the momentary liquidity, of the current liquidity and of that of the structure of the attracted funds, of the dependence on the interbank market, of the risk of the own bill liabilities, of the non-bank loans, of averaging the obligatory reserves, of the obligatory reserves and of the risk as concerns major creditors and investors (hereinafter referred to as the group of indices for estimating the liquidity).

3.4.1. The index of the total short-term liquidity (PL1) is defined as the percentage ratio of the liquid assets to the attracted funds in accordance with the following formula:

$$PL1 = \frac{Lat}{O - \left(Odl - Ofl \right)} \times 100\% ,$$

where

Lat is the bank's liquid assets. They are the value of the Lat index of Form 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I;

O is the total volume of the bank's liabilities. It is the value of the index "Total liabilities with the term of redemption (claim) of over one year" of Form 0409125 "Information on the

Assets and Liabilities by the Terms of Claim and of Redemption" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409125);

Odl is the bank's liabilities with a term of redemption (claim) of over one year. They are the difference between the indices "Total liabilities with the term of redemption (claim) of over one year" and "Total liabilities with the term of redemption (claim) of up to one year" of Form 0409125;

Ofl - the funds of clients (natural persons) with a term of redemption (claim) of over one year. They are the difference between the indices "Deposits of natural persons with the term of redemption (claim) of over one year" and "Deposits of natural persons with the term of redemption (claim) of up to one year" of Form 0409125.

3.4.2. The index of instant liquidity (PL2) is the actual value of the N2 obligatory normative, Normative of the Bank's Instant Liquidity, of Form 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I.

3.4.3. The index of current liquidity (PL3) is the actual value of the N3 obligatory normative "Normative of the Bank's Current Liquidity" of Form No. 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I.

3.4.4. The index of the structure of attracted funds (PL4) is defined as the percentage ratio of the liabilities on demand to the attracted funds in accordance with the following formula:

$$PL4 = \frac{Ovm}{PS} \times 100\%,$$

where:

Ovm is the liabilities on demand. They represent the value of the index of Form 0409135, calculated in conformity with Instructions of the Bank of Russia No. 110-I.

PS is the attracted funds. They are the difference between the values of the indices "Total liabilities" and "Reserves against probable losses on conventional liabilities of the credit character, on the other probable losses and on operations with residents of the offshore zones" of Form 0409806.

3.4.5. The index of the dependence on the interbank market (PL5) is defined as the percentage ratio of the difference between the attracted and the placed interbank credits (deposits) to the attracted funds by the following formula:

$$PL5 = \frac{PSbk - SZbk}{PS} \times 100\%,$$

where:

PSbk is the received interbank credits (deposits). They are in fact the total of Section II of Form 0409501 "Information on the Interbank Credits and Deposits" established in Appendix 1 to Instructions of the Bank of Russia No. 1376-U (hereinafter referred to as Form 0409501);

SZbk is the granted interbank credits (deposits). They are the total of Section I of Form 0409501.

3.4.6. The risk index of the own bill liabilities (PL6) is defined as the percentage ratio of the sum of the bills and the bank accepts, issued by the bank, to the own funds (capital) in accordance with the following formula:

$$PL6 = \frac{Ov}{K} \times 100\%,$$

where:

Ov is the bills and the bank accepts, issued by the bank. It is the sum of the outgoing residuals on balance accounts 523 “Issued bills and bank accepts” and 52406 “Bills for execution” of Form 0409101 “Reverse Sheets of the Accounts of the Credit Institution’s Accountancy Records” established in Appendix 1 to Direction of the Bank of Russia No. 1376-U.

3.4.7. The index of the non-banking loans (PL7) is defined as the percentage ratio of the loans, granted to the clients (non-credit organisations) to the residuals of funds on the accounts of clients (non-credit organisations) in accordance with the following formula:

$$PL7 = \frac{SZnb}{PSnb + PSdo} \times 100\%,$$

where:

- SZnb is the loans, granted to clients (non-credit organisations) (including the loans, granted to natural persons). It is defined as the difference between the values of the indices SZ and SZbk;
- PSnb is the index “Funds of clients (non-credit organisations)” of Form 0409806;

- PSdo is the index “Issued debentures” of Form 0409806.

3.4.8. The index of averaging the obligatory reserves (PL8) characterises the absence (existence) at the bank of the fact of non-fulfilment of the liability for averaging the obligatory reserves in conformity with Regulations of the Bank of Russia No. 255-P of March 29, 2004 on the Obligatory Reserves of Credit Institutions, registered with the Ministry of Justice of the Russian Federation on April 23, 2004 under No. 5769; on October 22, 2004 under No. 6081; on April 28, 2005 under No. 6561; on October 19, 2005 under No. 7106; on October 11, 2006 under No. 8368; on June 5, 2007 under No. 9587; on December 20, 2007 under No. 10787 (Vestnik Banka Rossii, No. 25 of April 30, 2004; No. 62 of October 27, 2004; No. 22 of May 5, 2005; No. 56 of October 26, 2005; No. 56 of October 18, 2006; No. 34 of June 9, 2007; No. 71 of December 26, 2007) and is estimated for a quarter preceding the accounting date for which the groups of indices for estimating the capital, the assets, the profitability and the liquidity are calculated.

If the bank has not applied an averaging of the obligatory reserves in the analysed period, or if there are no facts of non-fulfilment of the liability for averaging the obligatory reserves, the PL8 index shall not be calculated and is not included into the calculation of the summed result on the group of indices for estimating the liquidity.

3.4.9. The risk index on major creditors and depositors (PL10) is defined as the percentage ratio of the sum of the bank’s liabilities on the creditors and investors (by the groups of the interconnected creditors and investors) to the non-credit organisations, whose share in the

aggregate value of the bank's similar liabilities comprises ten per cent and more, to the liquid assets in accordance with the following formula:

$$PL10 = \frac{Ovkk}{Lat} \times 100\%,$$

where:

Ovkk is the sum of the bank's liabilities to creditors and investors (on the grounds of interconnected creditors and investors) to the non-credit organisations, the share of each of which in the aggregate value of the bank's similar liabilities comprises ten per cent and more. It is calculated on the basis of data from the reports made out in accordance with Form 0409157 "Information on the Credit Institution's Major Creditors (Investors)" established in Appendix 1 to Direction of the Bank of Russia No. 1376-U.

3.4.10. The index of the creditors' claims, not fulfilled by the bank (PL11), characterises the absence (existence) at the bank of unfulfilled claims made by the individual creditors on the monetary liabilities, including claims of the Bank of Russia, and (or) of the liability for making obligatory payments, and shall be estimated in calendar days of the term of the non-payment in the course of six months, preceding the accounting date, as on which the groups of indices for estimating the capital, assets, profitability and liquidity are calculated.

If the bank had no facts of non-satisfaction of claims in the analysed period, the index PL11 shall not be calculated and shall be deleted from the calculation of the summed result on the group of indices for estimating the liquidity.

3.4.11. The index of obligatory reserves (PL9) characterises the bank's non-fulfilment (fulfilment) of the liability for meeting reserve claims and is assessed in calendar days of the term of the non-payment over the quarter, preceding the accounting date, as on which the groups of indices for estimating the capital, assets, profitability and liquidity are calculated.

If there are no facts of the bank's settled underpayment into the obligatory reserves in the analysed period, the index PL9 is not calculated and shall be excluded from the calculation of the summed result on the group of indices for estimating the liquidity.

3.4.12. For estimating the liquidity the summed result on the group of indices for estimating the liquidity (RGL) shall be calculated, which is an average weighted value of the coefficients defined in conformity with Subitems 3.4.1 - 3.4.11 of the present Direction. The summed result is calculated by the following formula:

$$RGL = \sum_{i=1}^{n} \left(mark_i \times weight_i \right) : \sum_{i=1}^{n} weight_i,$$

where:

$mark_i$ is the estimate from 1 to 4 of the corresponding index, defined in accordance with Subitems 3.4.1 - 3.4.11 of the present Item (the marks estimate);

$weight_i$ is the estimate by the scale of relative importance from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.4.1- 3.4.11 of the present Item.

n is the number of indices, taken into the calculation of the RGL ($n \leq 11$). The number of indices, taken into account when calculating the RGL, may change depending on the inclusion into the calculation (on the exclusion from the calculation) of indices, envisaged in Subitems 3.4.8, 3.4.10 and 3.4.11 of the present Item.

The marks and the weight estimates of indices of the group of indices for estimating the liquidity are cited in Appendix 4 to the present Direction.

3.4.13. The summed result for the group of indices for estimating the liquidity is a whole number. If the fractional part of the obtained index is less than 0.35, the index is awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

3.4.14. The summed result characterises the state of the profitability in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

3.5. The calculation and estimate of the groups of indices for estimating the capital, the assets and the liquidity is made as on the first day of every month. The calculation and estimate of the group of indices for estimating the profitability is made as on the first day of every quarter.

3.6. The individual indices of the groups of indices for estimating the capital, the assets, the profitability and the liquidity, the value of whose denominator assumes zero or a negative value, are estimated in accordance with Appendix 5 to the present Direction.

3.7. If the bank fails to submit reports, established in Direction of the Bank of Russia No. 1376-U, whose data are used for the calculation of the groups of indices for estimating the capital, assets, profitability and liquidity, four points shall be awarded to the corresponding index.

3.8. To ensure correspondence of the estimates of the groups of indices for estimating the capital, assets, profitability and liquidity, and the value of the obligatory normatives to the meaningful presentation of the Bank of Russia's territorial institution on the bank's economic position, as well as of that obtained by the results of the checks conducted by the Bank of Russia and by the results of an analysis of the explanations on information, supplied by the Bank of Russia at an inquiry from the Bank of Russia's territorial institution, which are contained in the reports, and of the other information at the disposal of the Bank of Russia's territorial institution, the latter shall correct the calculation of indices of the groups of indices for estimating the capital, the assets, the profitability and the liquidity, and the obligatory normatives.

3.8.1. The calculation of indices for estimating the capital are corrected, among other things:

- by the sum of the balance cost of the improper assets, used by the investors at the formation of the sources of their own funds (capital) (of a part thereof);
- by the size of the subordinate credit (loan), not meeting the terms for inclusion into the composition of the bank's own funds;
- by the size of the undercreated reserves against probable losses;

- by the value of an excess of the credit risk, taken with respect to the shareholder (insider), over the maximum admissible values established by the Bank of Russia, which is inaccurately reflected in the reports.

3.8.2. The calculation of indices for estimating the assets shall be corrected, among other things:

- by the value of the undercreated reserves against probable losses;
- by the value of an excess of the major credit risk and of the credit risk, taken by the bank in operations with its partners (shareholders) and insiders, which is inaccurately reflected in the reports.

3.8.3. The calculation of indices for estimating the profitability is corrected, among other things:

- by the value of the outlays on completing the creation of reserves against probable losses;
- by the value of the incomes and outlays inaccurately reflected in the reports.

3.8.4. The calculation of indices for estimating the liquidity shall be corrected, among other things:

- by the value of the assets, illegally assigned by the bank to the category of highly liquid and (or) liquid;
- by the value of the bank's understatement of the size of the liabilities, including of those not fulfilled on time, including the liabilities for operations of the Bank of Russia's monetary and credit policy.

3.8.5. The calculation of indices of the groups of indices for estimating the capital, assets, profitability and liquidity, shall also be corrected by the Bank of Russia's territorial institution as concerns the recording of events, exerting an influence over their estimation, which have taken place in the period between the date, on which the bank's economic position is estimated, and the date when the Bank of Russia's territorial institution has passed a judgement estimating the bank's economic position.

Such events may include, among other things:

- existence of information on a court claim against the bank and on the course of court proceedings, the grounds for which have appeared before the accounting date;
- adoption by the Bank of Russia (by the Bank of Russia's territorial institution) of a decision on the state registration of a change in the size of the bank's authorised capital;
- receipt of reliable information, capable of influencing the estimate of the standard of the bank's assets, for example, on the financial position of a major borrower;
- receipt of reliable information on the fact that the redemption (writing off) of the bank's credits, securities and other claims (liabilities), including those on the granted guarantees, is carried out with the direct or indirect use of the bank's funds or with the bank's assuming upon itself additional risks;
- other circumstances capable of influencing the estimate of the standard of the bank's assets.

3.9. The forecast values for indices of the groups of indices for estimating the capital and the profitability are calculated for twelve months ahead on the basis of data for the previous two years.

When creating or reorganising banks (with the exception of their transformation), the forecast values are calculated not earlier than after the expiry of twelve months as from the presentation of their first reports to the Bank of Russia.

3.9.1. The forecast values of indices for estimating the capital and the profitability are calculated on the basis of the forecast values of their components, which are calculated by the following formula:

$$C_{t+12} = C_t + \Delta \times n,$$

where:

C_{t+12} is the forecast value of the nominator and of the denominator of indices for estimating the capital and the profitability (of indices, comprising the nominators and the denominators) in twelve months (in four quarters):

C_t is an unrounded value of the component of indices for estimating the capital and the profitability as on the accounting date; Δ is an average increment of the component of indices for estimating the capital (for a month) and the profitability (for a quarter);

n is the period of forecasting (for a group of indices for estimating the capital - twelve months, for a group of indices for estimating the profitability - four quarters).

3.9.2. An average increment of the components of indices for estimating the capital and the profitability (Δ) is calculated by the following formula:

$$\Delta = \sum_{i=1}^{n} \lambda C_{t-i+1},$$

where:

C_{t-i+1} is the unrounded values of the components of indices for estimating the capital and the profitability as on the previous dates (monthly - for indices for estimating the capital, and quarterly - for indices for estimating the profitability);

n is the number of points in the retrospective row (for indices for estimating the capital - 25, and for indices for estimating the profitability - 9);

λ is the correction coefficients, calculated by the Bank of Russia with the use of the method of the smallest squares for indices for estimating the profitability and of the modified method of the smallest squares for indices for estimating the capital, under which the values, nearest to the reporting date, shall be awarded the biggest weight, which diminishes as they are receding from the current date. The correction coefficients shall be published on the official Internet site of the Bank of Russia.

3.9.3. If the fractional part of the obtained forecast value of the index for estimating the capital and the profitability has a value of less than 0.5, it is awarded the value equal to its whole part. Otherwise, the index shall be assumed as equal to its whole part increased by 1.

3.9.4. The forecast values of indices in the groups of indices for estimating the capital and the profitability shall be estimated in conformity with the marks and the weight estimates established in Appendices 1 and 3 to the present Direction.

3.9.5. If the actual value of the index and its forecast value diverge by two and more points, the territorial institution of the Bank of Russia shall carry out an analysis of trends in the change of the index and shall study the factors exerting an impact upon the formation of the forecast value.

If according to the judgement of the Bank of Russia's institution the forecast value of an index reflects the formed trend for its development and is substantiated by changes in the standard of the bank's assets and of the volume of the risks it is taking (and if in this case the forecast value of the index is not influenced by vacillations in the individual indices of the bank's activity, for example, because of the development (extension) of business, the territorial institution of the Bank of Russia shall adopt a decision on the use of the results of forecasting when awarding a mark estimate to the index (to the indices) of the groups of indices for estimating the capital and (or) the profitability by way of worsening or improving their actual value by one point. If the Bank of Russia's territorial institution adopts such decision, the summed result on the group of the corresponding indices shall be calculated on the basis of their marks estimate with the application of the results of the forecasting.

3.9.6. If the estimates of the summed results by the groups of indices for estimating the capital and (or) the profitability, defined after the use of the results of the forecasting, diverge from the estimate of the summed results, calculated with no account for the results of the forecasting (hereinafter referred to as the actual estimate of the summed results), the Bank of Russia's territorial institution may adopt the following decisions:

- a decision on worsening the actual estimate may be adopted by the Bank of Russia's territorial institution, if the actual values of the summed results by the groups of indices for estimating the bank's capital and profitability is awarded the mark, "good" (one point) or "satisfactory" (two points). In this case, the summed result by the groups of indices for estimating the capital and (or) the profitability after the use of the results of the forecasting by the Bank of Russia's territorial institution shall be awarded the mark, "doubtful" (three points), if the actual value of the summed result was awarded the estimate, "satisfactory" (two points); or "satisfactory" (two points), if the actual value of the summed result before the use of the results of the forecasting was awarded the estimate "good" (one point).
- the decision on improving the actual estimate shall be adopted by the Bank of Russia's territorial institution, if the actual values of the summed results by the groups of indices for estimating the bank's capital and (or) profitability are awarded the estimate "doubtful" (three points) or "unsatisfactory" (four points). In this case the summed result by the groups of indices for estimating the capital and (or) the profitability after the use of the results of the forecasting by the Bank of Russia's territorial institution is awarded the estimate, "satisfactory" (two points), if the actual value of the summed result was awarded the estimate "doubtful" (three points); or "doubtful" (three points), if the actual value of the summed result before the use of the results of the forecasting was awarded the estimate "unsatisfactory" (four points).

Chapter 4. Estimate of the Standard of the Bank's Management

4.1. The standard of the bank's management shall be estimated by the results of estimating indices in the system of risk control (PU4), of the state of the internal control (PU5) and of the control of strategic risk (PU6) (hereinafter referred to as indices of the management standard).

4.2. The index of the system for risk control (PU4) is defined on the basis of estimating the answers to the questions, cited in Appendix 6 to the present Direction.

4.2.1. The answers to the questions shall be estimated by awarding them values in accordance with the scale of four marks:

- equal to 1 - “yes” (“constantly”, “always”, “in full volume”);
- equal to 2 - “for the most part” (“as a rule”, “sufficiently full”);
- equal to 3 - “partially” (“yes in part”, “in some cases”, “insuffifiently full”);
- equal to 4 - “no” (“never”, “by no means”).

4.2.2. The index of the system for risk control is an average weighted value of estimates of the answers to questions, cited in Appendix 6 to the present Direction, and shall be calculated by the following formula:

$$PU4 = \sum_{i=1}^{9} \left(mark_i \times weight_i \right) : \sum_{i=1}^{9} weight_i ,$$

where:

$mark_i$ is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 6 to the present Direction (the marks estimate);

$weight_i$ is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 6 to the present Direction (the weight estimate).

The weight estimate of the answers to questions for defining the index of the state of the system for the risks control is cited in Appendix 6 to the present Direction.

4.2.3. The index of the system for risk control is a whole number. If the fractional part of the index has a value less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

4.2.4. The obtained result characterises the state of the risks control system in the following way:

- equal to 1 - “good”;
- equal to 2 - “satisfactory”;
- equal to 3 - “doubtful”;
- equal to 4 - “unsatisfactory”.

4.3. The index of the state of internal control (PU5) is defined on the basis of evaluated answers to the questions cited in Appendix 7 to the present Direction.

4.3.1. The answers to the questions shall be evaluated by awarding them the values in accordance with the four marks scale:

- equal to 1 - “yes” (“constantly”, “always”, “in full volume”);
- equal to 2 - “for the most part” (“almost constantly”, “almost always”, “almost in full volume”);
- equal to 3 - “partially” (“yes in part”, “not always”, “in some cases”);
- equal to 4 - “no” (“never”, “by no means”).

4.3.2. The index of the state of internal control is an average weighted value of estimates of the answers to the questions cited in Appendix 7 to the present Direction, and shall be calculated by the following formula:

$$PU5 = \sum_{i=1}^{14} \left(mark_i \times weight_i \right) : \sum_{i=1}^{14} weight_i ,$$

where:

$mark_i$ is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 7 to the present Direction (the marks estimate);

$weight_i$ is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 7 to the present Direction (the weight estimate).

The weight estimate of the answers to questions for defining the index of the state of internal control is cited in Appendix 7 to the present Direction.

4.3.3. The index of the state of internal control is a whole number. If the value of the fractional part of the obtained index is less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

4.3.4. The obtained result characterises the state of internal control in the following way:

- equal to 1 - “good”;
- equal to 2 - “satisfactory”;
- equal to 3 - “doubtful”;
- equal to 4 - “unsatisfactory”.

4.3.5. If the bank’s records and (or) reports are recognised as inaccurate, the estimate “unsatisfactory” (four points) shall be awarded to the index of the state of internal control.

The bank’s recording and reports are recognised as inaccurate, if the bank’s records and (or) reports do not correspond to the federal laws, norms and rules, established by the Bank of Russia, and to the bank’s own accounting policy, and if the exposed shortcomings or mistakes in the state of the bank’s recording and (or) reports exert a significant impact upon the estimate of its economic position, that is, if they lead in case of their elimination to such change in the value of even one index from the groups of indices for estimating the capital, assets, profitability and liquidity, that at the summed result the group is awarded the estimate “unsatisfactory”, and (or) to the non-observation of even one of the obligatory normatives.

4.4. The index of strategic risk control (PU6) is defined on the basis of an estimate of the answers to the questions cited in Appendix 8 to the present Direction.

4.4.1. The answers to the questions shall be estimated by awarding them values in accordance with the four marks scale:

- equal to 1 - “yes” (“constantly”, “always”, “in full volume”);
- equal to 2 - “for the most part” (“almost constantly”, “almost always”, “almost in full volume”);
- equal to 3 - “partially” (“yes in part”, “not always”, “in some cases”);
- equal to 4 - “no” (“never”, “by no means”).

4.4.2. The index of strategic risk control is an average weighted value of the estimates of the answers to the questions cited in Appendix 8 to the present Direction, and shall be calculated by the following formula:

$$PU6 = \sum_{i=1}^{7} \left(mark_i \times weight_i \right) : \sum_{i=1}^{7} weight_i ,$$

where:

$mark_i$ is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 8 to the present Direction (the marks estimate);

$weight_i$ is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 8 to the present Direction (the weight estimate).

The weight estimate of the answers to the questions for defining the index of organising the strategical planning is cited in Appendix 8 to the present Direction.

4.4.3. The index of strategic risk control is a whole number. If the value of the fractional part of the obtained index is less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

4.4.4. The obtained result characterises the state of the strategical risk control in the following way:

- equal to 1 - “good”;
- equal to 2 - “satisfactory”;
- equal to 3 - “doubtful”;
- equal to 4 - “unsatisfactory”.

4.5. The management standard is estimated as follows:

- as good (one point) - if the PU4 and PU5 indices are awarded the estimate “good” (one point), and the PU6 index - not worse than “satisfactory” (two points);
- as satisfactory (two points) - if the PU4 and PU5 indices are awarded an estimate not worse than “satisfactory” (two points), and the PU6 index - not worse than “doubtful” (three points);
- as doubtful (three points) - if one of the PU4 or PU7 indices is awarded the estimate “doubtful” (three points), or the PU6 index - the estimate “unsatisfactory” (four points);
- as unsatisfactory (four points) - if both indices - the PU4 and the PU5 - are awarded the estimate “doubtful” (three points), or if only one of the PU4 and PU5 indices is awarded the estimate “unsatisfactory” (four points).

4.6. The management standard indices shall be calculated and estimated as soon as new information arrives (is received), as a rule on the results of conducted checks.

Chapter 5. Estimation of the Transparency of the Structure of the Bank’s Property

5.1. The transparency of the structure of the bank’s property is defined in accordance with the results of estimating the indices:

- of the sufficiency of the volume of revealed information on the structure of the bank’s property (PU1);

- of the availability of information on the persons (on the groups of persons), exerting a direct or indirect (through the third persons) significant impact upon decisions adopted by the bank's management bodies (PU2);
- of the importance of the impact, exerted upon the bank's management by residents of offshore zones (PU3) (hereinafter referred to as the PU1, PU2 and PU3 indices - the indices of the transparency of the property structure).

5.2. The indices of the transparency of the structure of the bank's property are estimated on the basis of the methodology cited in Appendix 9 to the present Direction.

5.3. The list of the states and territories granting a privileged tax regime and (or) not envisaging the revelation and supply of information when performing financial operations (offshore zones) is established in Appendix 1 to Direction of the Bank of Russia No. 1317-U of August 7, 2003 on the Procedure for Authorised Banks Establishing Correspondent Relations with Non-Resident Banks, Registered in the States and on the Territories Granting a Privileged Tax Regime and (or) Not Envisaging the Revelation and Supply of Information When Performing Operations (in Offshore Zones), registered with the Ministry of Justice of the Russian Federation on September 10, 2003 under No. 5058; on January 26, 2007 under No. 8846 (Vestnik Banka Rossii, No. 51 of September 17, 2003 and No. 7 of February 14, 2007).

5.4. The structure of the bank's property is recognised as:

- transparent - if the transparency indices of the property structure are awarded one point;
- sufficiently transparent - if the transparency indices of the property structure is awarded a mark of not less than two points;
- untransparent - if only a single one of the transparency indices of the property's structure is awarded three points.

5.5. The transparency indices of the property structure are calculated and estimated as soon as new information comes in (is received).

Chapter 6. Estimate of Banks' Economic Position

6.1. Banks are classified by the Bank of Russia's territorial institutions at least once during a quarter as in the state on the first day of the month, following the accounting quarter.

The first classification of newly created banks (with the exception of reorganised banks) is effected as on the first day of the month, following the second full quarter of the bank's activity after submitting its first report to the Bank of Russia.

Information on the banks' classification is sent by the Bank of Russia's territorial institutions to the Bank of Russia (to the Department for Bank Regulation and Supervision) in accordance with the form established by the Bank of Russia.

6.2. The Bank of Russia's territorial institutions shall constantly monitor a bank's economic position. If the estimate of the groups of indices for estimating the capital, the assets and the liquidity, calculated as on the first day of the month, as well as of the group of indices for estimating the profitability, of indices of the management standard and of the transparency of the property structure changes as compared with the estimate made earlier in a way that this position may be seen as grounds for changing the estimate of the bank's economic position (for referring it to a different classification group), the Bank of Russia's territorial institution shall adopt a decision on referring the bank to a different classification group.

Information on changing in the course of the quarter the estimate of the bank's economic position made earlier (on referring it to a different classification group) shall be brought by the Bank of Russia's territorial institutions to the knowledge of the Department for Bank Regulation and Supervision of the Bank of Russia in accordance with the form established by the Bank of Russia.

Chapter 7. Final Provisions

7.1. Information on referring the bank to a classification group and on the shortcomings in its activity, which has served as grounds for the classification, is sent by the Bank of Russia's territorial institution to the bank's one-man executive body not later than on the fifth day of the second month of the quarter, following the accounting, or not later than five working days after the day of the adoption of the decision on changing, within the quarter the earlier made assessment. This information shall not be sent to the one-man executive body if an estimate of the bank's economic position, made by the Bank of Russia's territorial institution earlier, and information on the shortcomings in its activity that has served as grounds for the classification, have not changed as compared with the previous classification.

The bank's one-man executive body is recommended to bring the said information to the knowledge of members of the Board of Directors (of the Supervision Council) and of the bank's collegiate executive body.

7.2. Information on referring banks to the corresponding groups is of restricted access and is not to be divulged to third persons.

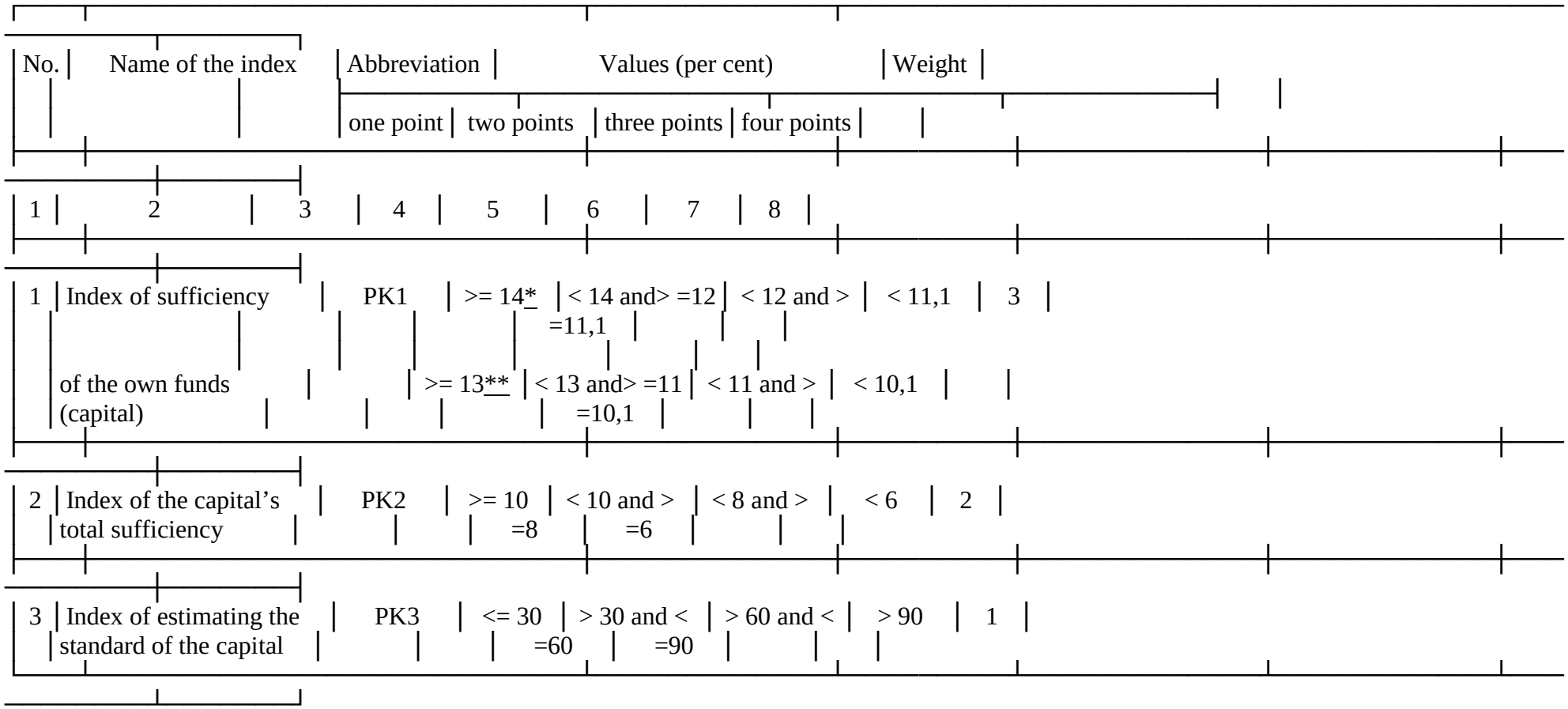
7.3. The present Direction shall come into force after the expiry of ten days as from the day of its official publication in the Vestnik Banka Rossii.

Chairman of the Central Bank
of the Russian Federation S.M. Ignatyev

Registered with the Ministry of Justice of the Russian Federation on May 26, 2008.
Registration No. 11755

Appendix 1
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating the Banks' Economic Position

The Marks and Weight Estimates of Indices from the Group of Indices
for Estimating the Capital



No.	Name of the index	Abbreviation	Values (per cent)				Weight
			one point	two points	three points	four points	
1	2	3	4	5	6	7	8
1	Index of sufficiency of the own funds (capital)	PK1	>= 14*	< 14 and> =12 =11,1	< 12 and > =11,1	< 11,1	3
			>= 13**	< 13 and> =11 =10,1	< 11 and > =10,1	< 10,1	
2	Index of the capital's total sufficiency	PK2	>= 10	< 10 and > =8	< 8 and > =6	< 6	2
3	Index of estimating the standard of the capital	PK3	<= 30	> 30 and < =60	> 60 and < =90	> 90	1

* For banks with own funds (capital) equivalent to at least five million euros.
** For banks with own funds (capital) equivalent to five million euros or more.

Appendix 2

to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

The Marks and the Weight Estimates for the Group of Indices for Estimating the Assets

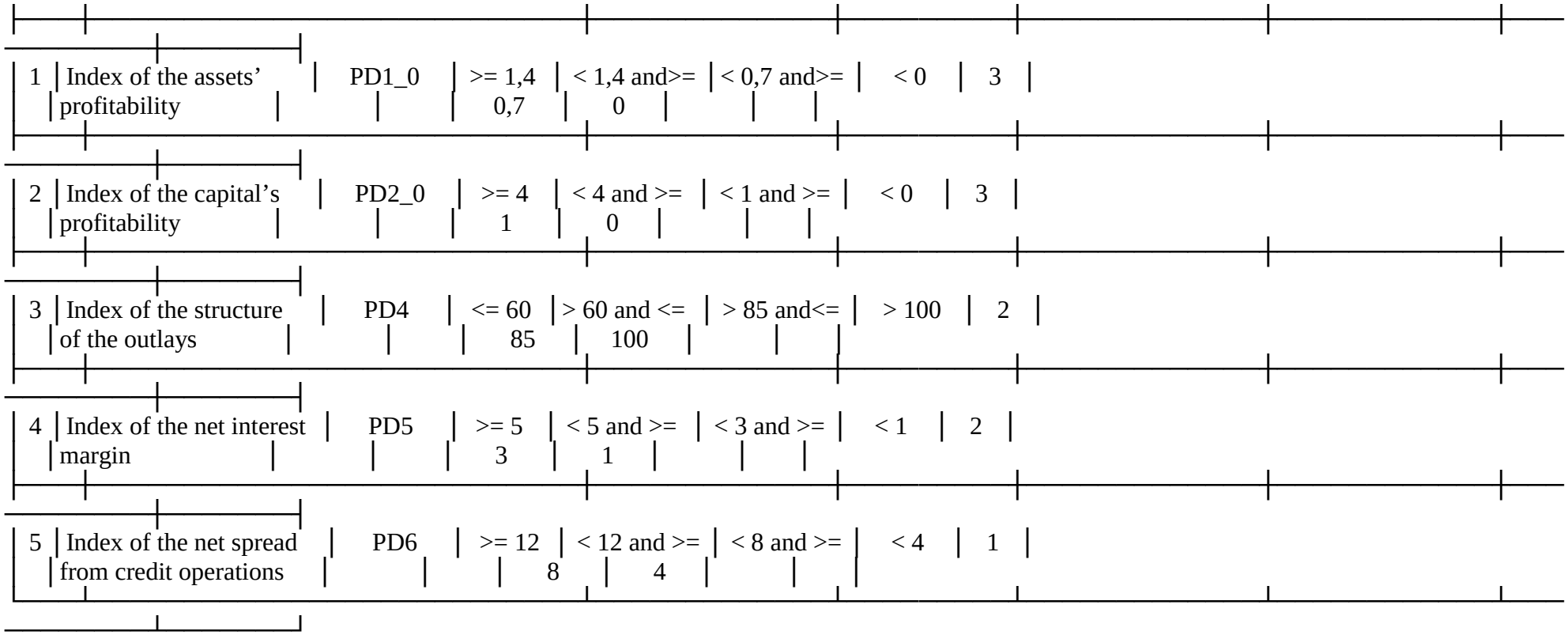
No.	Name of the index	Abbreviation	Values (per cent)				Weight
			one point	two points	three points	four points	
1	2	3	4	5	6	7	8
1	Index of the loans' standard	PA1	<= 4	> 4 and<= 12	> 12 and<=20	> 20	3
2	Index of the risk of losses	PA2	<= 4	> 4 and<= 8	> 8 and<= 15	> 15	2
3	Index of the share of the outstanding loans	PA3	<= 4	> 4 and<= 8	> 8 and < = 18	> 18	2
4	Index of the size of the reserves against the losses on loans and other assets	PA4	<= 10	> 10 and<= 15	> 15 and < = 25	> 25	3

5	Index of the concentration of major credit risks	PA5	<= 200	> 200 and<= 500	> 500 and< = 750	> 750	3
6	Index of the concentration of credit risks on shareholders (partners)	PA6	<= 20	> 20 and < = 35	> 35 and < = 45	> 45	3
7	Index of the concentration of credit risks on insiders	PA7	<= 0,9	> 0,9 and < = 1,8	> 1,8 and< = 2,7	> 2,7	2

Appendix 3
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

The Marks and the Weight Estimates for the Indices of the Group of Indices for Estimating Profitability

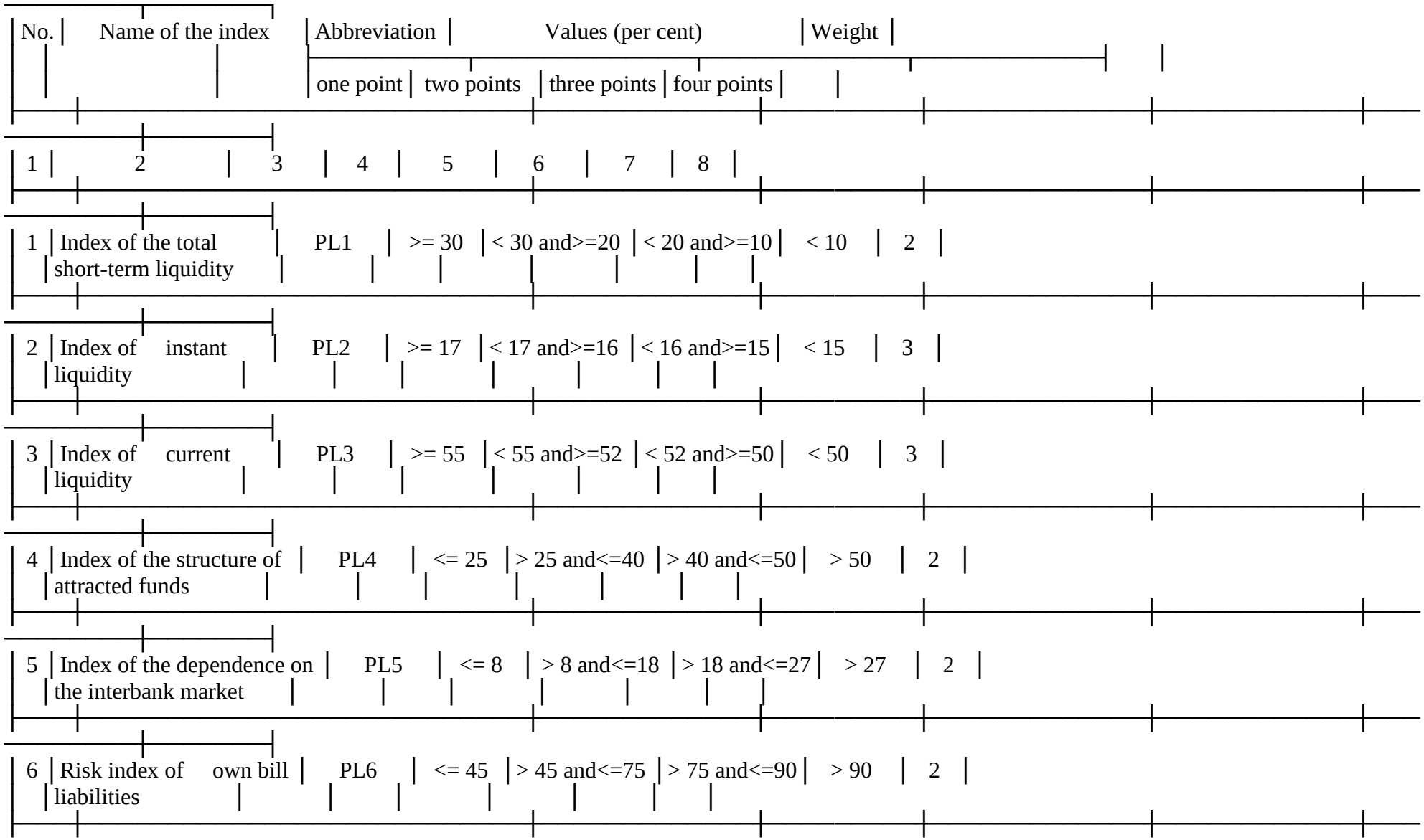
No.	Name of the index	Abbreviation	Values (per cent)				Weight
			one point	two points	three points	four points	
1	2	3	4	5	6	7	8



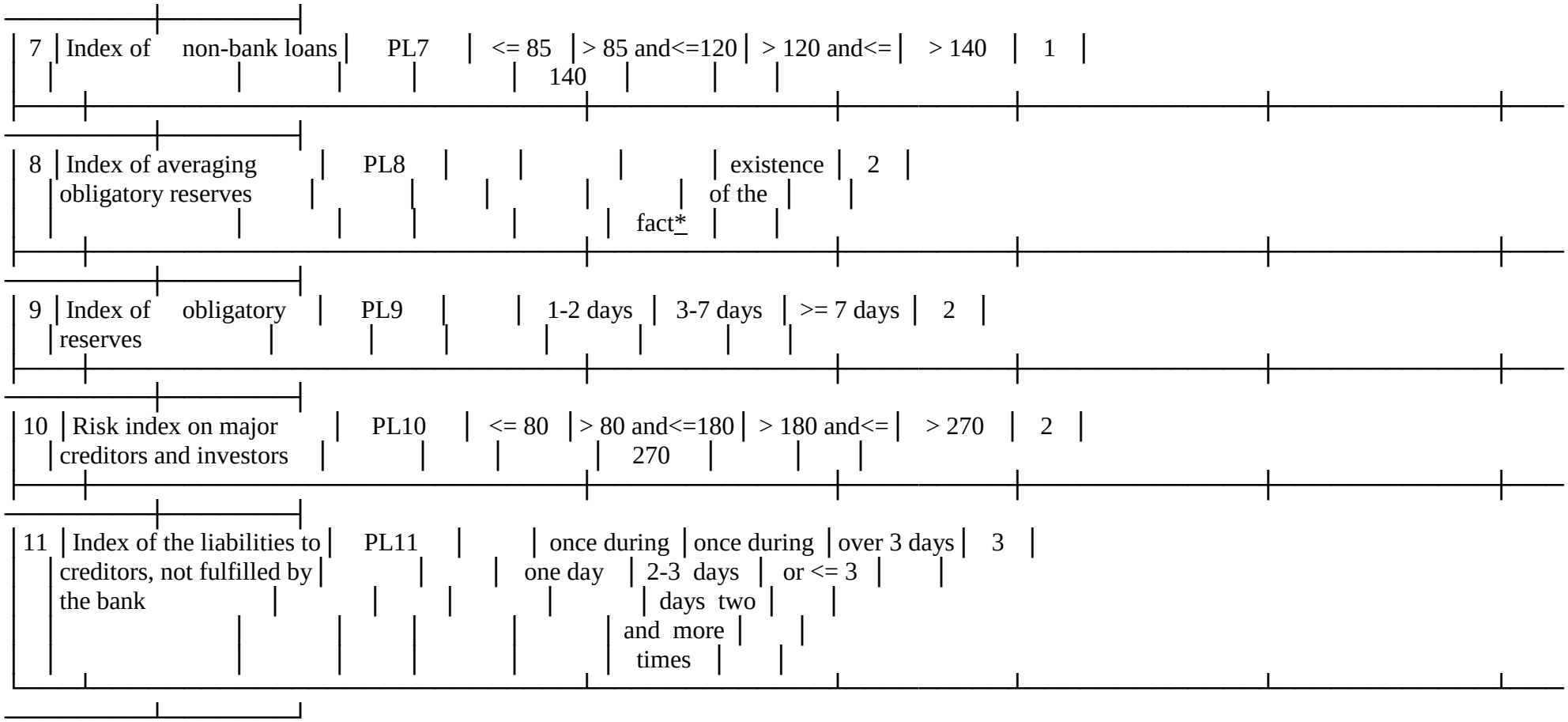
1	Index of the assets' profitability	PD1_0	>= 1,4	< 1,4 and >= 0,7	< 0,7 and >= 0	< 0	3
2	Index of the capital's profitability	PD2_0	>= 4	< 4 and >= 1	< 1 and >= 0	< 0	3
3	Index of the structure of the outlays	PD4	<= 60	> 60 and <= 85	> 85 and <= 100	> 100	2
4	Index of the net interest margin	PD5	>= 5	< 5 and >= 3	< 3 and >= 1	< 1	2
5	Index of the net spread from credit operations	PD6	>= 12	< 12 and >= 8	< 8 and >= 4	< 4	1

Appendix 4
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

The Marks and the Weight Estimates for Indices of the Group of Indices
for Estimating Liquidity



No.	Name of the index	Abbreviation	Values (per cent)				Weight
			one point	two points	three points	four points	
1	2	3	4	5	6	7	8
1	Index of the total short-term liquidity	PL1	>= 30	< 30 and>=20	< 20 and>=10	< 10	2
2	Index of instant liquidity	PL2	>= 17	< 17 and>=16	< 16 and>=15	< 15	3
3	Index of current liquidity	PL3	>= 55	< 55 and>=52	< 52 and>=50	< 50	3
4	Index of the structure of attracted funds	PL4	<= 25	> 25 and<=40	> 40 and<=50	> 50	2
5	Index of the dependence on the interbank market	PL5	<= 8	> 8 and<=18	> 18 and<=27	> 27	2
6	Risk index of own bill liabilities	PL6	<= 45	> 45 and<=75	> 75 and<=90	> 90	2



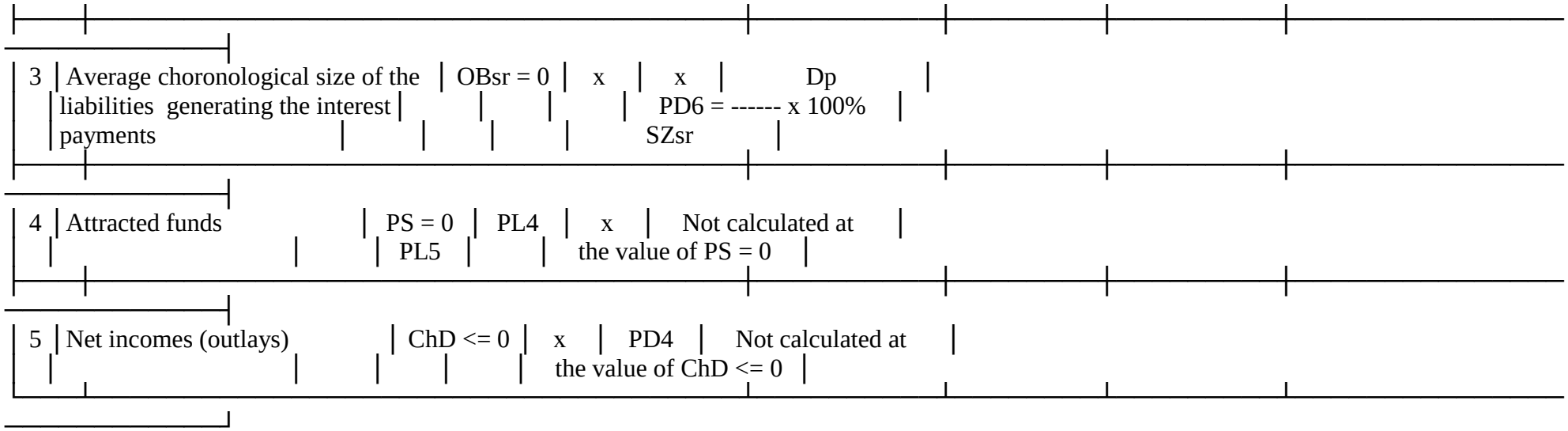
7	Index of non-bank loans	PL7	<= 85	> 85 and<=120	> 120 and<= 140	> 140	1
8	Index of averaging obligatory reserves	PL8			existence of the fact*		2
9	Index of obligatory reserves	PL9		1-2 days	3-7 days	>= 7 days	2
10	Risk index on major creditors and investors	PL10	<= 80	> 80 and<=180	> 180 and<= 270	> 270	2
11	Index of the liabilities to creditors, not fulfilled by the bank	PL11		once during one day	once during 2-3 days	over 3 days or <= 3 days two and more times	3

- Four points shall be awarded to the PL8 index in case of the existence of the fact of non-fulfilment of the liability for averaging the obligatory reserves.

Appendix 5
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008

Estimation of the Individual Indices in the Group of Indices
for Estimating the Capital, Assets, Profitability and Liquidity
at a Zero or Negative Value of the Denominator

No.	Name of the component of the index with a zero or negative value	Abbrevi-ation	Awarding one point	Awarding four points	Specifics in the procedure for calculating the index
1	2	3	4	5	6
1	Own funds (capital)	K <= 0	x	PA2 PA5 PA6 PA7 PD2 PL6	Not calculated at the value of K <= 0
2	Loans, loan indebtedness and indebtedness equated to it	SZ = 0	PA1 PA3 PA4		Not calculated at the value of SZ = 0
	Average chronological size of loans, of the loan indebtedness and the indebtedness equated to it	SZsr = 0		PD6	


3
Average choronological size of the liabilities generating the interest payments
OBsr = 0
x
x
Dp
PD6 = ------ x 100%
SZsr
4
Attracted funds
PS = 0
PL4
PL5
x
Not calculated at the value of PS = 0
5
Net incomes (outlays)
ChD <= 0
x
PD4
Not calculated at the value of ChD <= 0

Appendix 6
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

Index of the Risk Control System

No.	Questions	Weight	Points
1	2	3	4
1	Are there subdivisions (a worker or workers) at the bank responsible for an estimate of the level of the risks taken?	2	
2	Have the members of the bank's board of directors (supervision council) any work experience in managerial posts in the area of financial control?	2	
3	Does the bank's board of directors (supervision council) exert constant control over the bank's activity as concerns the observation by it of the legislation of the Russian Federation, including the normative acts of the Bank of Russia, of internal procedures and policies, adopted at the bank in the area of risk control?	3	
4	Are the members of the board of directors (of the supervision council) and of the executive management bodies, and the heads of the bank's corresponding	2	

	structural subdivisions duly informed about the bank's current position, including the risks the bank is taking and the operations performed by the bank's affiliates?		
5	Does the bank have internal documents on controlling the principal risks inherent in the bank's activity (credit, market and interest risks, the risk of losing liquidity, operational and other risks, essential for the bank's activity), including on operations of the bank's affiliates?	2	
6	Does the bank observe the internal documents indicated in Question 5?	3	
7	Has the bank any formalised procedures for estimating the potential impact exerted upon the bank's financial position by a number of planned changes in the risk factors, which correspond to extraordinary but probable events (the stress-test)?	1	
8	Does the bank's system for risk control allow the reduction of the bank's risks to a level corresponding to the satisfactory estimate of the group of indices for estimating the capital, assets, profitability and liquidity, envisaged in the present Direction, and to ensure observation on an everyday basis of the obligatory normatives, including the limits of open currency positions?	3	
9	Have plans of measures been elaborated at the bank in case unforeseen circumstances arise, capable of undermining its financial position, provoking the loss	2	

	of its solvency, exerting a negative impact upon the capital and (or) upon the results of the bank's financial activity?			

Notes on filling out the table.

1. Question 1.

Depending on the scale of the bank's activity, the existence of a worker (workers) fulfilling the following functions may be recognised as sufficient.

In estimating the given question it is necessary to take into account:

- to what extent the activity of the subdivision (of the worker or of the workers), responsible for estimating the level of the risks taken (hereinafter referred to as the subdivision) corresponds to the demands of the legislation of the Russian Federation, including the normative acts of the Bank of Russia, and the bank's internal documents;
- whether the activity of the subdivision embraces the principal risks inherent in the bank's activity;
- whether independence of the subdivision is provided from the bank's subdivisions performing operations (deals) characterised by the risks of losses.

2. Question 2.

In estimating the given question it is necessary to take into account whether the members of the board of directors (of the supervision council) possess a higher economic or juridical education, a work experience in managerial posts in the area of controlling finances, of business accountancy and (or) of legal provision in other branches of the economy (of not less than two years).

If the bank performs specific operations at a scale substantial for it (five and more per cent of the size of the bank's own funds [capital]), that is, those not involved in crediting, investing or dealing (for example, operations involved in design financing, factoring, leasing and forfeiting), as well as operations for crediting the highly technological and science-intensive branches of economy (the space and nuclear industries, aircraft- and shipbuilding, and other branches of economy), it is necessary for the individual members of the bank's board of directors (supervision council) to have knowledge and work experience in the given areas.

3. Question 3.

When estimating the exertion by the bank's board of directors (supervision council) of control over the bank's activity as concerns observation of the legislation of the Russian Federation, including the normative legal acts of the Bank of Russia, and of the bank's internal documents in the area of controlling risks, it is necessary to analyse:

3.1. do the intervals in holding regular sessions of the bank's board of directors (supervision council) make it possible to fulfil the functions imposed upon it by the legislation of the Russian Federation and by the bank's Rules, including for considering the reports of the executive body on the current

results of the bank’s activity, on the course of fulfilment of the strategic plans, on the results of the checks conducted by the Bank of Russia, as well as the reports of the internal control service;

3.2. whether the bank’s board of directors (supervision council) approves the bank’s internal documents on risk control, determining procedures aimed at preventing a conflict of interests when adopting managerial decisions, as well as internal documents on the other issues stipulated in the acts of the Bank of Russia, which define modern approaches to organising the corporative management at banks;

3.3. whether the members of the bank’s board of directors (supervision council) are guided in exercising their powers by the Bank of Russia’s recommendations on modern approaches to organising the corporative management at banks.

4. Question 5.

4.1. When estimating the existence of internal documents on controlling the principal risks inherent in the bank’s activity (credit, market and interest risks, the risk of the loss of liquidity, the operational and other risks, essential for the bank’s activity), it is necessary to proceed from the extent of the bank’s susceptibility to the given risks, as well as from correspondence of the internal documents on risk control to the demands, made on such documents. In this connection it is necessary to estimate whether the given documents have established:

4.1.1. the distribution of powers and responsibility between the board of directors (the supervision council), the executive bodies and the employees in controlling the bank’s risks;

4.1.2. the procedure for the exposure, measurement (estimation) and definition of acceptable risk levels (that is, levels not leading to appearance of a real threat to the interests of the bank’s investors and creditors);

4.1.3. the procedure for the monitoring of (for the constant supervision over) risks;
4.1.4. methods for controlling (for restricting, reducing and compensating) risks;
4.1.5. procedure for the informational provision of the subdivisions, responsible for the risks taken, on the issues of risk control;
4.1.6. procedure for exerting control over the efficiency in controlling risks;
4.1.7. methodology and procedures for establishing the ultimate values (limits) of risks for the bank’s affiliates and internal structural subdivisions;
4.2. in the documents on controlling the credit risk:
4.2.1. procedures for granting loans, including adoption of decisions on their issue;
4.2.2. methodology for the identification, and procedure for establishing, limits (the risk limit per borrower [per a group of interconnected borrowers], per branch [sector] of the economy, and other limits);

4.2.3. methodology for estimating the borrowers’ financial position;
4.2.4. demands made on the provision for loans;
4.2.5. procedures for estimating the standard of loans;
4.3. in the documents on the issues of controlling liquidity risks:
4.3.1. procedures for controlling the short-term and medium-term liquidity;

4.3.2. procedure for establishing the limits (the maximum size of the breach of liquidity, the ratio of the granted credits and the funds on clients' accounts, the limit on the use of residuals on clients' settlement accounts for forming a portfolio of futures instruments, and the other limits);

4.3.3. measures for the replenishment of liquidity in case of the appearance of its deficit;

4.4. in the documents on the questions of controlling the market risk:

4.4.1. procedures for controlling market risks, including the organisational structure (the functions and subordination of the structural subdivisions, engaged in making deals, in the accompaniment and administration of deals, in formalising operations, in settlements, in processing data and in keeping records on the deals performed);

4.4.2. methods for measuring risks;

4.4.3. procedure for imposing limits (including the kinds of instruments upon which limits are imposed and the types of limits);

4.5. in the documents on the issues of controlling interest - the methods for estimating the interest risk;

4.6. in the documents on the issues of controlling the operational risk:

4.6.1. procedures for estimating the operational risks characteristic of various lines in the bank's activity;

4.6.2. methods for estimating and analysing the probability of appearance of operational risks and for calculating the values of probable losses.

When estimating the given question it is necessary to take into account whether the bank has observed in its internal documents on risk control the demands of the normative and other acts of the Bank of Russia defining the organisation and the procedure for controlling individual kinds of typical banking risks (for instance, of Instructions of the Bank of Russia No. 110-I as concerns the establishment of control over the daily fulfilment of the obligatory normatives, of Regulations of the Bank of Russia No. 242-P of December 16, 2003 on Organising Internal Control in Credit Institutions and Bank Groups, registered with the Ministry of Justice of the Russian Federation on January 27, 2004 under No. 5489; on December 22, 2004 under No. 6222 [Vestnik Banka Rossii, No. 7 of February 4, 2004; No. 74 of December 31, 2004]) (hereinafter referred to as Regulations of the Bank of Russia No. 242-P).

5. Question 7.

When estimating the given question it is necessary to take into account whether the stress-tests are of a complex character, that is, whether they embrace the main risks inherent in the bank's activity (the credit, market and interest risks, the risk of the loss of liquidity, the operational and other risks, essential for the bank's activity).

6. Question 8.

When estimating this question one shall proceed from the following:

- one point is awarded if the mark of all four groups of indices for estimating the capital, the standard of the assets, of the profitability and liquidity, as well as the mark of all indices, included into the composition of the given groups, is less than or equal to two points;
- two points are awarded if the mark of all four groups of indices for estimating the capital, the standard of the assets, the profitability and liquidity is less than or equal to two points at a mark worse than two points for the individual indices inside the groups;

- three points are awarded if the mark of three groups of indices out of the groups of indices for estimating capital, the standard of the assets, the profitability and liquidity is less than or equal to two points;
- four points are awarded if the mark of two and more groups out of the groups of indices out of groups of indices for estimating the capital, the standard of the assets, the profitability and liquidity is less than two points.

Appendix 7
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

Index of the State of Internal Control

No.	Questions	Weight	Points
1	2	3	4
1	Do the bank's internal documents, regulating the rules for organising its internal control system, meet the demands made by the Bank of Russia?	1	
2	Do the bank's management bodies exert internal control in accordance with the demands and powers defined in the bank's constituent and internal documents?	2	
3	Is control over the distribution of powers exerted in the bank in the performance of operations (deals)?	2	
4	Is control over the management of information flows exerted in the bank?	2	

5	Have internal documents (the rules, procedures, regulations, directions, decisions, orders, methodologies, official instructions and other documents) regulating the exertion of internal control been adopted for all areas of activity?	1	
6	Does the organisation of the internal control system allow it to efficiently fulfil the functions, imposed upon it?	3	
7	Does the bank's board of directors (supervision council) exert control over the activity of the internal control service?	2	
8	Is a structural subdivision (a responsible worker) functioning in the bank for counteracting the legalizing (laundering) of incomes derived through crime, and the financing of terrorism?	1	
9	Does the responsible worker (the workers of the structural subdivision) for counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism correspond to the demands, made by the Bank of Russia?	3	
10	Has the bank internal control rules for the purpose of counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism?	2	
11	Does the internal control system, aimed at counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism, allow	3	

	more attention to be paid to the clients' operations with a higher degree (level) of risk and to provide for documentally fixing information in conformity with the demands of the Federal Law on Counteracting the Legalizing (Laundering) of Incomes Derived Through Crime and the Financing of Terrorism (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 33, 2001, Item 3418; No. 30, 2002, Item 3029; No. 44, Item 4296; No. 31, 2004, Item 3224; No. 47, 2005, Item 4828; No. 31, 2006, Item 3446 and Item 3452; No. 16, 2007, Item 1831; No. 31, Item 3993 and Item 4011; No. 49, Item 6036)?		
12	Are the internal control rules observed for the purposes of counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism?	3	
13	Does the bank ensure in the course of its activity observation of the demands of the legislation of the Russian Federation and of the normative acts of the Bank of Russia, including those defining the procedure and time terms for submitting reports, as well as the procedure for obligatory creation of reserves?	3	
14	Does the bank provide for timely fulfilment of the Bank of Russia's demands as concerns elimination of the violations and shortcomings exposed in its activity, as well as implementation of the Bank of Russia's recommendations?	3	

Notes on filling out the table.

1. Question 6.

When estimating the given question, one shall proceed from the demands of Regulations of the Bank of Russia No. 242-P, while paying attention to the following:

- do the accountability of the bank's internal control service and the functions, fulfilled by it, guarantee the independence, objectiveness and impartiality of the given service?
- do the employees of the bank's internal control service possess sufficient knowledge about the banking activity, the methods of internal control and collecting information, for analysing and estimating it in order to fulfil their official duties?
- does the bank's board of directors (supervision council) approve the check plans of the internal control service?
- are the plans for the checks of the bank's internal control service fulfilled?
- does the bank's internal control service perform its activity on a permanent basis?
- does the bank's internal control service control the fullness of the use of the methodology, approved by the bank's management bodies, an estimate of its effectiveness and correspondence to the scale of the carried out operations and of the taken risks taking account of operations of the bank's affiliates, an estimate of the accuracy of the bank's recording and reports, and of the reliability of the functioning of the system of internal control over the use of the automated information systems?
- do the checks conducted by the bank's internal control service embrace the principal areas of the bank's activity?
- do the management bodies consider recommendations made by the bank's internal control service for eliminating the exposed violations, errors and shortcomings, and are they accepted for execution by the bank's subdivisions?

In addition it is also necessary to take into account whether the bank's internal control service exposes the shortcomings and violations in the bank's activity established in the course of the checks conducted by the Bank of Russia.

2. Question 7.

When estimating the given question it is necessary to take into account whether the bank's board of directors (supervision council) considers the reports of the bank's internal control service and whether these reports are paid attention to when resolving the issues involved in appointing members of the executive body (in relieving them of the occupied posts).

3. Question 8.

When estimating the given question it is necessary to take into account to what extent the activity of the bank's subdivision (worker) satisfies the demands of the currently operating legislation of the Russian Federation, including the normative acts of the Bank of Russia, and of the bank's internal documents. It is also necessary to estimate the use of the Bank of Russia's recommendations on the issues of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism (taking into account while doing so the specifics of the bank's activity [of that of its affiliates] and the specifics of the activity of its clients).

4. Question 10.

When estimating this question it is necessary to take into account not only if the bank has internal control rules for counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism, but also if they have been approved by the head of the bank, if they have been agreed with the Bank of Russia's territorial institution and also, if the given rules satisfied as at the moment of carrying out the estimate the demands of the currently operating legislation of the Russian Federation, including the normative acts of the Bank of Russia. The degree of taking into account the Bank of Russia's recommendations for organising internal control for the purposes of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism, as well as the other recommendations of the Bank of Russia on issues involved in counteracting the legalising (laundering) of incomes derived through crime and to the financing of terrorism (proceeding from the specifics of the activity of the bank [of its affiliates] and from the specifics of the activity of its clients).

5. Question 13.

When estimating the given question one shall proceed from the following:

- one point is awarded if in the course of the last six months there have been no facts of application by the Bank of Russia of measures, envisaged in Articles 38 and (or) 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia);
- two points are awarded if in the course of the last six months measures have been taken against the bank one time (or are being taken at the moment of estimating the bank's economic position, as stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), in the form of a fine, and (or) if the measures have been taken or are being taken as at the moment of estimating the bank's economic position envisaged in the first part of Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) in the form of fines and of demands to eliminate the exposed violations, while their application is not connected with the bank's taking heightened risks or with the existence of facts of violating the legislation of the Russian Federation, including the normative acts of the Bank of Russia in the area of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism;
- three points are awarded, if in the course of the last six months the measures, stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) were repeatedly taken against the bank, in the form of a fine, and (or) if the measures envisaged in Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) have been taken or are being taken as at the moment of estimating the bank's economic position and if their application is connected with the bank's taking heightened risks, as well as with violations of the legislation of the Russian Federation, including the normative acts of the Bank of Russia in the area of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism;
- four points are awarded, if in the course of the last six months measures stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), in the form of a fine, and (or) if have been applied or are being applied as at the moment of estimating the bank's economic position the measures, envisaged in Article 3 of the Federal Law on the Insolvency (Bankruptcy) of Credit Institutions were taken against the bank were every month, or if there are grounds for the application thereof and those stipulated in Article 20 of the Federal Law on Banks and Banking Activity.

Appendix 8

to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

Index of Controlling Strategic Risk

No.	Questions	Weight	Points
1	2	3	4
1	Does the bank have a Strategy for the Bank's Development?	2	
2	Has the bank taken account in the Strategy for the Bank's Development of the results of the SWOT-analysis, making it possible to expose and to structure the bank's strong and weak sides, as well as the potential prospects for its development and the threats capable of neutralising the given opportunities?	3	
3	Are the products that are priorities for the bank, and the areas of activity, which it intends to develop, defined in the Strategy for the Bank's Development?	2	
4	Are the methods, with whose assistance the bank intends to achieve its strategical goals, defined in the Strategy for the Bank's Development?	2	
5	Does the bank have plans for implementation	1	

	of the Strategy for the Bank's Development?		
6	Are the plans, elaborated by the bank for achieving the strategical goal, fulfilled?	2	
7	Does the bank carry out regular monitoring of the degree of achievement of the goals set in the Strategy for the Bank's Development?	1	

Notes on filling out the table.

1. Question 1.

When estimating the given question one shall take into account not only the existence of the Strategy for the Bank's Development, but also if it has been approved by the general meeting of shareholders or by the bank's board of directors (supervision council).

2. Question 3.

When estimating the given question it is necessary to assess the sequence of fulfilment of the plans indicated in the Strategy for the Bank' Development, with an account for the interconnection of strategical decisions with respect to:

- development of the bank's selected areas of activity (banking products);
- provisions for correspondence of the directions and volumes of activity, stipulated in the Strategy for the Bank's Development, to the bank's possibilities and its resource base;
- provisions for the operations' correspondence to the established demands and norms.

When evaluating the Strategy for the Bank's Development of a bank with affiliates it is also necessary to take into account:

- whether the areas of development of the bank's network of affiliates correspond to the bank's selected areas of development, defined in the Strategy for its development;
- whether the Strategy for the Bank's Development takes into account the state of banking services in the regions where its affiliates are operating or where it is planned to open new affiliates, and whether the bank has estimated the competitive advantages it possesses or will possess in the regions where its affiliates are operating or are planned to be opened;
- whether the bank has estimated the potential impact of the newly opened affiliates upon the results of the bank's activity and upon its capital, upon the values of the obligatory normatives of activity, as well as upon the assessment of indices for estimating the capital, the assets, the profitability and the liquidity.

3. Question 4.

When estimating the given question one shall take into account how efficiently the bank is going to use the possibilities at its disposal, for example, whether it is planning to augment its own funds (capital) and resources base, to develop its network of affiliates, including by way of acquisition of affiliates and of association (merger) of (with) the other banks.

4. Question 7.

When estimating the given question it shall be taken into account whether the bank exerts control over the observation of the time terms fixed for implementation of measures envisaged in the plans for the achievement of goals set in the Strategy for the Bank's Development.

Appendix 9
to Direction of the Central Bank of Russia
No. 2005-U of April 30, 2008
on Estimating Banks' Economic Position

Methodology for Estimating Indices of the Structure of the Bank's Property

1. The PU1 index.

1.1. When estimating the PU1 index:

- one point is awarded if the bank reveals information without violating the legislation of the Russian Federation, including the normative acts of the Bank of Russia;
- two points are awarded if the established violations in revealing information do not exert a significant impact upon the identification of persons, mentioned in Item 1.2 of the present Appendix, but still there are some mistakes, or information characterising the said person is insufficient;
- three points are awarded if information is revealed by the bank not in full, or incorrectly.

1.2. Revealing information is interpreted as the bank's observation, with account for the specifics connected with its organisational legal form, of the demands of the legislation of the Russian Federation, including the Bank of Russia's normative acts, which establish the composition, time terms and forms of presenting to the Bank of Russia and to interested persons information on the persons (on the groups of persons), possessing by the rights of ownership the bank's shares (partner shares), as well as on the other persons (groups of persons), the presentation of information about whom is stipulated in the legislation of the Russian Federation, including the normative acts of the Bank of Russia.

2. The PU2 index.

2.1. When estimating the PU2 index:

2.1.1. One point is awarded if information on the persons (on the groups of persons), exerting directly or indirectly (through the third persons) a significant impact upon decisions, adopted by the bank's management bodies, is accessible to an indefinite circle of persons;

2.1.2. Two points are awarded if information on the persons (on the groups of persons), exerting directly or indirectly (through the third persons) a significant impact upon decisions, adopted by the bank's management bodies, is available at least to the Bank of Russia;

2.1.3. Three points are awarded if information on the persons (on the groups of persons), exerting directly or indirectly (through the third persons) a significant impact upon decisions, adopted by the bank's management bodies, is unavailable to the Bank of Russia.

2.2. For the purposes of the present Direction, as the group of persons is understood a group of persons, recognised as such in conformity with the Federal Law on Protecting Competition (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 31, 2006, Item 3434; No. 49, 2007, Item 6079).

2.2.1. To the persons (to the group of persons), directly exerting a significant impact upon decisions, adopted by the bank's management bodies, are assigned the persons (the group of persons), possessing powers, stemming from the realty rights to the bank's voting shares (partner shares), as well as from contracts for fiduciary management, from an order or from a commission, from the agent's contracts or from other deals, or on other grounds, if the said rights give to the person (to the persons, included into the group of persons) the possibility to take part in the bank's management on a par with the founders (the partners).

2.2.2. To the persons (to the group of persons), exerting indirectly (through the third persons) a significant impact upon decisions adopted by the bank's management bodies, are assigned the persons (the group of persons), possessing the following powers with respect to the persons, indicated in Subitem 2.2.1 of the present Item:

- to appoint or to determine the election of the one-man executive body and (or) of more than one quarter of the composition of the bank's collegiate executive body, or to determine the election of more than one quarter of the composition of the bank's board of directors (supervision council);
- by force of the rights of ownership to the voting shares (partner shares) of a legal entity (of the entities included into the group of persons), of being included into the composition of the group of persons or of the affiliated persons, or of an agreement to give directions, obligatory for execution, for an exercise by the person (by the group of persons), indicated in Subitem 2.2.1 of the present Item, of rights to participation in the bank's management.

2.2.3. To the Bank of Russia (in writing) and (or) to an indefinite circle of people (in the form established in the legislation of the Russian Federation) is presented the following information on the persons (on the group of persons), exerting directly or indirectly (through third persons) a significant impact upon decisions adopted by the bank's management bodies:

- for natural persons - the surname, first name and patronymic (if such exists), the citizenship, the place of residence (the name of the city or of the populated centre) (as concerns information on the natural person's place of residence, it is enough to supply it only to the Bank of Russia);
- for legal entities - the full official designation, the location (the postal address), the basic state registration number and the date of the state registration in the capacity of a legal entity (the date of the entry into the Uniform State Register of Legal Entities of information on the legal entity - a resident, registered before July 1, 2002).

2.2.4. When estimating the availability of information, into the composition of persons (of the group of persons), exerting directly or indirectly (through third persons) a significant impact upon decisions adopted by the bank's management bodies, the following shall not be included:

a) the person (the group of persons), exerting a significant impact directly - if there are persons (a group of persons), possessing the powers mentioned in Subitem 2.2.2 of the present Item;

b) residents of offshore zones (with the exception of banks which do not enjoy a privileged tax regime or the right not to reveal and not to submit information to the supervisory body of the country of the location at the performance of financial operations);

c) legal entities with an unsatisfactory structure of the assets.

For the purposes of the present Direction the following is seen as an unsatisfactory asset structure; the structure of assets at which long-term and short-term financial investments (reduced by the sums of investments into subsidiary and dependent companies and into other organisations [with the exception of investments into the shares (partner shares) of the credit institution], of investments into government securities, into the securities of the subjects of the Russian Federation and into municipal securities, as well as into the acquired bills, whose issuers are legal entities, the shares of which are circulated on the organised securities markets) comprise more than 90 per cent of the currency of the legal entities' balance;

d) stable forms of joining the property of legal and (or) of natural persons, not connected with the formation of a legal entity (the share investment funds and other forms of fiduciary management of the property [of the possessions]).

2.2.5. Information on the persons (on the group of persons), exerting directly or indirectly (through third persons) a significant impact upon decisions, adopted by the bank's management bodies, is assessed as accessible if information presented in accordance with Subitem 2.2.3 of the present Item makes it possible to define:

- natural persons, who exert directly or indirectly (through the third persons) a significant impact upon decisions, adopted by the bank's management bodies;
- state power bodies of the Russian Federation, of the subjects of the Russian Federation and of the local self-government bodies, as well as of the unitary enterprises they have created, which exert directly or indirectly (through third persons) a significant impact upon decisions, adopted by the bank's management bodies;
- legal entities, which by force of the scale of their commercial activity and of the structure of their property are relatively independent from their founders (partners), and which exert directly or indirectly (through the third persons) a significant impact upon decisions adopted by the bank's management bodies.

To such persons are not assigned the persons who have even only a single one of the features defined in Subitem 2.2.4 of the present Item.

3. The PU3 index.
3.1. At estimating the PU3 index:
3.1.1. One point is awarded if the value of the PS3 coefficient is less than ten per cent;
3.1.2. Two points are awarded if the value of the PS3 coefficient is from ten per cent (inclusive) to forty per cent;
3.1.3. Three points are awarded if the value of the PS3 coefficient is from forty per cent (inclusive) and more.
3.2. The PS3 coefficient is calculated by the formula:

$$PS3 = (O:G) \times 100\%,$$

where:

O is the total number of votes granted by the bank's voting shares (partner shares) owned by the offshore zones' residents, as well as by the people upon the decisions of whose management bodies the offshore zones' residents alone or in the composition of a group of persons can exert directly or indirectly (through third persons) a significant impact. Into the O index shall be included:

- the number of votes granted by the bank's voting shares (partner shares), owned by the residents of offshore zones, as well as by the people upon the decisions of whose management bodies the residents of offshore zones alone or in the composition of a group of persons can exert directly or indirectly (through third persons) a significant impact, if the bank submits information to the supervisory body on the other persons (groups of persons) (with the exception of those mentioned in Subitem 2.2.4 of Item 2.2 of the present Appendix), exerting directly or indirectly (through third persons) a significant impact upon decisions adopted by the bank's management bodies;
- the number of votes granted by the bank's voting shares (partner shares) owned by credit institutions - that are residents of offshore zones, if these credit institutions are not granted a privileged tax regime and the right not to reveal and not to submit information at the performance of financial operations to the supervisory body of the country of their location;
- the number of votes granted by the bank's voting shares (partner shares) in the ownership of legal entities (of the groups of persons), which in accordance with the procedure for calculating the PU2 index, established in Item 2 of the present Appendix, are the persons (the groups of persons), exerting a significant impact upon decisions adopted by the bank's management bodies;

G is the total number of votes granted by the bank's voting shares (partner shares).

4. The list of information and documents that may be analysed for estimating the transparency of the structure of the bank's property:

4.1. the bank's constituent documents and the constituent documents of the legal entities owning the bank's shares (partner shares);

4.2. the list of persons having the right to participate in a general meeting of the bank's shareholders (partners);

4.3. the protocols of the general meetings of the bank's shareholders (partners) (of both the regular annual and the extraordinary general meetings) at the disposal of the Bank of Russia's territorial institution, including:

- the data on the bank's shareholders (partners), attending at the meeting, and the number of the voting shares (of the votes), owned by them;
- the issues, put on the agenda of the general meetings of the bank's shareholders (partners), including: the election of the members of the bank's board of directors (supervision council) and the early termination of their powers; the formation of the bank's executive body and the early termination of its powers (unless the bank's Rules have referred resolution of these issues to the competence of the board of directors (of the supervisory council);
- the data on the results of the voting.

4.4. Proposals of the bank’s shareholders (partners), introduced for putting them on the agenda of an annual general meeting of shareholders (of partners), and the candidates to the bank’s management bodies they have put forth.

4.5. Information on the decisions of the bank’s board of directors (supervisory council), on the demands of the company’s auditing commission (auditor), of the auditor (of an individual auditor or of an audit organisation), as well as of the shareholders (of the shareholder), who are (is) the owners (the owner) of not less than ten per cent of the company’s voting shares as on the date of presenting the demand for calling an extraordinary general meeting of shareholders - for a bank operating in the form of a joint-stock company.

4.6. Information on the demands of the company’s executive body, of the company’s board of directors (supervisory council), of the company’s auditing commission (auditor), of the auditor (an individual auditor or an audit organisation), as well as of the company’s partners for calling an extraordinary general meeting of partners - for a bank operating in the form of a limited liability company.

4.7. Information on the composition of the bank’s board of directors (supervision council):

- which of the bank’s shareholders (partners) has put forward the candidate to the bank’s board of directors (supervisory council) for voting at the meeting, and the number of voting shares (of votes), belonging to him;
- the number of voting shares (of votes), belonging directly to every member of the above-mentioned management body of the bank.

4.8. Information on the composition of the bank’s collegiate management body:

- which shareholder (partner) of the bank has put forward the candidate for voting at the meeting. If the bank’s Rules have referred the resolution of this question to the competence of the bank’s board of directors (supervisory council), which member of the bank’s board of directors (supervisory council) has put forward the candidate, and the interests of which shareholder (partner) of the bank the given member of the bank’s board of directors (supervisory council) represents. The number of voting shares (of votes), belonging to him;
- the number of voting shares (votes), belonging directly to every member of the above-said management body of the bank.

4.9. Information on the bank’s one-man executive body (on the head of the bank):

- which of the bank’s shareholders (partners) has put forward the candidate for the bank’s one-man executive body for voting at the meeting and the number of voting shares (votes), belonging to him (to them);
- the number of voting shares (votes), belonging directly to the bank’s manager.

4.10. Information on the decisions of the bank’s board of directors (supervisory council), including on the voting on the issue of election of the bank’s collegiate executive body, if such right is granted by the bank’s Rules to the bank’s board of directors (supervisory council).

4.11. Information on the acquirer (on the group of acquirers), contained:

- in notifications on the acquisition and (or) on the receipt into fiduciary management of over one per cent of the bank’s shares (partner shares);
- in petitions for obtaining the Bank of Russia’s preliminary consent to the acquisition and (or) to the receipt into fiduciary management of over twenty per cent of the bank’s shares (partner shares);

- in the materials the applicants have presented on agreeing (notifying about) the deals on the acquisition of the bank's shares (partner shares) with the Federal Anti-Monopoly Body in the cases established in the legislation of the Russian Federation.

4.12. Information, contained in the registered prospects of securities, in reports on the results of an issue (of an additional issue) of securities and in the quarterly reports of the issuers of serial securities of the issuer bank, including:

- on the persons, included into the composition of the issuer's management bodies, including on those who are members of the issuer's board of directors (supervisory council) or members of the issuer's collegiate executive body of the issuer's management, fulfilling the functions of a one-man executive body of the issuer's management, as well as information on the character of any kindred relations between the said persons;
- on the size of the share of participation of the persons, included into the issuer's management bodies (including the executive bodies), in the issuer's authorised capital, of the bank's ordinary shares belonging to the said persons, as well as information on the options for the bank's shares granted to these persons;
- information on the bank's partners (shareholders), owning not less than five per cent of its authorised capital or not less than five per cent of its ordinary shares, including on the size of the share of the bank's partner (shareholder) in its authorised capital, as well as of the part of the bank's ordinary shares, belonging to it, as well as information on the partners (shareholders) of such persons, owning not less than twenty per cent of their authorised capital or not less than twenty per cent of their ordinary shares;
- information on changes in the composition and on the size of participation of the bank's partners (shareholders), owning not less than five per cent of its authorised capital or not less than five per cent of its ordinary shares, over the last five complete financial years or over every completed financial year, if the issuer has performed his activity for less than five years.

4.13. Information on the communications on significant facts, revealed by the issuer bank, infringing on the issuer's financial and economic activity as concerns information on the appearance in the issuer's register of a person, owning more than twenty five per cent of its serial securities of any specific kind.

4.14. Information contained in the bank's business-plans and reports on the bank's affiliated persons and on the members of the bank holding.

4.15. The documentally confirmed information on the structure of the property, presented by the bank, including that defining the persons (the group of persons), who (which) may directly or indirectly (through third persons) exert a significant impact upon decisions adopted by the bank's management bodies.

DIRECTION
OF THE CENTRAL BANK OF RUSSIA
NO. 1379-U OF JANUARY 16, 2004
ON THE APPRAISAL OF A BANK'S FINANCIAL STABILITY FOR THE PURPOSES OF RECOGNISING IT AS SUFFICIENT FOR PARTICIPATION IN THE DEPOSIT INSURANCE SYSTEM

In keeping with Article 44 of the Federal Law on Insurance of the Natural Persons' Deposits with the Banks of the Russian Federation (Sobraniye Zakonodatelstva Rossiiskoi Federatsii, No. 52, 2003, Item 5029), the Bank of Russia establishes the composition of the indicators, methods for their calculation and determination of their generalising result for the purposes of recognising a bank's financial stability as sufficient for participation in the deposit insurance system.

Chapter 1
Groups of Indicators for the Appraisal of the Bank's Financial Stability

The following groups of indicators shall be used for the appraisal of the bank's financial stability:

the group of capital valuation indicators;
the group of asset valuation indicators;
the group of indicators for rating the quality of management of the bank, its operations and risks;
the group of revenue performance appraisal indicators;
the group of liquidity appraisal indicators.

observation by the bank of the procedure for revealing to an unlimited group of persons information on persons exerting a substantial (direct or indirect) impact on decisions adopted by its management bodies.

Chapter 2
Group of Capital Valuation Indicators

2.1. The group of capital valuation indicators includes the indicators of capital sufficiency appraisal and of capital quality rating.

2.2. The indicators of capital sufficiency appraisal consist of the indicator of own funds (capital) sufficiency and of the indicator of general capital sufficiency.

2.2.1. The indicator of own funds (capital) sufficiency (CI1) shall be determined in the procedure established for calculation of the obligatory standard N1 "Standard of Sufficiency of the Bank's Own Funds (Capital)" in accordance with Instructions of the Central Bank of Russia No. 110-I of January 16, 2004 on Obligatory Norms of Banks, registered by the Ministry of Justice of the Russian Federation on February 6, 2004, registration number 5529; on August 27, 2004, registration number 5997; on March 14, 2005, registration number 6391; on July 28, 2005, registration number 6833; on August 19, 2005, registration number 6926; on April 25, 2006, registration number 7740 (Vestnik Banka Rossii No. 11 of February 11, 2004; No. 53 of September 8, 2004; No. 19 of April 13, 2005; No. 40 of August 10, 2005; No. 46 of August 31, 2005; No. 26 of May 4, 2006) (hereinafter referred to as Instructions of the Central Bank of Russia No. 110-I).

2.2.2. The general capital sufficiency indicator (CI2) shall be determined as a percentage ratio of the bank's own funds to its assets, except for zero risk assets, and calculated using the following formula:

$$CI2 = \frac{K}{A - Arisk0} \times 100\%, \text{ where}$$

K - the internal funds (capital) of the bank calculated in keeping with Regulations of the Central Bank of Russia No. 215-P of February 10, 2003 on the Methods of Estimating the Internal Funds (Capital) of Credit Organisations, registered by the Ministry of Justice of Russia on March 17, 2003, registration number 4269; on July 17, 2006, registration number 8091; on March 7, 2007, registration number 9072 (Vestnik Banka Rossii No. 15, of March 20, 2003; No. 41 of July 26, 2006; No. 14 of March 14, 2007) (hereinafter referred to as Regulations of the Central Bank of Russia No. 215-P);

A - assets. It represents the indicator "Total assets" of Form 0409806 "Balance sheet (Published Form)" (hereinafter referred to as Form 04096806), established by Appendix No. 1 to Direction of the Central Bank of Russia No. 1376-U of January 16, 2004 on the List, Forms and the Procedure for Compiling and Submitting Forms of Reporting by Credit Organisations to the Central Bank of the Russian Federation (in the wording of Direction of the Central Bank No. 1660-U of February 17, 2006), registered by the Ministry of Justice of Russia on January 23, 2004, registration number 5488; on March 23, 2006, registration number 7613; on December 18, 2006, item 8630; on March 29, 2007, registration number 9168 (Vestnik Banka Rossii No. 18-13 of February 12, 2004; No. 19-20 of March 30, 2006; No. 71 of December 21, 2006; No. 17 of March 30, 2007) (hereinafter referred to as Direction of the Central Bank of Russia No. 1376-U) (any indicator of Form 0409806 shall

be determined in accordance with the Spread Sheet for Drawing up a Balance Sheet (Published Form) of Item 3 in the Procedure for Compiling and Submitting Reporting According to Form 040980 “Balance Sheet (Published Form)”;
Arisk0 - assets with a zero coefficient of risk in conformity with Instructions of the Central Bank No. 110-I.

2.3. The capital quality rating indicator (CI3) shall be determined as the percentage ratio of additional capital to fixed capital and calculated using the following formula:

$$CI3 = \frac{Cadd}{Cfixed} \times 100\%, \text{ where}$$

Cadd - the bank’s additional capital calculated in accordance with Regulations No. 215-P;

Cfixed - the bank’s fixed capital calculated in accordance with Regulations No. 215-P;

2.4. The generalising result of the group of capital valuation indicators (RGC) represents the average weighted value of indicators, determined in accordance with Items 2.2 - 2.3 of this Chapter, and shall be determined according to the following formula:

$$RGC = \text{Sum}_{I=1}^{3}(\text{point}_i \times \text{weight}_i) : \text{Sum}_{i=1}^{3}\,\text{weight}_i, \text{ where}$$

point$_i$ - appraisal from 1 to 4 of the respective indicator determined in accordance with Items 2.2 - 2.3 of this Chapter;

weight$_i$ - weight appraisal according to the relative significance scale from 1 to 3 of the respective indicator determined in accordance with Items 2.2 - 2.3 of this Chapter.

The point and weight ratings of the indicators of the group of capital valuation indicators are shown in Appendix 1 to this Direction.

2.5. The bank’s financial stability according to the group of capital valuation indicators shall be recognised as satisfactory if the RGC value is less or equal to 2.3 points.

Chapter 3
Group of Asset Valuation Indicators

3.1. The group of asset valuation indicators includes the indicators of the quality of debts and other assets, of the amount of reserves for the losses from loans and other assets, of the degree of the concentration of risks for assets.

3.2 The indicators of the quality of debts and of debts on other assets consist of the indicator of the quality of loans, the indicator of the quality of assets and of the indicator of the share of stale debts.

3.2.1. The indicator of the quality of loans (AI1) represents the share of bad debts in the total volume of debts and shall be estimated according to the following formula:

$$AI1 = \frac{LDbad}{LD} \times 100\%, \text{ where}$$

LD - loans, debts and other debts equated to them (hereinafter referred to as "loans") determined in accordance by Regulations of the Central Bank of Russia No. 254-P of March 26, 2004 for the Formation by Credit Organisations of Reserves for Possible Loan Losses, for the Loan Indebtedness and That Equated Therewith, registered by the Ministry of Justice of Russia on April 26, 2004, registration number 5774; on April 20, 2006, registration number 7728; on December 27, 2006, registration number 8676 (Vestnik Banka Rossii No. 28, May 7, 2004; No. 26, May 4, 2006; No. 1, January 15, 2007) (hereinafter referred to as Regulations of the Central Bank of Russia No. 254-P).

LDbad - bad debts determined in accordance by Regulations of the Central Bank of Russia No. 254-P.

3.2.2. The asset quality indicator (AI2) shall be determined as the percentage ratio of the assets not covered by reserves, if the reserves formed for them account for more than 20% of the amount of own funds (capital) and calculated according to the following formula:

$$AI2 = \frac{A_{20} - RL_{20}}{C} \times 100\%, \text{ where}$$

A - the assets (including positive differences between the nominal
20 value of futures for purchase and their market value and/or
between the value of futures for the sale and their nominal
value) the reserves for possible losses, according to which
in compliance with Regulations of the Central Bank of Russia
No. 254-P and Regulations of the Central Bank of Russia No. 283
of March 20, 2006 on the Formation by Credit Organisations of
Reserves for Possible Losses, registered by the Ministry of
Justice of Russia on April 25, 2006, registration number 7741
(Vestnik Banka Rossii No. 26 of May 4, 2006) (hereinafter
referred to as Regulations of the Central Bank of Russia No.
283-P), shall be formed in the amount of over 20 per cent.
PL - reserves actually formed for A_20 in accordance by Regulations
20 of the Central Bank of Russia No. 254-P and by Regulations of
the Central Bank of Russia No. 283-P.

3.2.3. The indicator of the share of stale debts (AI3) represents the share of stale debts in the total volume of loans and shall be calculated using the following formula:

L3stale
AI3 = ---------- x 100%, where
L3

LAd - loans defaulted for over 30 calendar days, determined in keeping with Regulations of the Central Bank of Russia No. 254-P.

3.3. The indicator of the amount of the reserves for losses from loans and other assets (AI4) shall be determined as a percentage ratio of the actually formed the reserve for possible loan losses to the total volume of loans and estimated according to the following formula:

RVLLf
AI4 = ---------- x 100%, where
L3

RVLLf - the actually formed the reserve for possible loan losses in keeping with Regulations of the Central Bank of Russia No. 254-P.

3.4. The indicators of the degree of concentration of the risks for assets consist of the indicator of the concentration of credit risks for stockholders (members) and the indicator of the concentration of credit risks for insiders.

3.4.1. The indicator of the concentration of major credit risks (AI5) shall be determined in the procedure established for the calculation of obligatory Standard N7 “Maximum Amount of Major Credit Risks” in accordance by Instructions of the Central Bank of Russia No. 110-I.

3.4.2. The indicator of the concentration of credit risks for stockholders (members) (AI6) shall be determined in the procedure established for the calculation of obligatory Standard 9.1 “Maximum Amount of Credits, Bank Guarantees and Warranties Provided by the Bank to Its Members (Stockholders)” in accordance with Instructions of the Central Bank of Russia No. 110-I.

3.4.3. The indicator of the concentration of credit risks for insiders (AI7) shall be determined in the procedure established for the calculation of obligatory Standard N10.1 “Aggregate Amount of the Bank Insiders’ Risk” in accordance with Instructions of the Central Bank of Russia No. 110-I.

3.5. The generalising result of the group of asset valuation indicators (RAG) represents the average weighted value of the indicators determined in accordance with Items 3.2 - 3.4 of this Chapter and shall be calculated using the following formula:

$$RAG = \text{Amount}_{i=1}^{7} (\text{grade}_i \times \text{weight}_i) : \text{Amount}_{i=1}^{7} \text{weight}_i$$, where

grade_i - rating from 1 to 4 of the respective indicator determined in accordance with Items 3.2 - 3.4 of this Chapter;

weight_i - weight rating using the relative significance scale from 1 to 3 of the respective indicator determined in accordance with Items 3.2 - 3.4 of this Chapter.

Rating by grades and by weight of the indicators of the group of asset valuation indicators are shown in Appendix 2 to this Direction.

3.6. The bank’s financial stability based on the group of asset valuation indicators shall be recognised as satisfactory if the RAG value is less or equal to Grade 2.3.

Chapter 4.
Group of Indicators for Rating the Quality of Management of the Bank, Its Operations and Risks

4.1. The group of indicators for rating the quality of management of the bank, its operations and risks includes the indicators of property structure transparency, of the organisation of the risk management system and of the internal control service.

4.2. The indicators of property structure transparency consist of the following indicators:

the sufficiency of the volume of information disclosed about the bank's property structure in accordance with the federal laws and normative acts of the Bank of Russia (PU1);

the accessibility of information about persons exerting direct or indirect (via third persons) substantial influence on the decision-making by the bank's managerial bodies (PU2);

the significance of influence exerted on the bank's management by residents of offshore zones (PU3).

4.2.1 The indicators of property structure transparency shall be appraised on the basis of the methods indicated in Appendix 3 to this Direction.

4.2.2. The list of states and territories granting preferential tax treatment and/or without provision for the disclosure and supply of information for the performance of financial operations (offshore zones) is indicated in Appendix 1 to Direction of the Bank of Russia No. 1317-U of August 7, 2003 on the Procedure for the Establishment by Authorised Banks of Correspondent Relations with Non-resident Banks Registered in States and Territories Granting Preferential Tax Treatment and/or without Provisions for the Disclosure and Supply of Information for the Performance of Financial Operations (Offshore Zones), registered by the Ministry of Justice of the Russian Federation No. 5058 of September 10, 2003 ("Vestnik Banka Rossii", No. 51, September 17, 2003)

4.3. The indicator of risk management system organisation (PU4) shall be determined on the basis of the assessment of answers to the questions indicated in Appendix 4 to this Direction.

4.3.1. The answers to the questions shall be assessed on the basis of points won by them on the four-grade scale:

1 - yes (permanently, always, in full volume);
2 - largely (as a rule, sufficiently completely)
3 - partially (yes in part, in certain cases, insufficiently completely);
4 - no (never, in no case).

4.3.2. The indicator of the risk management system organisation represents the average weighted value of the assessments of answers to the questions indicated in Appendix 4 to this Direction and shall be calculated using the following formula:

$$PU4 = \text{Amount}_{i=1}^{10} (\text{grade}_i \times \text{weight}_i) : \text{Amount}_{i=1}^{10} \text{weight}_i$$

where

grade$_i$ - rating from 1 to 4 of the answer to the respective question indicated in Appendix 4 to this Direction;

weight$_i$ - weight rating on the relative significance scale from 1 to 3 of the answer to the respective question indicated in Appendix 4 to this Direction.

Weight rating of the answers to the questions for determination of the indicator of risk management system organisation is shown in Appendix 4 to this Direction.

4.4. The indictor of internal control service organisation (PU5) shall be determined on the basis of the assessment of the answers to the questions indicated in Appendix 5 to this Direction.

4.4.1. The answers to the questions shall be rated by points won by them on the four-point scale:

1 - yes (permanently, always, in full volume);

2 - largely (almost permanently, almost always, almost in full volume);

3 - partially (yes in part, not always, in certain cases);

4 - no (never, in no case).

4.4.2. The indicator of internal control service organisation represents the average weighted volume of the assessments of the answers to the questions indicated in Appendix 5 to this Direction and shall be calculated using the following formula:

$$PU5 = \text{Amount (grade}_i \times \text{weight}_i) : \text{Amount weight}_i, \quad i = 1 \text{ to } 10$$

where

grade$_i$ - rating from 1 to 4 of the answer to the respective question indicated in Appendix 5 to this Direction;

weight$_i$ - weight rating on the relative significance scale from 1 to 3 of the answer to the respective question indicated in Appendix 5 to this Direction.

Weight rating of the answers to the questions for determination of the indicator of internal control service organisation is shown in Appendix 5 to this Direction.

4.5. The bank's financial stability on the basis of the group of indicators of the rating of the quality of management of the bank, its operations and risks shall be recognised as satisfactory if the appraisal of each of the indicators of property structure transparency, of the organisation of risk management system and of the internal control system is less than or equal to Grade 2.3.

Chapter 5
Group of Revenue Performance Appraisal Indicators

5.1. The group of revenue performance appraisal indicators includes the indicators of the profitability of the assets and capital, of the structure of incomes and expenditures, of the revenue performance of individual kinds of operations and of the bank as a whole.

5.2. The indicators of the profitability of the assets and capital consist of the asset profitability indicator and of the capital profitability indicator.

5.2.1. The rate of return on assets (RR1) shall be determined as the percentage (per cent per annum) of the financial result to the average value of the assets and shall be calculated by the following formula:

$$RR1 = \frac{FR}{Aav} \times 100\%, \text{ where}$$

FR - financial result of a bank which is an indicator “Profit before taxation” (symbol 01000) or “Loss before taxation” (symbol 02000) of the form 0409102 “Report on Profits and Losses of a Credit Organisation” (hereinafter, form 0409102) established by Annex 1 to Direction of the Bank of Russia No. 1376-U increased by the size of the taxes and fees referred to the expenses in accordance with legislation of the Russian Federation (symbol 26411 of the form 0409102) and the value of the negative revaluation of securities whose current (fair) cost has been determined by the bank in the absence of the average weighted price disclosed by the organiser of trade on the securities market (breakdown with the code of designation 6102 of the form 0409110 “Breakdowns of Certain Indicators of the Activity of a Credit Organisation” (hereinafter, form 0409110) established by Annex 1 to Direction of the Bank of Russia No. 1376-U) and decreased by the value of the positive revaluation of such securities (breakdown with the code of designation 6101 of the form 0409110). In the event that the payments from the profit of the bank after taxation (distribution among the shareholders (participants) in the form of dividends (symbol 32001 of the form 0409102), allocations for the formation and replenishment of the reserve fund (symbol 32002 of the form 0409102) exceed the value of the value of the profit after taxation (symbol 31001 of the form 0409102) or if such payments have been made with a loss incurred after taxation (symbol 31002 of the form 0409102), then the indicator FR decreases by the amount of the excess of such payments over the profit of the bank after taxation or by the amount of such payments in the loss of the bank after taxation.

For the purpose of assessing the indices of the group of indices for assessing the profitability, the Bank Supervision Committee of the Bank of Russia may, on the basis of an application of the territorial institution of the Bank of Russia prepared on the results of the consideration of the relevant request of the bank, take a decision on determining the financial result of the bank (FR) without taking into account:

the expenses (losses) proceeding from the development of the business;

the expenses (losses) that have caused the emergence of the grounds (or of one of the grounds) for carrying out measures for the financial recovery of the bank.

For calculating the financial result of the bank (FR), the loss of the past year shall be diminished by the value of the monetary funds assigned to covering it by a decision of the general annual meeting of the promoters (participants) of the bank in accordance with the legislation of the Russian Federation (the decipherment of Form 0409110 with a code of designation 5101);

Aav is the average value of the assets. It is calculated by the formula of the average chronological (according to the data as on the first day of the month following the reporting month for all the months starting from the reporting as on January 1 and ending with the reporting as on the date at which the numerator is calculated) for index A.

5.2.2. The capital profitability indicator (II2) shall be determined as the percentage ratio (in per cent per annum) of the financial result to the average capital value and calculated according to the following formula:

FR
II2 = --------- x100%, where
Caver

Caver - the average capital value. It shall be calculated according to the average chronological formula (according to the data of the reports on the first day of the month succeeding the reporting month for all months from the report on the date which was used to calculate the numerator) for Indicator C.

5.3. The indicators of the structure of incomes and expenditures consist of the income structure indicator and the expenditure structure indicator.

5.3.1. The incomes structure indicator (II3) shall be determined as the percentage ratio of the net incomes from single operations to the financial result and calculated using the following formula:

Nisingle
II3 = --------- x100%, where
FR

NIit - net incomes from individual transactions. They represent the difference between incomes and expenses from the bank's individual transactions.

Other incomes refer to incomes from individual transactions (the final result of Section 7 of Chapter 1 in Form 0409102), with the exception of fines, penalty fees, forfeits in operations of the attraction and the granting (placement) of monetary funds (Symbol 17101 of Form 0409102), other incomes attributal to other (Symbol 17306 of Form 0409102) and incomes of past years, revealed in the reporting year (the final result of Subsection 2 of Section 7 in Chapter 1 of Form 0409102), and also other operating incomes from the retirement (sale) of property (Symbol 16302 of Form 0409102).

The expenses from individual transactions include the bank's expenses before the retirement (sale) of property (Symbol 26307 of Form 0409102), legal costs and arbitration costs (Symbol 26407 of Form 0409102), fines,

penalty fees, forfeits from other bank transactions and deals (Symbol 27102 of Form 0409102), other (economic) operations (Symbol 27103 of Form 0409102), payment in compensation of the caused losses (Symbol 27301 of Form 0409102) from the write-off of shortages of material values (Symbol 27302 of Form 0409102), money in cash, the sums in false monetary tickets and coins (Symbol 27303 of Form 0409102), and also expenses arising as consequences of emergency circumstances of economic activity (Symbol 27307 of Form 0409102);

The Nisingle and FR components of Indicator II3 shall be calculated in the procedure determined by Item 5.6 of this Chapter.

5.3.2. The NIsingle and FR components of Indicator II4 shall be determined as the percentage ratio of the administrative-and-managerial expenses to the net incomes or expenses and calculated using the following formula:

Eam
II4 = --------- x100%, where
NI

Pay - administrative and management expenses. They represent the final result of Section 6 of Chapter II of Form 0409102, except for legal and arbitration costs (Symbol 26407 of Form 0409102), taxes and fees attributable to expenses in compliance with the legislation of the Russian Federation (Symbol 26411 of Form 0409102) and expenses on the retirement (sale) of property (Symbol 26307 of Form 0409102);

NI - the indicator “Net incomes or expenses)” of Form 0401807 the Report on Profits and Losses (Published Form) (hereinafter referred to Form 0409807), established by Appendix No. 1 to Regulations of the Central Bank of Russia No. 1376-U (any indicators of Form 0409807 shall be determined in accordance with the Spread Table for drawing up a report on profits and losses (Published Form) “of Item 3 of the Procedure for Compiling and Presenting Reports in the Form 0409807 the Report on Profits and Losses (Published Form);

The Eam and NI components of Indicator II4 shall be calculated in the procedure determined by Item 5.6 of this Chapter.

5.4. The indicators of the revenue performance of individual kinds of operations and of the bank consist as a whole of the indicators of the net interest margin and of the net spread from credit operations.

5.4.1. The net interest margin indicator (II5) shall be determined as the percentage ratio (in per cent per annum) of the net interest income to the average value of assets and calculated according to the following formula:

$$II5 = \frac{NIi}{Aaver} \times 100\%, \text{ where}$$

NIi - net incomes from interest. They represent the difference between interest incomes and interest expenses (Ni);

Interest incomes represent the sum of the indicator of interest incomes from loans (Ii) and of interest incomes from placements in securities.

Ii - interest incomes from loans. They represent the sum of interest incomes (the final result of Section 1 of Chapter 1 of Form 0409102) with the exception of interest incomes from placements in debt obligations (except for bills) (Subsection 5 of Section 1 in Chapter 1 of Form 0409102), incomes from rendering services for financial lease (leasing) (Symbol 12405 of Form 0409102), fines, penalty fees, forfeits received from the operations of attracting and presenting (placing) money (Symbol 17101 of Form 0409102), incomes of past years revealed in the reporting year from the operations of attracting and presenting (placing) money (Symbol 17201 of Form 0409102), incomes from the opened loan accounts of customers (the decipherment of Form 0409110 with a code of designation S12101/1.2, incomes from the rendered consultation and information services in connection with the granting of loans (the decipherment of Form 0409110 with a code of designation S12406/1.2, incomes from the restoration of the sums of reserves in case of possible losses, which are formed to meet the requirements for receiving interest incomes the decipherment of Form 0409110 with a code of designation S16305/4.1.

Interest income from placements in securities represent the sum of interest incomes from placements in debt obligations (except for bills) (Subsection 5 of Section 1 in Chapter 1 of Form 0409102) and incomes from the restoration of the sums of reserves for possible losses formed to meet the requirements for the reception of interest incomes (the decipherment of Form 0409110 with a code of designation S16305/4.2).

Ei - expenses of interest. They represent the sum of interest expenses (the final result of Section 1 of Form 0409102), fines, penalty fees, forfeits paid in operations of attracting and presenting (placing) money (Symbol 27101 of Form 0409102) and expenses of past years, revealed in the reporting year in the operations of attracting and presenting (placing) money (Symbol 27201 of Form 0409102), increased by the size of deductions to the reserves for possible losses, formed to meet the requirements for receiving interest incomes (the decipherment of Form 0409110 with codes of designation S25302/4.1 and S25302/4.2)";

5.4.2. The indicator of the net spread from credit operations (II6) shall be determined as the difference between the interest (in per cent per annum) ratios of the interest incomes from loans to the average amount of loans and interest expenses to the average amount of liabilities generating interest payments and shall be calculated using the following formula:

$$II6 = \frac{Ii}{L3_{aver}} \times 100\% - \frac{Ei}{Lb_{aver}} \times 00\%, \text{ where}$$

L3 aver - average amount of loans. It shall be calculated according to the average chronological formula (according to the data of the reports on the 1st of the month succeeding the reporting month for all months from the report on the date which was used to calculate the numerator) for Indicator L3.

Obav- average value of obligations generating interest payments. It shall calculated according to the formula of the chronological average (according to the data of reporting as on the first of the month succeeding the reporting month, for all the month beginning with reporting as on January 1 and ending with reporting on the date on which the numerator is calculated). Obligations generating interest payments represent the indicator “Total obligations” minus the indicators “Other obligations” and “Reserves for possible losses in conditional credit obligations, other possible losses in operations with residents of offshore zone” of Form 0409806.

5.5. Indicators of the group of revenue performance appraisal indicators - II1, II2, II3, II4, II5, II6 shall be calculated as of April 1, July 1 and October 1 by the average weighted method according to the following formula:

$$\text{Amount}\left(\text{indicator}_i \times \text{weight}_i\right) : \text{Amount weight}_i, \text{ where}$$

$i = 1, 2$

indicator - value of the respective indicator determined in accordance with Items 5.2 and 5.4 of this Chapter or

with the components (separately of the numerator and denominator) of the respective indicator determined in accordance with Item 5.3 of this Chapter on the reporting (quarterly) date and on the past annual date closest to the reporting date;

weight - weight rating from 0.3 to 0.7 of the respective indicator (component of the indicator) determined in accordance with Items 5.2 - 5.4 of this Chapter.

For the reporting date of April 1 the indicator (component of the indicator) on the reporting date shall be assigned weight_i equal to 0.3 and the indicator (component of the indicator) on the past annual date-0.7. For the reporting date of July 1 both indicators (components of the indicators) shall be assigned weight_i equal to 0.5. For the reporting date of October 1 the indicator (component of the indicator) shall be assigned on the reporting date weight_i equal to 0.7 and the indicator (component of the indicator) as of the past annual date-0.3.

As of January 1 the indicators shall be calculated using the formulas indicated in Items 5.2 - 5.4 of this Chapter without the application of the average weighted method.

If the average weighted value of the denominator of Indicators II3 and II4 as of April 1, July 1 and October 1 or if the value of the denominator of Indicators II3 and II4 as of January 1 is negative (under zero), the indicator shall be assigned Grade 4.

5.6. The values of the indicators of the group of revenue performance appraisal indicators II1, II2, II5 and II6 in per cent per annum and the adjustment of the components of Indicators I3 and II4 to the annual appraisal shall be calculated for the indicators and components of indicators which are calculated as of April 1, July 1 and October 1 by means of multiplication of their values as of the quarterly reporting date by 12 and by means of division by the quantity of months which elapsed from the start of the year to the quarterly reporting date.

5.7. The generalising result of the group of revenue performance appraisal indicators (RGI) represents the average weighted value of the indicators determined in accordance with Items 5.2 - 5.4 of this Chapter, and shall be calculated using the following formula:

$$RGI = \text{Amount}_{i=1}^{6} (\text{grade}_i \times \text{weight}_i) : \text{Amount}_{i=1}^{6} \text{weight}_i,$$ where

grade_i - rating from 1 to 4 of the respective indicator determined in accordance with Items 5.2 - 5.4 of this Chapter;

weight_i - weight rating on the relative significance scale from 1 to 3 points of the respective indicator determined in accordance with Items 5.2 - 5.4 of this Chapter.

Rating by grades and by weight of the indicators of the group of revenue performance appraisal indicators is indicated in Appendix 6 to this Direction.

5.8. The bank's financial stability based on the group of revenue performance appraisal indicators shall be recognised as satisfactory if the RGI value is less or equal to 2.3 points.

Chapter 6
Group of Liquidity Appraisal Indicators

GARANT system comment

On the indicators of the credit institution's liquidity appraisal, see Instructions of the Central Bank of Russia No. 110-I of January 16, 2004

6.1. The group of liquidity appraisal indicators includes the indicators of liquidity of assets, of the liquidity and structure of liabilities, of the bank's general liquidity and of risk for major creditors and depositors.

6.2. The indicators of liquidity of assets consist of the indicator of the ratio of high-liquidity assets to the attracted funds, the instantaneous liquidity indicator and the current liquidity indicator.

6.2.1. The indicator of the ratio of high-liquidity assets to the attracted funds (IL1) shall be determined as the percentage ratio of high-liquidity assets to the attracted funds and shall be calculated using the following formula:

Lam
IL1 = ---------- x 100%, where
AF

Lam - the bank's high-liquidity assets determined in accordance
mative by Instructions of the Central Bank of Russia No. 110-I
RF - raised funds. They represent the difference of the indicators
"Total obligations" and "Reserves for possible losses under
conditional credit obligations, other possible losses and
operations with residents offshore zones" of Form 0409806;

6.2.2. The instantaneous liquidity Indicator (IL2) shall be determined in the procedure established for the calculation of obligatory Standard N2 "Instantaneous Liquidity Standard" in keeping with Instructions of the Central Bank of Russia No. 110-I.

6.2.3. The current liquidity indicator (IL3) shall be determined in the procedure established for the calculation of obligatory Standard N3 "Standard for the Bank's Current Liquidity" in accordance with Instructions of the Central Bank of Russia No. 110-I.

6.3. The indicators of liquidity and of the structure of liabilities consist of the indicator of the structure of attracted funds, the indicator of dependence on the inter-bank market, the indicator of the risk of own bill liabilities and the indicator of non-bank loans.

6.3.1. The indicator of the structure of attracted funds (IL4) shall be determined as the percentage ratio of the demand liabilities to the attracted funds and calculated using the following formula:

$$IL4 = \frac{Ldm}{AF} \times 100\%, \text{ where}$$

Ldm - demand liabilities determined in accordance with Instructions of the Central Bank of Russia No. 110-I

6.3.2. The indicator of dependence on the inter-bank market (IL5) shall be determined as the percentage ratio of the difference between the attracted and distributed inter-bank credits (deposits) to the attracted funds and calculated using the following formula:

$$IL5 = \frac{ILo3bc - Lo3bc}{AF} \times 100\%, \text{ where}$$

RFbc - received interbank credits (deposits). They represent the final result of Section II of Form 0409501 “Information about interbank credits and deposits” (hereinafter referred to as Form 0409501), established by Appendix No. 1 to Direction of the Central Bank of Russia No. 1376-U;

MRbc - granted interbank credits (deposits). They represent the final result of Section I of Form 0409504”;

6.3.3. The indicator of the risk of own bill liabilities (IL6) shall be determined as the percentage ratio of the sum of the bills issued by the bank and the bank bills receivable to its own assets (capital) and calculated using the following formula:

$$IL6 = \frac{Lb}{C} \times 100\%, \text{ where}$$

IB - bills and bank acceptances issued by a bank. They represent the sum of outgoing balances in Account No. 523 (Issued bills and bank acceptances) and Account No. 52406 (Bills for execution) of Form 0409101 (Turnover sheet for accounting accounts of a credit organisation), established by Appendix No. 1 to Direction of the Central Bank of Russia No. 1376-U;

6.3.4. The indicator of non-bank loans (IL7) shall be determined as the percentage ratio of the loans extended to clients - non-credit organisations to the balances of funds on the accounts of clients - non-credit organisations and calculated using the following formula:

$$IL7 = \frac{Lo3nb}{Inb} \times 100\%, \text{ where}$$

MRnb - loans granted to customers - noncredit organisations (including loans granted to natural persons). It is determined as a difference between indicators MR and MRbe;

RFnb - the indicator (Funds of customers - non-credit organisations) of Form 0409806.

6.4. The indices of the overall liquidity of a bank shall consist of the index of the averaging of the mandatory reserves and the index of the mandatory reserves.

6.4.1. The index of the averaging of the mandatory reserves (PL8) shall characterise the absence (presence) with a bank of the fact of nonfulfilment of the duty in the averaging of the mandatory reserves in accordance with Regulations of the Bank of Russia No. 255-P of March 29, 2004 “About obligatory reserves of credit organisations, registered by the Ministry of Justice of the Russian Federation on April 23, 2004, registration number 5769; on October 22, 2004, registration number 6081; on October 22, 2003, registration number 6081; on April 28, 2005, registration number 6561; on October 19, 2005, registration number 7106; on October 11, 2006, registration number 8368 (Vestnik Banka Rossii No. 25 of April 30, 2004; No. 65 of October 27, 2004; No. 22 of May 5, 2005; No. 56 of October 26, 2005; No. 56 of October 18, 2006). It shall be evaluated for the month preceding the reporting date for which there are calculated the indices of financial stability in accordance with Regulations of the Bank of Russia No. 248-P of January 16, 2004 on the Procedure for the Consideration by the Bank of Russia of an Application of a Bank for the Rendering by the Bank of Russia of an Opinion about the Conformity of the Bank to the Requirements for Participation in the System of Insurance of Deposits, registered with the Ministry of Justice of the Russian Federation on January 23, 2004, No. 5484; September 17, 2004, No. 6030; November 9, 2004, No. 6017 (Vestnik Banka Rossii No. 5 of January 27, 2004; No. 59 of October 6, 2004; No. 67 of November 17, 2004) (hereinafter, Regulations of the Bank of Russia No. 248-P).

If a bank does not use the averaging of the mandatory reserves in the period being analysed, then point 1 shall be conferred to index PL8.

6.4.2. The index of the mandatory reserves (PL9) shall characterise the absence (presence) with a bank of facts of unpaid arrears of contribution to the mandatory reserves. It shall be evaluated in calendar days of the duration of nonpayment for the month preceding the reporting date for which there were calculated the indices of financial stability in accordance with Regulations of the Bank of Russia No. 248-P.

6.5. The indicator of risk for major creditors and depositors (IL10) shall be determined as the percentage ratio of the sum of the bank's liabilities to creditors and depositors whose share in the aggregate amount of all the bank's liabilities accounts for 10% or more of the liquid assets and calculated using the following formula:

$$IL10 = \frac{Lbmc}{Liqat} \times 100\%, \text{ where}$$

Lbmc - the sum of the bank's liabilities for creditors and depositors (groups of bound creditors and depositors) whose share in the aggregate amount of all bank's liabilities accounts for 10% or more. It shall be calculated on the basis of the data of reports drawn up according to Form 0409157 (Information about the Credit Institution's Major Creditors (Depositors)) established by Appendix No. 1 to Direction of the Central Bank of Russia No. 1376-U;

Liqat - liquid assets determined in accordance with Instructions of the Central Bank of Russia No. 110-I.

6.6. The generalising result of the group of liquidity appraisal indicators (RLG) represents the average weighted value of coefficients determined in accordance with Items 6.2 - 6.5 of this Chapter and calculated using the following formula:

$$RLG = \text{Amount}_{i=1}^{10}(\text{grade}_i \times \text{weight}_i) : \text{Amount}_{i=1}^{10}\,\text{weight}_i, \text{ where}$$

grade$_i$ - rating from 1 to 4 of the respective indicator determined in accordance with Items 6.2 - 6.5 of this Chapter;

weight$_i$ - weight rating on the relative significance scale from 1 to 3 of the respective indicator determined in accordance with Items 6.2 - 6.5 of this Chapter.

Rating by grades and by weight of the indicators of the group of liquidity appraisal indicators is shown in Appendix 7 to this Direction.

6.7. The bank's financial stability based on the group of liquidity appraisal indicators shall be recognised as satisfactory if the RLG value is less than or equal to 2.3 points.

Chapter 6.1. Observation by the Bank of the Procedure, Established by the Bank of Russia for Revealing to an Unlimited Group of Persons Information on Persons Exerting a Substantial (Direct or Indirect) Impact on Decisions Adopted by Its Management Bodies

6.1.1. The bank is recognised as providing access to information on the persons mentioned in Item 2.1.1 of Appendix 3 to the present Direction, to an unlimited group of persons, if on the bank's Internet site or in the Bank of Russia's official presentation in the Internet, the following information on the said persons is placed in accordance with the procedure established in the Bank of Russia's normative act on revealing in the Bank of Russia's official presentation in the Internet of information on persons exerting a substantial (direct or indirect) impact upon decisions adopted by the management bodies of the participant banks in the system for obligatory insurance of natural persons' deposits in the banks of the Russian Federation:

- surname, first name and patronymic (if any), citizenship, place of residence (name of the city or of the populated centre) - for natural persons;
- full official designation and abbreviated official designation (if any); place of location (postal address), basic state registration number, date of the state registration as a legal entity (date of the entry into the Uniform State Register of Legal Entities of information on a resident legal entity registered before July 1, 2002) - for legal entities.

If the bank places the information mentioned in this Item on the bank's Internet site, information on any change in the composition of the persons mentioned in this Item shall be placed on this site no later than within ten working days after such change is made.

If the bank places the information mentioned in this Item in the Bank of Russia's official presentation on the Internet, its placement shall be effected in the procedure established in the Bank of Russia's normative act on revealing in the Bank of Russia's official presentation in the Internet information on persons exerting a substantial (direct or indirect) impact upon decisions adopted by the management bodies of the participant banks in the system for obligatory insurance of natural persons' deposits in the banks of the Russian Federation.

6.1.2. If a petition on the state registration and on the issue of a licence for the performance of banking operations supposes granting to a bank created by way of institution a licence for bringing into deposits of natural persons' monetary funds in roubles and in foreign currency, the bank shall be recognised as providing access to an unlimited group of persons to information on persons exerting a substantial direct or indirect (through the third persons) impact upon decisions adopted by the bank's management bodies, if information on these persons is revealed in the procedure established in Item 6.1 of this Direction.

6.1.3. If the revealed information does not contain any information provided for by Item 6.1.1 that is information on the persons mentioned in Item 2.1.1 of Appendix 3 to this Direction, and (or) if it does not satisfy the demands of this Chapter, the bank shall be recognised as not observing the procedure established by the Bank of Russia, for revealing to an unlimited group of persons information on persons exerting a substantial direct or indirect (through the third persons) impact upon decisions adopted by its management bodies.

Chapter 7
Appraisal of the Bank's Financial Stability

7.1. The bank's financial stability shall be regarded as sufficient for the bank to be recognised as meeting the requirements for participation in the deposit insurance system if the "satisfactory" result is recorded in all groups of indicators mentioned in Chapters 2 - 6 of this Direction, and if the bank

provides an access to information on the persons, mentioned in Item 2.1.1 of Appendix 3 to the present Direction, to an unlimited group of persons in the procedure, established in Chapter 6.1 of the present Direction.

7.2. The groups of indicators for the appraisal of the bank's financial stability for the purposes of its recognition as sufficient for participation in the deposit insurance system shall be calculated on the basis of the reports recognised by the Bank of Russia as trustworthy and also of other trustworthy information, drawn up on the basis of documents and which is necessary for the determination of the bank's compliance with the requirements for participation in the deposit insurance system.

7.3. The bank's reports shall be recognised as trustworthy if the credit institution's records and reports simultaneously comply with the federal laws, normative acts and rules established by the Bank of Russia and with their own records policy, but the revealed defects or errors in the condition of the records and/or reports, if removed, shall not lead to a change in the value of at least one indicator of the group of indicators used for the appraisal of the bank's financial stability which would transform the group's generalising result into "unsatisfactory".

7.4. If defects or errors are revealed in the bank's records and reports, the required adjustments shall be made by the Bank of Russia in the calculation of the indicators of the groups of indicators used for the appraisal of financial stability.

7.5. The bank's financial stability shall be appraised in accordance with the procedure determined by Regulations of the Bank of Russia No. 248-P.

Chapter 8. Concluding Provisions

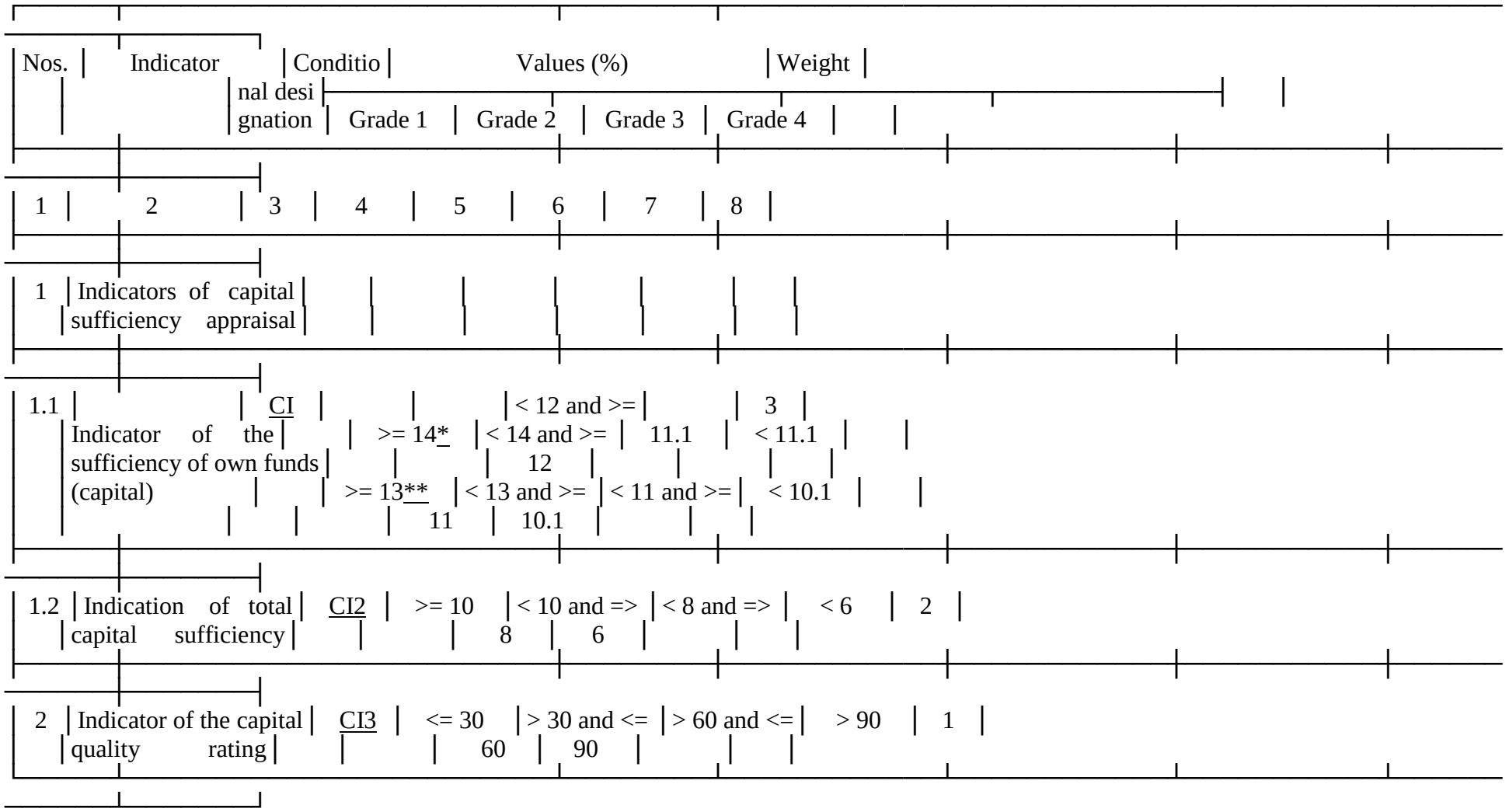
8. This Direction shall take effect upon expiration of ten days after the day of its official publication in "Vestnik Banka Rossii".

Chairman of the Central Bank
of the Russian Federation S.M. Ignatyev

Registered with the Ministry of Justice of the Russian Federation on January 23, 2004
Registration No. 5485

Appendix 1
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of the Bank's Financial Stability
for the Purposes of Recognising It as Sufficient
for Participation in the Deposit Insurance System

Rating by points and by weight of the Indicators of the Group of Capital Valuation Indicators



Nos.	Indicator	Conditional designation	Values (%)				Weight
			Grade 1	Grade 2	Grade 3	Grade 4	
1	2	3	4	5	6	7	8
1	Indicators of capital sufficiency appraisal						
1.1	Indicator of the sufficiency of own funds (capital)	CI	>= 14*	< 14 and >= 12	< 12 and >= 11.1	< 11.1	3
			>= 13**	< 13 and >= 11	< 11 and >= 10.1	< 10.1	
1.2	Indication of total capital sufficiency	CI2	>= 10	< 10 and => 8	< 8 and => 6	< 6	2
2	Indicator of the capital quality rating	CI3	<= 30	> 30 and <= 60	> 60 and <= 90	> 90	1

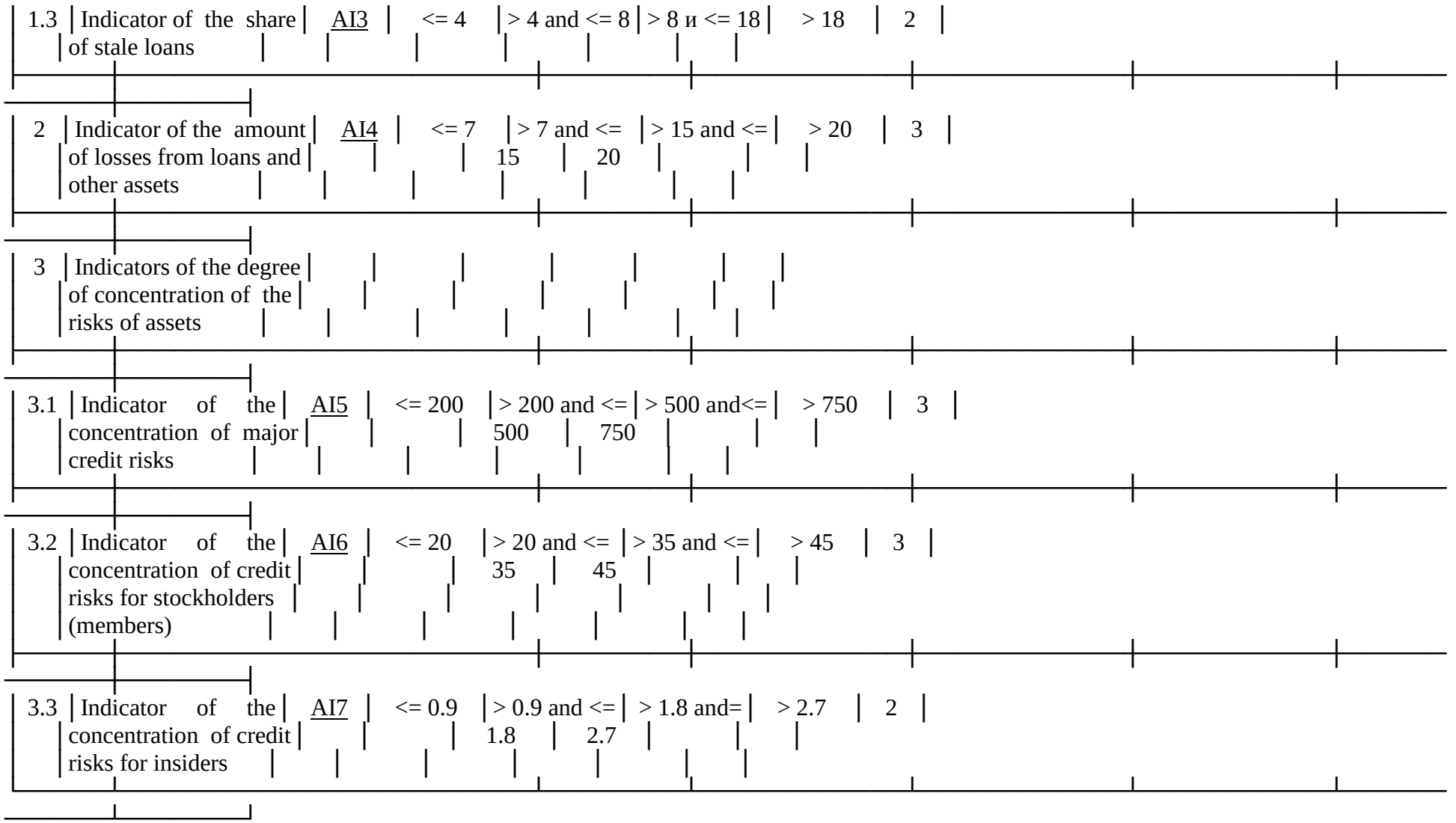
- For credit institutions with the amount of their own funds (capital) equivalent to five million euros.

** For credit institutions with the amount of their own funds (capita) equivalent to five million euros or more.

Appendix 2
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of a Bank's Financial Stability
for the Purposes of Recognising It as Sufficient
for Participation in the Deposit Insurance System

Rating by Points and by Weight of the Indicators of the
Group of Asset Valuation Indicators

Nos.	Indicator	Values (%)				Weight
		Grade 1	Grade 2	Grade 3	Grade 4	
1	2	3	4	5	6	7	8
1	Indicators of the rating of the quality of debts and debts on assets						
1.1	Indicator of the quality of loans	AI1	<= 4	> 4 and <= 12	> 12 and <= 20	> 20	3
1.2	Indicator of the quality of assets	AI2	<= 4	> 4 and <= 8	> 8 and <= 15	> 15	2



Appendix 3
to Direction of the Central Bank of Russia

No. 1379-U of January 16, 2004
on the Appraisal of a Bank's Financial Stability
for the Purposes of Recognising It as Sufficient
for Participation in the Deposit Insurance System

Methods for the Appraisal of the Indicators of the Bank's Property Structure Transparency
(with the Amenmdents and Additions of September 20, 2006, October 27, 2009)

1. Indicator PU1

1.1. For the appraisal of Indicator PU1:

1.1.1 Grade 1 shall be awarded if the bank discloses information without violation of the legislation of the Russian Federation, including the normative acts of the Bank of Russia, that is, complies with account of the special requirements in connection with the bank's organisational structure and legal status, including the normative acts of the Bank of Russia establishing the composition, time limits and forms for the presentation (including forwarding) to the Bank of Russia and interested persons of information about persons (groups of persons) holding in ownership the bank's stock (shares) and also about other persons (groups of persons) information about whom shall be presented in accordance with the legislation of the Russian Federation, including with the normative acts of the Bank of Russia.;

1.1.2. Grade 2 shall be awarded unless the established violations have a substantial effect on the identification of the owners of the bank's stock (shares), that is, if the composition of said persons is disclosed in full volume but there are errors, or information about said persons is disclosed insufficiently;

1.1.3. Grade 3 shall be awarded if the composition of the owners of the bank's stock (shares) is disclosed not in full or incorrectly.

2. Indicator PU2.

2.1. For the appraisal of Indicator PU2:

2.1.1. Grade 1 shall be awarded if the Bank of Russia and an unlimited group of persons have access to the information about the persons:

exerting direct substantial influence on the decision-making by the bank's managerial bodies, that is, those wielding powers following from the laws of property in the bank's voting stock (shares) and also exercise rights following from grantee management, commission, agency contracts or other transactions, or on other grounds, if said rights provide an opportunity to the person to take part in the bank's management on a par with its founders (members), or

exerting indirect (via third persons) substantial influence on decision-making by the bank's managerial bodies, that is, wielding such powers in relation to the persons who are able to exert substantial influence directly as to appoint or determine the election of a one man executive body and/or of more than a quarter of the composition of the board of directors (supervisory council), and also, by virtue of ownership of the voting stock (shares) of

the legal entity (persons of a group of persons), inclusion in the composition of a group of persons or affiliated entities, or of a contract, to issue instructions, obligatory for execution, for the sale by the person (group of persons) who is able to exert substantial influence directly of their rights for participation in the bank's management.

2.1.2. Grade 2 shall be awarded if information about the persons exerting direct or indirect (via third persons) substantial influence on decision-making by the bank's managerial bodies is accessible at least to the Bank of Russia;

2.1.3. Grade 3 shall be awarded unless information about persons exerting direct or indirect (via third persons) substantial influence on decision-making by the bank's managerial bodies is accessible to the Bank of Russia;

2.2. Substantial influence shall be understood in the meaning determined in Article 4 of the Federal Law on Banks and Banking (Vedomosti S'ezda Narodnykh Deputatov RSFSR i Verkhovnogo Soveta RSFSR, No. 27, 1990, Item 357; Sobraniye Zakonodatelstva Rossiiskoi Federatsii, No. 6, 1996, Item 492; No. 26, 2001, Item 2586);

2.3. For the purposes of this Direction, as a group of persons shall be understood the group of persons recognised as such in accordance with Article 9 of Federal Law No. 135-FZ of July 26, 2006 on the Protection of Competition (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 31, 2006, Item 3434; No. 49, 2007, Item 6079; No. 18, 2008, Item 1941; No. 27, Item 3126; No. 45, Item 5141; No. 29, 2009, Item 3610).

2.4. The bank shall be recognised as providing guarantees for access to information about the persons mentioned in Items 2.1.1 - 2.1.3 of this Appendix if the bank supplies the following information about said persons to the Bank of Russia (in written form) and/or to an unlimited group of persons (in the form established by the legislation of the Russian Federation):

for natural persons - surname, first name, patronymic, citizenship, place of residence (for information about the place of residence of a natural person, it shall be sufficient to submit it only to the Bank of Russia);

for legal entities - the full official designation and the abbreviated official designation (if any), location (postal address), the main state registration number, the date of state registration as a legal entity (the date of entry in the Unified State Register of Legal Entities of information on the resident-legal entity registered before July 1, 2002).

2.5. When assessing the accessibility of information, into the composition of persons exerting a substantial direct or indirect (through the third persons) impact upon decisions adopted by the bank's management bodies cannot be included:

a) the persons rendering a direct substantial impact (if persons exist who are rendering indirect [through the third persons] substantial impact);

b) residents of offshore zones (except for credit institutions which have been neither accorded preferential tax treatment nor granted authority to disclose or supply information to the supervisory body of the country of their location for performance of financial operations;

c) legal entities with an unsatisfactory structure of assets, that is, a structure where long and short-term financial investments (less the amounts of investments in subsidiary and subordinate companies and other organisations (except for the investments in the bank's stock (shares), investments in state securities, the securities of the subjects of the Russian Federation and municipal securities and also acquired bills whose issuers are represented by

legal entities whose shares circulate on organised markets of securities) account for over 90% of the currency of the legal entity's balance. The structure of assets shall be appraised on the basis of the accounts data on the last reporting date preceding the date of forwarding the application for judgement to be made by the Bank of Russia on the bank's compliance with the requirements for participation in the deposit insurance system (in the stage of preliminary analysis of the bank's compliance with the requirements for participation in the deposit insurance system) or on the reporting date preceding the date of completion of the thematic inspection in accordance with Regulations of the Bank of Russia No. 248-P;

d) stable forms for the unification of the property owned by legal entities and/or natural persons not connected with the legal entity's formation (share investment funds and other forms, stipulated by the legislation of the Russian Federation, forms of grantee property management and so on).

3. Indicator PU3

3.1. For the appraisal of Indicator PU3:

3.1.1. Grade 1 shall be awarded if the value of AF3 is under 10%.

3.1.2. Grade 2 shall be awarded if the value of AF3 accounts from 10% (inclusive) to 40%.

3.1.3. Grade 3 shall be awarded if the value of AF3 accounts for 40% (inclusive) and more.

3.2. The coefficient AF3 shall be calculated by the formula:

AF3 = (T/V) x 100%, where

T is the total number of votes falling on the stakes (voting shares) of a bank owned by residents of offshore zones and also by persons on the decisions of whose management bodies the residents of offshore zones can, personally or in the composition of a group of persons, exert, direct or indirect (through third persons), essential influence.

The index T shall not include:

votes falling on the voting shares (stakes) of a bank owned by residents of offshore zones and also by persons on the decisions of whose management bodies the residents of offshore zones can, personally or in the composition of a group of persons, exert, direct or indirect (through third persons), essential influence if the bank submits to the supervisory body certain information about other persons (groups of persons) (except for those mentioned in Item 2.5 of this Annex) exerting direct or indirect (through third persons) essential influence on decisions taken by the management bodies of the bank;

votes falling on the stakes (voting shares) of a bank owned by credit organisations that are residents of offshore zones if such credit organisations do not enjoy a preferential tax regime and the right not to disclose and not to submit information to the supervisory body of the country of their location in the conduct of financial operations;

votes falling on the voting shares (stakes) of a bank owned by juridical persons (groups of persons) that, in accordance with the procedure for calculating the index PU2 established by Item 2 of this Annex, are persons (groups of persons) exerting essential influence on decisions taken by the management bodies of the bank;

V is the total number of votes falling on the voting shares (stakes) of a bank.

4. The list of information and documents which may be analysed for the appraisal of transparency of the bank's property structure:

4.1. The bank's constituent documents and the constituent documents of legal entities possessing the bank's shares (partner shares), as well as of the persons rendering an indirect (through third persons) substantial impact upon decisions adopted by the bank's management bodies;

4.2. The list of persons authorised to attend the general meeting of the bank's shareholders (members);

4.3. The minutes of the general meetings of the bank's shareholders (members) (regular annual and extraordinary) which are at the disposal of the territorial institution of the Bank of Russia including:

data of the bank's shareholders (members) attending the meeting, the quantity of the voting shares (votes) controlled by them;

the items put on the agenda of the general meetings of the bank's shareholders (members), including: election of the members of the bank's board of directors (supervisory council), an early termination of their powers; formation of the bank's executive body, early termination of its powers (unless in accordance with the charter of the credit institution these questions are within the sphere of jurisdiction of the board of directors (supervisory council));

the data of the results of the vote;

4.4. The proposals of the bank's shareholders (members) to be put on the agenda of the annual general meeting of shareholders (members) and their nominations to the bank's managerial bodies.

4.5. Information about the decisions of the bank's board of directors (supervisory council), about the demands of the auditing commission (inspector), the auditor and also of the stockholders (stockholder) who are in control of at least 10% of the company's voting shares on the date of the demand for the convocation of an extraordinary general meeting of shareholders - for the bank operating in the form of a joint-stock company;

4.6. Information about the demands of the company's executive body, board of directors (supervisory council), auditing commission (inspector), the auditor and also about the company members' demands for the convocation of an extraordinary general meeting of members - for the credit institution operating in the form of a limited liability company;

4.7. Information about the composition of the bank's board of directors (supervisory council):

who of the credit institution's stockholders (members) put forward a nomination for membership in the council for the vote at the meeting, the quantity of voting shares (votes) controlled by him;

the quantity of the voting shares (votes) controlled directly by each member of the said managerial body of the bank;

4.8. Information about the composition of the bank's collective executive body:

who of the credit institution's stockholders (members) put forward a nomination for the vote at the meeting, the quantity of the voting shares (votes) controlled by him;

the quantity of the voting shares (votes) controlled directly by each member of the said managerial body of the bank;

4.9. Information about the bank’s one-man executive body (manager):

who of the credit institution’s stockholders (members) put forward the nomination of the one-man executive body for the vote at the meeting, the quantity of voting shares (votes) controlled by him;

the quantity of the voting shares (votes) controlled directly by the bank’s manager;

4.10. Information about the decisions of the bank’s board of directors (supervisory council), including about the vote on the question of election of the bank’s collective executive body, if such authority has been granted by the bank’s charter to the board of directors (supervisory council);

4.11. Information on persons acquiring the bank’s shares (partner shares) contained in:

the notifications on the acquisition and (or) on the receipt into the fiduciary management of over one percent of the bank’s shares (partner shares);

the applications for obtaining the preliminary consent of the Bank of Russia for the acquisition and/or receipt for grantee management of over 20% of the bank’s stock (shares) in the cases stipulated by the legislation;

4.12. Information contained in the registration documents presented by the bank-issuer of securities to the registering agency (the registered prospectuses of securities and the reports of the results of the issue (issues) of securities), in the quarterly reports of the issues of emission securities, including:

about persons who act as members of the issuer’s managerial body, including about those who act as members of the issuer’s board of directors (supervisory council), about the person performing the functions of the issuer’s one-man executive body and also information about the nature of any kinship contacts between said persons;

about the amount of the share owned by the persons acting as members of the issuer’s managerial bodies (including the executive bodies) in the issuer’s authorised capital, of the share of the bank’s ordinary shares owned by the said persons and also information about the options of the bank’s shares provided to these persons;

information about the bank’s members (stockholders) who account for at least 5% of its authorised capital or for at least 5% of its ordinary shares, including about the amount of the shares of the bank’s members (stockholder) in its authorised capital and also of the share of the credit institution’s ordinary shares owned by him;

information about changes in the composition and about the amount of participation of the bank’s members (stockholders) accounting for at least 5% of its authorised capital or for at least 5% of its ordinary shares in the five past complete fiscal years or in each complete fiscal year if the issuer has been engaged in its activity for at least five years;

4.13. Information about the reports disclosed by the issuer bank about substantial facts affecting the issuer’s financial-and-economic activity in the part of information about the appearance in the issuer’s register of a person accounting for over 25% of its emission securities of any individual kind;

4.14. Information contained in the bank’s business plans, reports of the bank’s affiliated entities, members of the bank holding, banks with foreign partners.

Appendix 4
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of a Bank’s Financial Stability
for the Purposes of Recognising It as Sufficient

Indicator of the Risk Management System Organisation

Nos.	Questions	Weight	Grade
1	2	3	4
1	Are there divisions at the bank responsible for the estimation of the level of accepted risks and which are independent of the bank’s divisions performing operations (closing transactions) bearing the risks of losses	1	
2	Are there reports at the bank which are used by the bank’s managerial bodies for managerial decision-making and which provide them on a permanent basis (daily) with information about the bank’s current position, about the accepted risks	2	
3	Does the bank have at its disposal internal documents for the management of basic risks, typical of the bank’s activity (credit, market, currency, liquidity loss and operating risks), which have been	1	

	approved by the bank's managerial body authorised in accordance with the bank's founding documents			
4	Are the approved internal documents implemented	2		
5	Are there any internal documents for the estimation of basic risks, typical of the bank's activity (credit, market, currency, liquidity loss and operating risks), approved by the bank's managerial body authorised in accordance with the bank's founding documents	1		
6	Are the basic risks, typical of the bank's activity (credit, market, currency, liquidity loss and operating risks) estimated on a permanent basis	1		
7	Are the approved internal documents complied with for carrying out risk estimates	2		
8	Does the bank exercise control on a permanent basis over the currency position amount	1		
9*	Does the bank observe the established currency position limits	1		
10**	Does the bank's risk management system allow to restrict the bank's risk to the levels corresponding to the satisfactory appraisal of the groups of financial stability indicators, stipulated by this Direction	3		

- For the assessment of answers to this question it is necessary to proceed from the following principles:

Grade 1 - yes (permanently, always, in full volume), shall be awarded in the absence of violations of the currency position in the past thirty operating days;

Grade 2 - largely (as a rule, sufficiently completely, shall be awarded if the bank confined itself to at the most two violations of the currency position in the course of the past 30 operating days;

Grade 3 - partially (in part yes, in certain cases insufficiently completely), shall be awarded if the bank was guilty from three to five violations of the currency position in the course of the past 30 operating days;

Grade 4 - no (never, in no case), shall be awarded if the bank was guilty of over five violations of the currency position in the course of the past 30 operating days;

Non-compliance with the limit of open currency positions established by the Bank of Russia shall be regarded as a violation of the currency position.

** For the assessment of answers to this question one shall proceed from the following principles:

Grade 1 - yes (permanently, always, in full volume), shall be awarded if the appraisal of all four groups of indicators of capital valuation, of the quality of assets, of revenue performance and of liquidity and also the appraisal of all indicators of the given groups is less of equal to 2.3 points;

Grade 2 - largely (as a rule, sufficiently completely) shall be awarded if the appraisal of all four groups of indicators of capital valuation, of the quality of assets, of revenue performance and of liquidity is less than or equal to 2.3 points of individual indicators inside the groups;

Grade 3 - partially (in part yes, in certain cases, insufficiently completely), shall be awarded if the appraisal of three groups of the groups of indicators of capital valuation, the quality of assets, of revenue performance and of liquidity is less than or equal to 2.3 points;

Grade 4 - no (never, in no case), shall be awarded if the appraisal of two and more groups of the groups of indicators of capital valuation, of the quality of assets, of revenue performance and of liquidity comprises 2.3 points.

Appendix 5
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of a Bank's Financial Stability
for the Purposes of Recognising It as Sufficient
for Participation in the Deposit Insurance System

Indicator of the Internal Control Service Organisation

Nos.	Questions	Weight	Grade
1	2	3	4
1	Does the internal control service function at the bank	1	
2	Has the bank elaborated internal documents regulating internal control rules meeting the requirements of the legislation of the Russian Federation, including the normative acts of the Bank of Russia	2	
3	Are the internal documents mentioned in Item 2 complied with	3	
4	Does the division (executive official) for combating the legalisation of illegal incomes ((laundering), incomes earned in a criminal way) and funding of terrorism function at the bank	1	
5	Has the bank got rules of internal control for the purposes of combating the legalisation of illegal incomes ((laundering), incomes earned in a criminal way) and funding of terrorism in accordance with the requirements of the legislation of the Russian Federation, including the normative acts of the Bank of Russia, approved by the credit institution's manager and agreed with the territorial institution of the Bank of Russia	2	

6	Are the rules of internal control for the purposes of combating the legalisation of illegal incomes ((laundering), incomes earned in a criminal way) and funding of terrorism	3		
7	Are measures for control over the level of the accepted risks implemented on a permanent basis within the framework of the internal control system	2		
8	Has the bank got any rules of action if the internal control service reveals violations of the procedures for decision-making and estimation of risks, stipulated by the approved documents and approved by the bank's managerial body, authorised in accordance with the bank's founding documents	2		
9	Are the approved rules mentioned in Item 8 complied with	3		
10*	Are the shortcomings and violations in the bank's activity, established in the course of inspections conducted by the Bank of Russia revealed by the bank's internal control service	3		

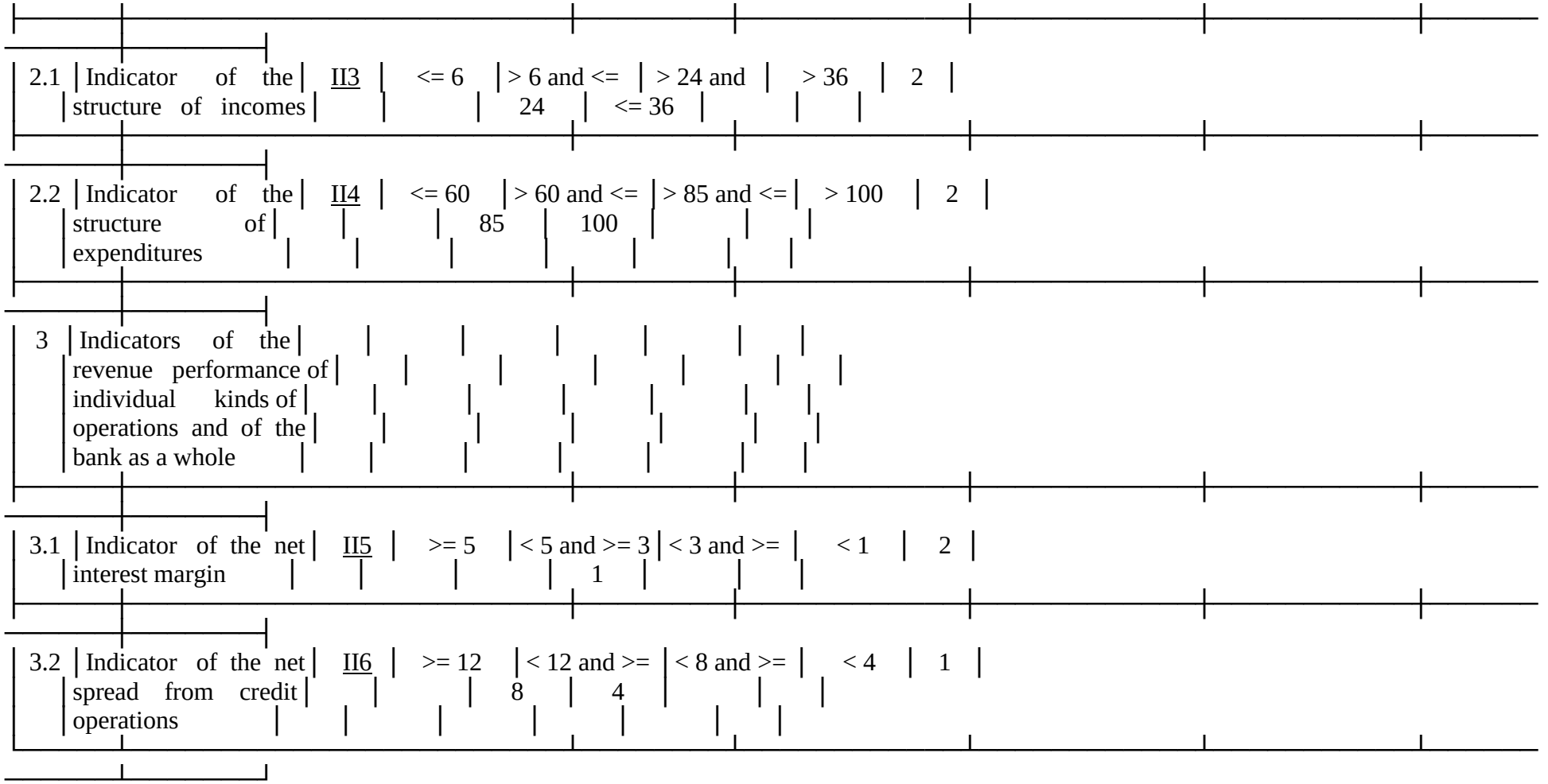
- If no serious shortcomings and violations in the bank's activity have been revealed by the thematic inspection, the given item shall not be included in the calculation of the generalising appraisal of the indicator of the internal control service organisation.

Appendix 6
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of a Bank's Financial Stability

for the Purposes of Recognising It as Sufficient
for Participation in the Deposit Insurance System

Rating by Grades and by Weight of the Indicators of the
Group of Revenue Performance Appraisal Indicators

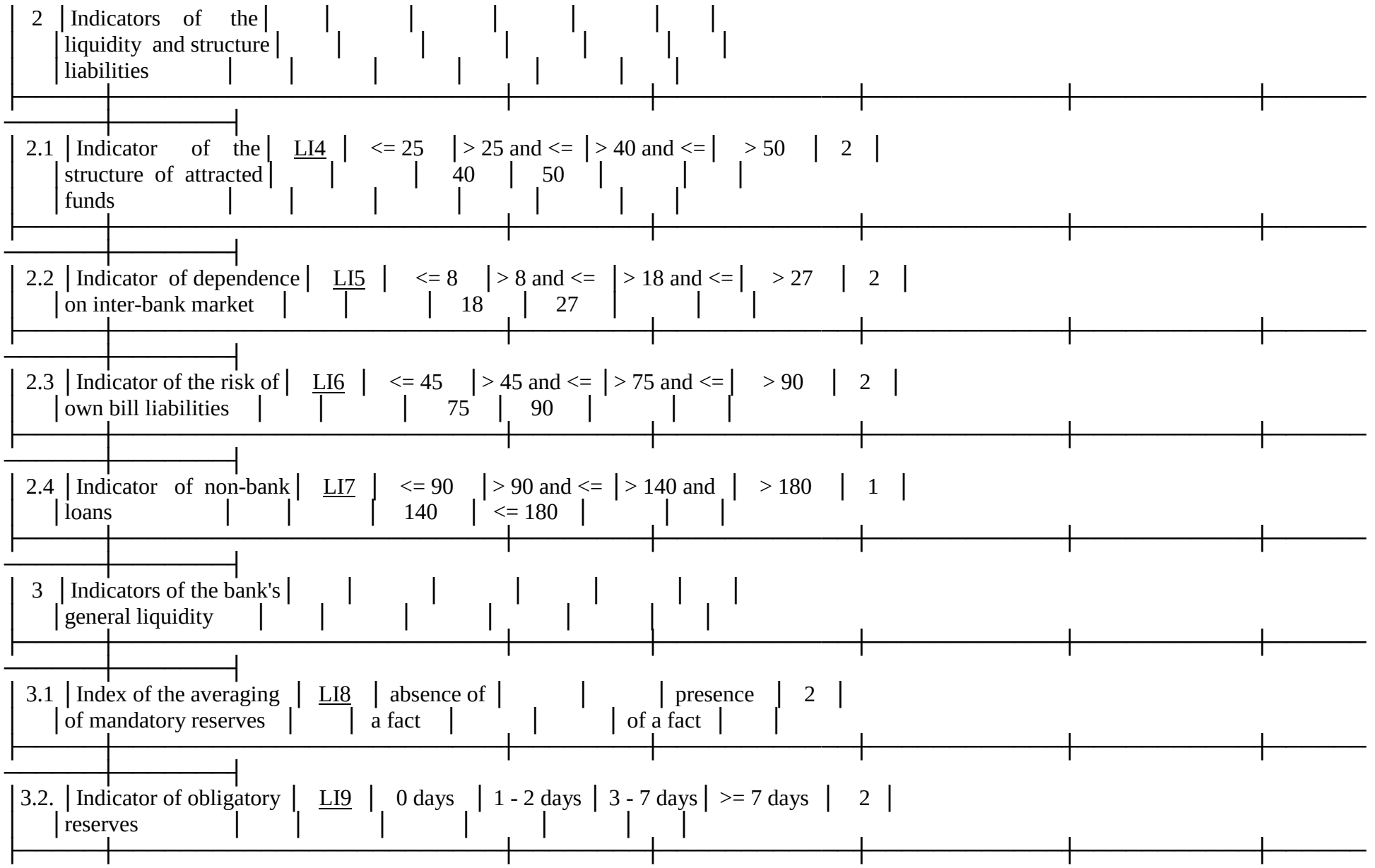
Nos.	Indicator	Conditional designation	Values (%)				Weight
			Grade 1	Grade 2	Grade 3	Grade 4	
1	2	3	4	5	6	7	8
1	Indicators of the profitability of assets and capital						
1.1	Indicator of the profitability of assets	II1	>= 1.5	< 1.5 and >= 0.8	< 0.8 and >= 0	< 0	3
1.2	Indicator of capital profitability	II2	>= 8	< 8 and >= 0	< 4 and >= 0	< 0	3
2	Indicators of the structure of incomes and expenditures						



Appendix 7
to Direction of the Central Bank of Russia
No. 1379-U of January 16, 2004
on the Appraisal of a Bank’s Financial Stability
for the Purposes of Recognising It as Sufficient

Rating by Grades and by Weight of the Indicators of the
Group of Liquidity Appraisal Indicators

Nos.	Indicator	Conditional designation	Values (%)				Weight
			Grade 1	Grade 2	Grade 3	Grade 4	
1	2	3	4	5	6	7	8
1	Indicators of the liquidity of assets						
1.1	Indicator of the ratio of high-liquidity assets to attracted funds	LI1	>= 12	< 12 and >= 7	< 7 and >= 3	< 3	2
1.2	Instantaneous liquidity indicator	LI2	>= 17	< 17 and >= 16	< 16 and >= 15	< 15	3
1.3	Current liquidity indicator	LI3	>= 55	< 55 and >= 52	< 52 and >= 50	< 50	3


2 Indicators of the liquidity and structure liabilities
2.1 Indicator of the structure of attracted funds LI4 <= 25 > 25 and <= 40 > 40 and <= 50 > 50 2
2.2 Indicator of dependence on inter-bank market LI5 <= 8 > 8 and <= 18 > 18 and <= 27 > 27 2
2.3 Indicator of the risk of own bill liabilities LI6 <= 45 > 45 and <= 75 > 75 and <= 90 > 90 2
2.4 Indicator of non-bank loans LI7 <= 90 > 90 and <= 140 > 140 and <= 180 > 180 1
3 Indicators of the bank's general liquidity
3.1 Index of the averaging of mandatory reserves LI8 absence of a fact presence of a fact 2
3.2. Indicator of obligatory reserves LI9 0 days 1 - 2 days 3 - 7 days >= 7 days 2

4	Indicator of risk for major creditors and depositors	LI10	<= 80	> 80 and <= 180	> 180 and <= 270	> 270	2

DIRECTION
OF THE CENTRAL BANK OF RUSSIA
NO. 2312-U OF OCTOBER 27, 2009
ON THE INTRODUCTION OF AMENDMENTS INTO DIRECTION OF THE BANK OF RUSSIA NO. 1379-U OF JANUARY 16, 2004 ON AN ASSESSMENT OF THE BANK'S FINANCIAL STABILITY FOR RECOGNISING ITS SUFFICIENCY FOR PARTICIPATION IN THE DEPOSIT INSURANCE SYSTEM

1. In connection with the entry into force of Federal Law No. 270-FZ of December 22, 2008 on the Introduction of Amendments into the Federal Law on the Insurance of Natural Persons' Deposits in the Banks of the Russian Federation and into the Other Legislative Acts of the Russian Federation (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 52, 2008, Item 6225) and on the ground of the decision of the Bank of Russia's Board of Directors (Protocol of the Session of the Bank of Russia's Board of Directors No. 20 of October 20, 2009), to introduce into Direction of the Bank of Russia No. 1379-U of January 16, 2004 on an Assessment of the Bank's Financial Stability for Recognising Its Sufficiency for Participation in the Deposit Insurance System, registered with the Ministry of Justice of the Russian Federation on January 23, 2004 under No. 5485, on March 21, 2005 under No. 6414, on March 31, 2006 under No. 7648, on October 25, 2006 under No. 8399, on July 23, 2007 under 9874 and on June 23, 2009 under No. 14120 (Vestnik Banka Rossii, No. 5 of January 27, 2004, No. 19 of April 13, 2005, No. 22 of April 12, 2006, No. 60 of November 9, 2006, No. 44 of August 2, 2007 and No. 39 of July 1, 2009), the following amendments.

1.1. Chapter 1 shall be extended by a paragraph of the following content:

"observation by the bank of the procedure for revealing to an unlimited circle of persons information on the persons, exerting a substantial (direct or indirect) impact on decisions, adopted by its management bodies.".

1.2. In the third paragraph of Item 4.2 the words, "(in the groups of persons)", shall be deleted, and the words, "directly or indirectly", shall be replaced by the words, "direct or indirect".

1.3. Chapter 6.1 of the following content shall be added:

"Chapter 6.1. Observation by the Bank of the Procedure, Established by the Bank of Russia for Revealing to an Unlimited Circle of Persons Information on the Persons, Exerting a Substantial (Direct or Indirect) Impact on Decisions, Adopted by Its Management Bodies

"6.1.1. The bank is recognised as providing an access to information on the persons, mentioned in Item 2.1.1 of Appendix 3 to the present Direction, to an unlimited circle of persons, if on the bank's Internet site or in the Bank of Russia's official presentation in the Internet, the following information on the said persons is put in accordance with the procedure, established in the Bank of Russia's normative act on revealing in the Bank of Russia's official presentation in the Internet of information on the persons, exerting a substantial (direct or indirect) impact upon decisions, adopted by the management bodies of the banks - the participants in the system for obligatory insurance of natural persons' deposits in the banks of the Russian Federation:

"- surname, first name and patronymic (if any), citizenship, place of residence (name of the city or of the populated centre) - for natural persons;

"- full official designation and abbreviated official designation (if any); place of location (postal address), basic state registration number, date of the state registration as a legal entity (date of the entry into the Uniform State Register of Legal Entities of information on the resident legal person, registered before July 1, 2002) - for legal entities.

"If the bank puts information, mentioned in the present Item, on the bank's Internet site, information on any change in the composition of persons, mentioned in the present Item, shall be placed on this site not later than in ten working days after such change is made.

"If the bank puts information, mentioned in the present Item, in the Bank of Russia's official presentation in the Internet, its placement shall be effected in the procedure, established in the Bank of Russia's normative act on revealing in the Bank of Russia's official presentation in the Internet information on the persons, exerting a substantial (direct or indirect) impact upon decisions, adopted by the management bodies of the banks - the participants in the system for obligatory insurance of natural persons' deposits in the banks of the Russian Federation.

"6.1.2. If a petition on the state registration and on the issue of a licence for the performance of banking operations supposes granting to the bank, created by way of institution, a licence for an attraction into deposits of natural persons' monetary funds in roubles and in foreign currency, the bank shall be recognised as providing an access for an unlimited circle of persons to information on the persons, exerting a substantial direct or indirect (through the third persons) impact upon decisions, adopted by the bank's management bodies, if information on these persons is revealed in the procedure, established in Item 6.1.1 of the present Direction.

"6.1.3. If the revealed information does not contain any information provided for by Item 6.1.1 that is information on the persons, mentioned in Item 2.1.1 of Appendix 3 to the present Direction, and (or) if it does not satisfy the demands of the present Chapter, the bank shall be recognised as not observing the procedure, established by the Bank of Russia, for revealing to an unlimited circle of persons information on the persons, exerting a substantial direct or indirect (through the third persons) impact upon decisions, adopted by its management bodies.".

1.4. Item 7.1 shall be extended by the words, “, and if the bank provides an access to information provided for by Item 6.1.1 that is information on the persons, mentioned in Item 2.1.1 of Appendix 3 to the present Direction, to an unlimited circle of persons in the procedure, established in Chapter 6.1 of the present Direction.”.

1.5. In Appendix 3:

- in Item 2.1.1:
- in the first paragraph the words, “to an unlimited group”, shall be replaced by the words, “to an unlimited group of persons”, and the words, “(in the groups of persons)”, shall be deleted;
- in the second paragraph, the word, “directly”, shall be replaced by the word, “direct”;
- in Item 2.1.2 the words, “(in the groups of persons)”, shall be omitted, and the words, “directly or indirectly”, shall be replaced by the words, “direct or indirect”;
- in Item 2.1.3 the words, “(in the groups of persons). shall be removed, and the words, “directly or indirectly”, shall be replaced by the words, “direct or indirect”;
- Item 2.3 shall be edited as follows:

“2.3. For the purposes of the present Direction, as a group of persons shall be understood the group of persons, recognised as such in accordance with Article 9 of Federal Law No. 135-FZ of July 26, 2006 on the Protection of Competition (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, No. 31, 2006, Item 3434; No. 49, 2007, Item 6079; No. 18, 2008, Item 1941; No. 27, Item 3126; No. 45, Item 5141; No. 29, 2009, Item 3610).”;

- in Item 2.4:
- in the first paragraph the words, “(in the group of persons)”, shall be deleted, and the words, “to an indefinite”, shall be replaced by the words, “to an unlimited”;
- in the third paragraph the words, “the full official designation”, shall be replaced by the words, “the full official designation and the abbreviated official designation (if any)”;
- the first paragraph and Subitem a) of Item 2.5 shall be presented as edited in this way:

“2.5. When assessing the accessibility of information, into the composition of the persons, exerting a substantial direct or indirect (through the third persons) impact upon decisions, adopted by the bank’s management bodies, cannot be included:

“a) the persons, rendering a direct substantial impact (if the persons exist, who are rendering indirect [through the third persons] substantial impact);”;

- in the third and the fifth paragraphs of Item 3.2, the words, “directly or indirectly”, shall be replaced by the words, “direct or indirect”;
- Item 4.1 shall be edited as follows:

“4.1. The bank’s constituent documents and the constituent documents of legal entities, possessing the bank’s shares (partner shares), as well as of the persons, rendering an indirect (through the third persons) substantial impact upon decisions, adopted by the bank’s management bodies;”;

- the first and the second paragraphs of Item 4.11 shall be rendered in the following wording:

"4.11. Information on the persons, acquiring the bank's shares (partner shares), contained in:

"the notifications on the acquisition and (or) on the receipt into the fiduciary management of over one percent of the bank's shares (partner shares);".

2. This Direction shall be officially published in the Vestnik Banka Rossii, and shall enter into force from December 27, 2009.

Chairman of the Central Bank
of the Russian Federation S.M. Ignatyev

Registered with the Ministry of Justice of the Russian Federation on December 11, 2009.
Registration No. 15547

Registered with the Ministry of Justice of the Russian Federation on December 11, 2009 under No. 15561

CENTRAL BANK OF THE RUSSIAN FEDERATION
October 27, 2009 N 345-П

REGULATION
ON THE PROCEDURE FOR DISCLOSURE ON THE OFFICIAL INTERNET SITE OF THE BANK OF RUSSIA OF INFORMATION ABOUT PERSONS WHO HAVE SIGNIFICANT (DIRECT OR INDIRECT) INFLUENCE ON DECISIONS MADE BY MANAGEMENT OF BANKS PARTICIPATING IN THE SYSTEM OF COMPULSORY INSURANCE OF PERSONAL DEPOSITS IN BANKS OF THE RUSSIAN FEDERATION

This Regulation is developed according to the Federal Law of July 10, 2002 N 86-FZ Concerning the Central Bank of the Russian Federation (Bank of Russia) (Collection of Legislative Acts of the Russian Federation, 2002, N 28, Article 2790; 2003, N 2, Article 157; N 52, Article 5032; 2004, N 27, Article 2711; N 31, Article 3233; 2005, N 25, Article 2426; N 30, Article 3101; 2006, N 19, Article 2061; N 25, Article 2648; 2007, N 1, Article 9, Article 10; N 10, Article 1151; N 18, Article 2117; 2008, N 42, Article 4696, Article 4699; N 44, Article 4982; N 52, Article 6229, Article 6231; 2009, N 1, Article 25; N 29, Article 3629), Article 44 of the Federal Law of December 23, 2003 N 177-FZ Concerning Insurance of Personal Deposits in Banks of the Russian Federation (Collection of Legislative Acts of the Russian Federation, 2003, N 52, Article 5029; 2004, N 34, Article 3521; 2005, N 1, Article 23; N 43, Article 4351; 2006, N 31, Article 3449; 2007, N 12, Article 1350; 2008, N 42, Article 4699; N 52, Article 6225) and stipulates the procedure for disclosure by banks participating in the system of compulsory insurance of personal deposits in banks of the Russian Federation (hereinafter – the banks) to the public of information about persons who have significant (direct or indirect) influence on decisions made by management of the banks through publication of such information on the official internet site of the Bank of Russia.

1. To publish any information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia, the bank shall submit the following documents to the respective territorial office of the Bank of Russia that supervises such bank (hereinafter – the territorial office of the Bank of Russia:

application for publication of information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia, executed according to Appendix 1 to this Regulation (hereinafter – the Application);

list of persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia, executed according to Appendix 2 to this Regulation (hereinafter – the List);

chart showing relations between the bank and persons who have significant (direct or indirect) influence on decisions made by management of the bank specifying third parties facilitating such indirect influence (hereinafter – the Chart).

The bank shall submit the Application in hard copy, the List and the Chart – in hard copy and in soft copy. Example of filling-in the List is given in Appendix 3 to this Regulation. Example of the Chart is given in Appendix 4 to this Regulation.

Information specified in the Chart shall fully comply with information included in the List.

2. The banks shall send soft copies of the List and the Chart shall to territorial offices of the Bank of Russia as MS Word and TIF files, each including both the List and the Scheme. File names shall be in accordance with the following sample: RByyyy.doc and RByyyy.tif, where yyyy is the bank's registration number according to State Register of Credit Institutions (as a four-digit number).

3. Should any non-compliances be observed in the documents (missing documents as per this Regulation, non-compliance with the example List as per Appendix 2 to this Regulation, incomplete or unnecessary information or information that fails to comply with other data available to the Bank of Russia), the territorial office of the Bank of Russia using any communication means that ensure prompt delivery of notification shall inform the bank of existence of grounds for refusal to publish any information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia, and shall propose to correct submitted documents within 3 business days upon receipt of the notification of existing no-compliances. Should the bank fail to submit the respectively corrected documents within such stipulated period, the territorial office of the Bank of Russia shall send to the bank a letter stating the reasoned refusal to publish information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia.

Within 10 business days upon receipt of documents from the bank, the territorial office of the Bank of Russia shall send to the Department for Licensing of the Activities and Financial Rehabilitation of Credit Institutions of the Bank of Russia its report regarding compliance of the information submitted by the bank with the present Regulation (hereinafter – the Report). Such report shall be sent in the form of MS Word and TIF files. File names shall be in accordance with the following sample: ZByyyy.doc and ZByyyy.tif, where yyyy is the bank's registration number according to State Register of Credit Institutions (as a four-digit number). Along with the above Report, the territorial office of the Bank of Russia shall e-mail files containing the List and the Chart submitted by the bank to the Department for Licensing of the Activities and Financial Rehabilitation of Credit Institutions of the Bank of Russia.

4. The Department for Licensing of the Activities and Financial Rehabilitation of Credit Institutions of the Bank of Russia within 7 business days upon receipt of the Report from the territorial office of the Bank of Russia shall forward the bank's information about persons who have significant (direct or indirect) influence on decisions made by management of the bank to the Department of External and Public Relations of the Bank of Russia to publish such information on the official internet site of the Bank of Russia.

Within 7 business days upon receipt of such information, the Department of External and Public Relations of the Bank of Russia shall ensure publication thereof on the official internet site of the Bank of Russia (with a compulsory note: "This information is published based on the information provided by the bank. The Bank of Russia bears no responsibility for integrity of published information.").

5. The bank that published on the official internet site of the Bank of Russia its information about persons who have significant (direct or indirect) influence on decisions made by management of the bank shall within 10 business days upon substitution or replacement of any persons that requires amendment of the List and the Chart forward to the territorial office of the Bank of Russia a notification concerning such changes (in hard copy) executed in any form as well as the List and the Chart in hard and soft copy amended pursuant to such changes.

6. The Bank of Russia shall publish the respectively amended List and Chart on the official internet site of the Bank of Russia in accordance with the procedure stipulated by clauses 3 and 4 of this Regulation.

7. Should the bank refuse to publish any information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia, the bank shall submit to the territorial office of the Bank of Russia the respective notification executed in any form and signed by the bank's signatory.

Within 3 business days upon receipt of the bank's notification, the territorial office of the Bank of Russia shall inform the Department for Licensing of the Activities and Financial Rehabilitation of Credit Institutions of the Bank of Russia of its decision.

8. This Regulation shall be officially published in the Herald of the Bank of Russia and take effect pursuant to resolution of the Board of Directors of the Bank of Russia (minutes of meeting of the Board of Directors of the Bank of Russia of October 20, 2009 N 20) from December 27, 2009.

Governor of the Central Bank
of the Russian Federation
S.M. IGNATYEV

Appendix 1
to Regulation of the Bank of Russia
of October 27, 2009 N 345-П
On the Procedure for Disclosure
on the Official Internet Site of the Bank of Russia
of Information about Persons Who Have Significant
(Direct or Indirect) Influence on Decisions Made
by Management of Banks Participating
in the System of Compulsory Insurance of
Personal Deposits in Banks
of the Russian Federation

FORM

(name of the territorial office of the Bank of Russia)
APPLICATION

for publication of information about persons
who have significant (direct or indirect) influence
on decisions made by management of the bank
on the official internet site of the Bank of Russia

(full corporate name and abbreviated corporate
name (if any) of the bank)
hereby applies for publication of information about persons who have significant (direct or indirect) influence on decisions made by management of the bank on the official internet site of the Bank of Russia.
Postal address of the bank, telephone _____

_____ _____ _____
(position of the bank's signatory) (signature) (surname, name, patronymic)
STAMP HERE
Date

Appendix 2
to Regulation of the Bank of Russia
of October 27, 2009 N 345-П
On the Procedure for Disclosure
on the Official Internet Site of the Bank of Russia
of Information about Persons Who Have Significant
(Direct or Indirect) Influence on Decisions Made
by Management of Banks Participating
in the System of Compulsory Insurance of
Personal Deposits in Banks
of the Russian Federation

FORM

List of Persons Who Have Significant (Direct or Indirect) Influence on Decisions Made by Management of the Bank <*>

Bank name _____
Bank registration number _____
Postal address of the bank _____

Bank shareholder (members)			Persons who have indirect (through third parties) significant influence on decisions made by management of the bank	Relations between shareholders (members) of the bank and persons who have indirect (through third parties) significant influence on decisions made by management of the bank
Item N	full and abbreviated corporate name of the legal entity / surname, name, patronymic of the individual	shares (stake) of the bank (per cent of votes to the general number of voting shares (stakes) of the bank) held by the shareholder (member)		
1	2	3	4	5

_____ _____ _____
(position of the bank's signatory) (signature) (surname, name, patronymic)
Prepared by _____ _____

(surname, name, patronymic) (telephone)
Date

<*> Instructions to Fill-In the List of Persons Who Have Significant (Direct or Indirect) Influence on Decisions Made by Management of the Bank

1. The line ‘Bank name’ shall state full corporate name and abbreviated corporate name (if any) of the bank.

2. The line ‘Bank registration number’ shall state the bank’s registration number assigned to the bank by the Bank of Russia ad recorded in the State Register of Credit Institutions.

3. Columns 2 – 3 shall state information about shareholders (members) of the bank holding more than 1 per cent of votes to the general number of voting shares (stakes) of the bank.

If the bank’s shareholder (member) is non-resident, column 2 shall state the following information in the Russian language:

for a legal entity – its name;
for an individual – surname, name, patronymic (if any).

4. Columns 4 and 5 shall disclose information about ownership structure of legal entities specified in column 2.

Column 4 shall not be filled-in unless there are persons who have influence on decisions made by management of the bank through the person specified in column 2. This being the case, the following information shall be present with regard to persons recognized as ultimate owners of shares (stakes, deposits) of the legal entity – shareholder (member) of the bank specified in column 2:

as far as individuals are concerned – surname, name, patronymic (if any), nationality, place of residence (city, settlement).

as far as legal entities are concerned – full corporate name and abbreviated corporate name (if any), location (postal address), main state registration number, date of state registration as a legal entity (date of registration of information about the resident legal entity registered before July 1, 2002 in the Uniform State Register of Legal Entities).

Column 5 shall describe relations between the bank’s shareholders (members) specified in column 2 and persons specified in column 4 (including description of groups of persons). Column 5 shall also state information about: shares in public hands; nominal shareholders or grantees specifying beneficiaries of nominal shareholding and grant agreements (mandate, commission, agency transactions), and shares held by the latter in authorized capital of the legal entities.

5. If a person who has significant (direct or indirect) influence on decisions made by management of the bank is another bank participating in the system of compulsory insurance of personal deposits in banks of the Russian Federation, information about the ownership structure of the latter shall not be included in the List.

Appendix 3
to Regulation of the Bank of Russia
of October 27, 2009 N 345-П
On the Procedure for Disclosure
on the Official Internet Site of the Bank of Russia
of Information about Persons Who Have Significant
(Direct or Indirect) Influence on Decisions Made
by Management of Banks Participating
in the System of Compulsory Insurance of
Personal Deposits in Banks
of the Russian Federation

SAMPLE

FILLING-IN OF THE List of Persons Who Have Significant (Direct or Indirect) Influence on Decisions Made by Management of the Bank

Bank name Open Joint Stock Company Commercial Bank “Bank”;

OJSC CB Bank

Bank registration number 0031

Postal address 2, Legal street, Moscow

Bank shareholder (members)			Persons who have indirect (through third parties) significant influence on decisions made by management of the bank	Relations between shareholders (members) of the bank and persons who have indirect (through third parties) significant influence on decisions made by management of the bank
Item N	full and abbreviated corporate name of the legal entity / surname, name, patronymic of the individual	shares (stake) of the bank (per cent of votes to the general number of voting shares (stakes) of the bank) held by the shareholder (member)		
1	2	3	4	5
1	Limited Liability Company “Company 1” (Company 1 LLC)	30	Individual 1, nationality, place of residence (city, settlement)	Individual 1 is the sole member of Company 1 LLC

2	Limited Liability Company “Company 2” (Company 2 LLC)	30	Individual 2, nationality, place of residence (city, settlement) Individual 3, nationality, place of residence (city, settlement)	Individual 2 is the holder of 60% of votes to the total number of voting shares of JSC Company 3. Individual 3 is the holder of 40% of votes to the total number of voting shares of JSC Company 3. JSC Company 3 is the sole member of Company 2 LLC. Individual 3 is the wife of Individual 2.

3	Joint Stock Company “Company 4” (JSC Company 4)	20	Individual 4, nationality, place of residence (city, settlement) Individual 5, nationality, place of residence (city, settlement)	Individual 4 is the holder of 51% of votes to the total number of voting shares of JSC Company 5. 49% of votes to the total number of voting shares of JSC Company 5 is in the aggregate held by shareholders whose separate shares do not exceed 1%. CJSC Company 6 performs fiduciary management of shares of JSC Company 5 to the benefit of Individual 4 and minority shareholders. JSC Company 5 is the holder of 50% of votes to the total number of voting shares of JSC Company 4. Individual 5 is the sole member of Company 7 LLC. JSC Company 7 is the holder of 50% of votes to the total number of voting shares of JSC Company 4. CJSC Company 8 is the nominal shareholder of JSC Company 4 to the benefit of JSC Company 5 and Company 7 LLC.
4	Limited Liability Company “Company 9” (Company 9 LLC)	10	JSC Company 10 located at: (postal address), Main State Registration Number - xxxxxxxxxxxx, recorded in the Uniform State Register of Legal Entities concerning registration of a legal entity on 03.12.2002	JSC Company 10 is the holder of 100% of votes to the total number of voting shares of JSC Company 9. 100% of shares of JSC Company 10 are in public hands.

5	Limited Liability Company “Company 11” (Company 11 LLC)	7.48		JSC Company 11 is the bank participating in the system of compulsory insurance of personal deposits in banks of the Russian Federation.
6	Individual 6	1.02		
7	Individual 7	1.5		

Chairman of the Board

_____

_____

__

(signature)

Prepared by

tel. 123-45-67

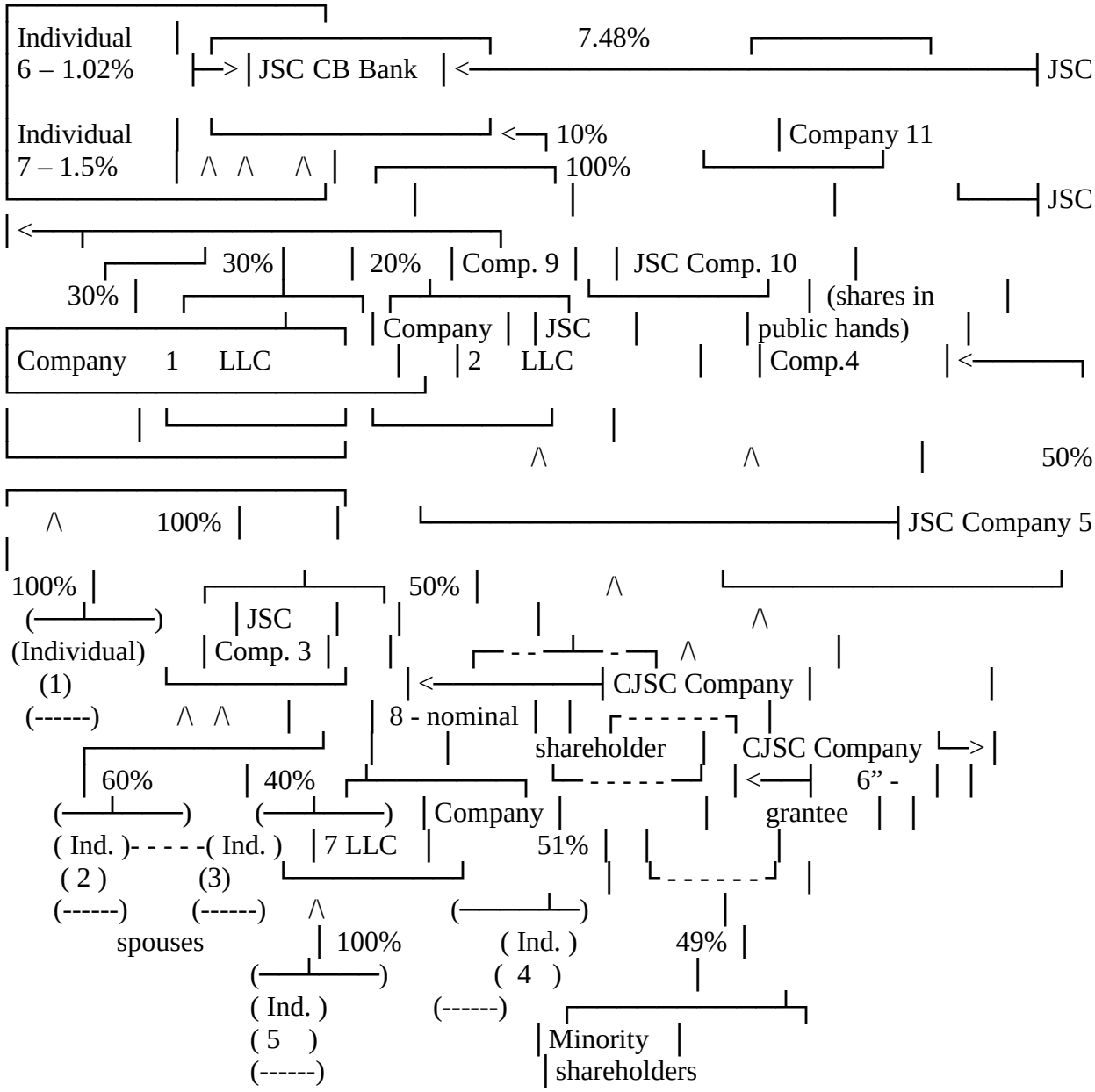
---------- ----------

Date

Appendix 4
to Regulation of the Bank of Russia
of October 27, 2009 N 345-П
On the Procedure for Disclosure
on the Official Internet Site of the Bank of Russia
of Information about Persons Who Have Significant
(Direct or Indirect) Influence on Decisions Made
by Management of Banks Participating
in the System of Compulsory Insurance of
Personal Deposits in Banks
of the Russian Federation

SAMPLE

CHART OF RELATIONS BETWEEN THE BANK AND Persons Who Have Significant (Direct or Indirect) Influence on Decisions Made by Management of the Bank



ORDER
OF THE MINISTRY OF JUSTICE OF THE RUSSIAN FEDERATION
NO. 72 OF MARCH 29, 2010
ON ENDORSING FORMS OF NON-PROFIT ORGANISATIONS' REPORTS

In pursuance of Article 32 of Federal Law No. 160-FZ of July 23, 2008 on Amending Certain Legislative Acts of the Russian Federation in Connection with Improvement of the Exercise of Authority of the Government of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2008, No. 30 (Part 2), item 3616; No. 48, item 5500; 2009, No. 1, item 4; No. 30, item 3739; No. 48, items 5711, 5745) and in compliance with Federal Laws No. 7-FZ of January 12, 1996 on Non-Profit Organisations (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 3, item 145; 1998, No. 48, item 5849; 1999, No. 28, item 3473; 2002, No. 12, item 1093; No. 52 (Part 2), item 5141; 2003, No. 52 (Part 1), item 5031; 2006, No. 3, item 282; No. 6, item 636; No. 45, item 4627; 2007, No. 1 (Part 1), item 37; No. 1 (Part 1), item 39; No. 10, item 1151; No. 22, item 2563; No. 27, item 3213; No. 49, items 6039, 6061; 2008, No. 20, item 2253; No. 30 (Part 1), item 3604; No. 30 (Part 2), item 3616; 2009, No. 23, item 2762; No. 29, items 3582, 3607), No. 82-FZ of May 19, 1995 on Public Associations (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1995, No. 21, item 1930; 1997, No. 20, item 2231; 1998, No. 30, item 3608; 2002, No. 11, item 1018; No. 12, item 1093; No. 30, item 3029; 2003, No. 50, item 4855; 2004, No. 27, item 2711; No. 45, item 4377; 2006, No. 3, item 282; No. 6, item 636; 2008, No. 30 (Part 2), item 3616) and Decree of the President of the Russian Federation No. 1313 of October 13, 2004 "Issues of the Ministry of Justice of the Russian Federation" (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2004, No. 42, item 4108; 2005, No. 44, item 4535; No. 52 (Part 3), item 5690; 2006, No. 12, item 1284; No. 19, item 2070; No. 23, item 2452, No. 38, item 3975; No. 39, item 4039; 2007, No. 13, item 1530, No. 20, item 2390; 2009, No. 10 (Part 2), item 909; No. 29 (Part 1), item 3473; No. 43, item 4921; 2010, No. 4, item 368), I hereby order as follows:

1. To endorse:

forms of reports on a non-profit organisation's activities, on the persons within the composition of managerial bodies thereof, as well as on spending monetary funds and on using other property, including those received from international and foreign organisations, foreign citizens and stateless persons (Annex No. 1);

the form of a report on the volume of monetary funds and other property received by a public association from international and foreign organisations, foreign citizens and stateless persons, on the purposes they are spent or used for and on their actual spending or use (Annex No. 2);

the form of a report on the activities of a religious organisation, on the persons within the composition of managerial bodies thereof, on spending monetary funds and on the use of other property, including those received from international and foreign organisations, foreign citizens and stateless persons (Annex No. 3);

forms of reports of a structural unit of a foreign non-profit organisation on the volume of monetary funds and other property received by this structural unit of the foreign non-profit organisation, on their supposed distribution, on the purposes they are spent or used for and on

their actual spending or use, on the programmes to be implemented on the territory of the Russian Federation, as well as on spending the cited monetary funds allocated to natural persons and legal entities and on the use of other property granted thereto (Annex No. 4).

2. The Order shall enter into force from the date when Paragraphs Four-Six and Eight of Item 1 of Decision of the Government of the Russian Federation No. 212 of April 15, 2006 on Measures for Implementing Specific Provisions of Federal Laws Governing the Activities of Non-Profit Organisations (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2006, No. 17 (Part 2), item 1896; 2007, No. 16, item 1015; 2008, No. 50, item 5958) and Annexes Nos. 3, 4, 5 and 7 thereto are declared invalidated.

Minister A.V. Konovalov

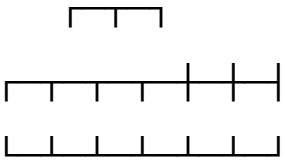
Registered by the Ministry of Justice of the Russian Federation on April 9, 2010
Registration No. 16857

Annex No. 1
to Order of the Ministry of Justice
of the Russian Federation
No. 72 of March 29, 2010

Forms of Reports on a Non-Profit Organisation's Activities,
on the Persons within the Composition of Managerial Bodies Thereof,
as Well as on Spending Monetary Funds and on Using Other Property,
Including Those Received from International and Foreign Organisations,
Foreign Citizens and Stateless Persons

Page | 0 | 1 |

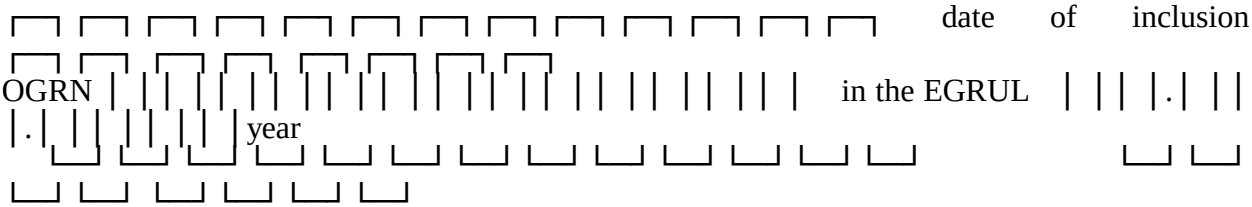
Form No. | O | N | 0 | 0 | 0 | 1 |

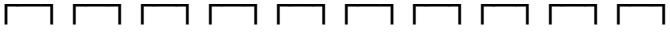


(Ministry of Justice of the Russian Federation (regional agency thereof)
Report
on Non-Profit Organisation's Activities
and on the Persons within the Composition of Its Managerial Bodies
for_____year
It is submitted in compliance with Item 3 of Article 32 of Federal Law
No. 7-FZ of January 12, 1996 On Non-Profit Organisations

(full denomination of non-profit organisation)

(address (location) of non-profit organisation)



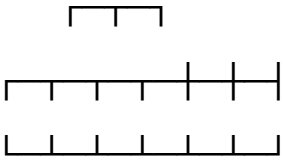


INN/KPP | | | | | | | | | | | | / | | | | | | | | | | | | | | | | |

1	Basic kinds of activities in the reporting period in compliance with constituent documents:
1.1	
1.2	
1.3	
1.4	
1.5	
1.6	
2	Business activities (tick, if exercised):
2.1	sale of commodities, carrying out of works, rendering of services
2.2	other kinds of activities:
	2.2.1. participation in economic companies
	2.2.2. transactions in securities
	2.2.3. a different one (to be specified):

Page | 0 | 2 |

Form No. | O | N | 0 | 0 | 0 | 1 |



3	Sources of property (tick those which are available):
3.1	Membership dues*
3.2	Target receipts coming from Russian natural persons
3.3	Target receipts coming from foreign natural persons and stateless persons
3.4	Target receipts coming from Russian profit-making organisations
3.5	Target receipts coming from Russian non-profit organisations
3.6	From organisations
3.7	Target receipts coming from other foreign organisations
3.8	Grants

3.9.	Humanitarian aid of foreign states
3.10	Assets from the federal budget, budgets of constituent entities of the Russian Federation, budgets of municipal entities
3.11	Incomes derived from business activities
3.12	Other sources of property (other assets (incomes)
	(to be specified):
4	Management:
4.1	Supreme managerial body (data on the persons in the composition thereof is cited in Sheet A)
	Full denomination of the supreme managerial body
	Periodicity of holding meetings in compliance with constituent documents thereof
	Number of meetings held
4.2	Executive body (data on the persons in the composition thereof is cited in Sheet A)
	Full executive body’s denomination
	collective one-man

(tick as appropriate)

Periodicity of holding meetings** according to constituent documents thereof

Number of meetings held**

4.3 Other managerial body (if any)
(data on the person in the composition thereof is cited in Sheet A)

Full managerial body's denomination

collective one-man

(tick as appropriate)

Periodicity of holding meetings according to constituent documents thereof**

Number of meetings held**

Page 0 3

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4.4 Other managerial body (if any) (data on the persons in the composition thereof are cited in Sheet A)

Full denomination of managerial body

collective ☐ one-man ☐

(tick as appropriate)

Periodicity of meetings in compliance with constituent documents**

number of meetings held**

4.5 Other managerial body (if any)
(data on the persons in the composition thereof is cited in Sheet A)

Full managerial body’s denomination

collective ☐ one-man ☐

(tick as appropriate)

Periodicity of meetings in compliance with constituent documents**

Number of meetings held**

4.6 Other managerial body (if any)
(data on the persons in the composition thereof is cited in Sheet A)

Full managerial body’s denomination

	collective	one-man
	☐	☐

(tick as appropriate)

	Periodicity of meetings in compliance with constituent documents**
	Number of meetings held**

Annex: data on the persons in the composition of non-profit organisation's managerial bodies (Sheet A)

I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of non-profit organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

- to be completed by non-profit organisations based on membership therein

** to be completed if the managerial body is a collective one

Note: If the data to be included into the report is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The report and annexes thereto shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy. If any data to be included into the form are not available, a dash shall be made in appropriate columns. Sheets of the report and of annexes thereto shall be threaded and the number of sheets (of the report and of annexes thereto) shall be confirmed by the signature of the person entitled to act without a power of attorney on behalf of non-profit organisation to be affixed to the back of the last sheet at the place of threading.

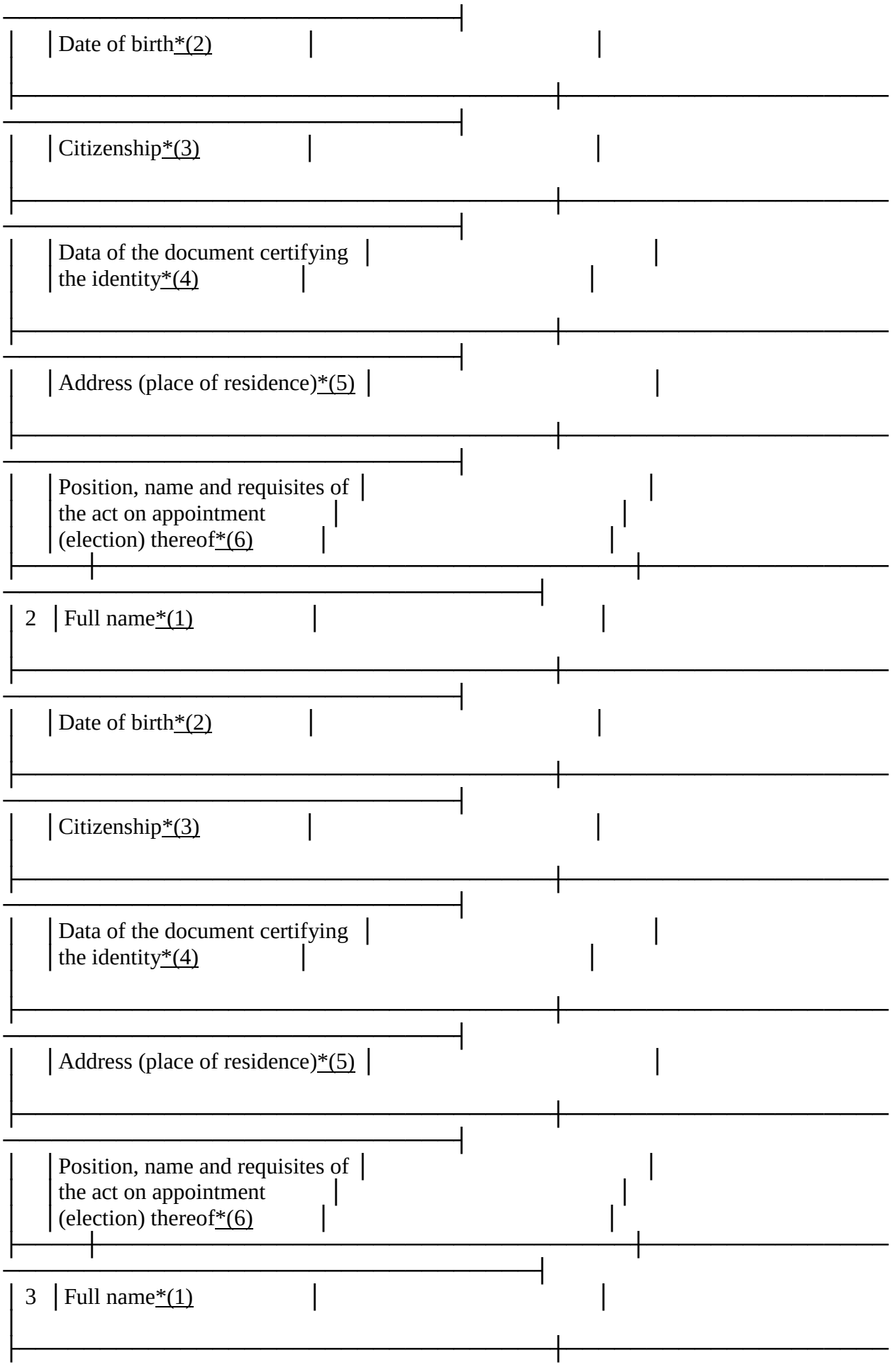
Page | | |

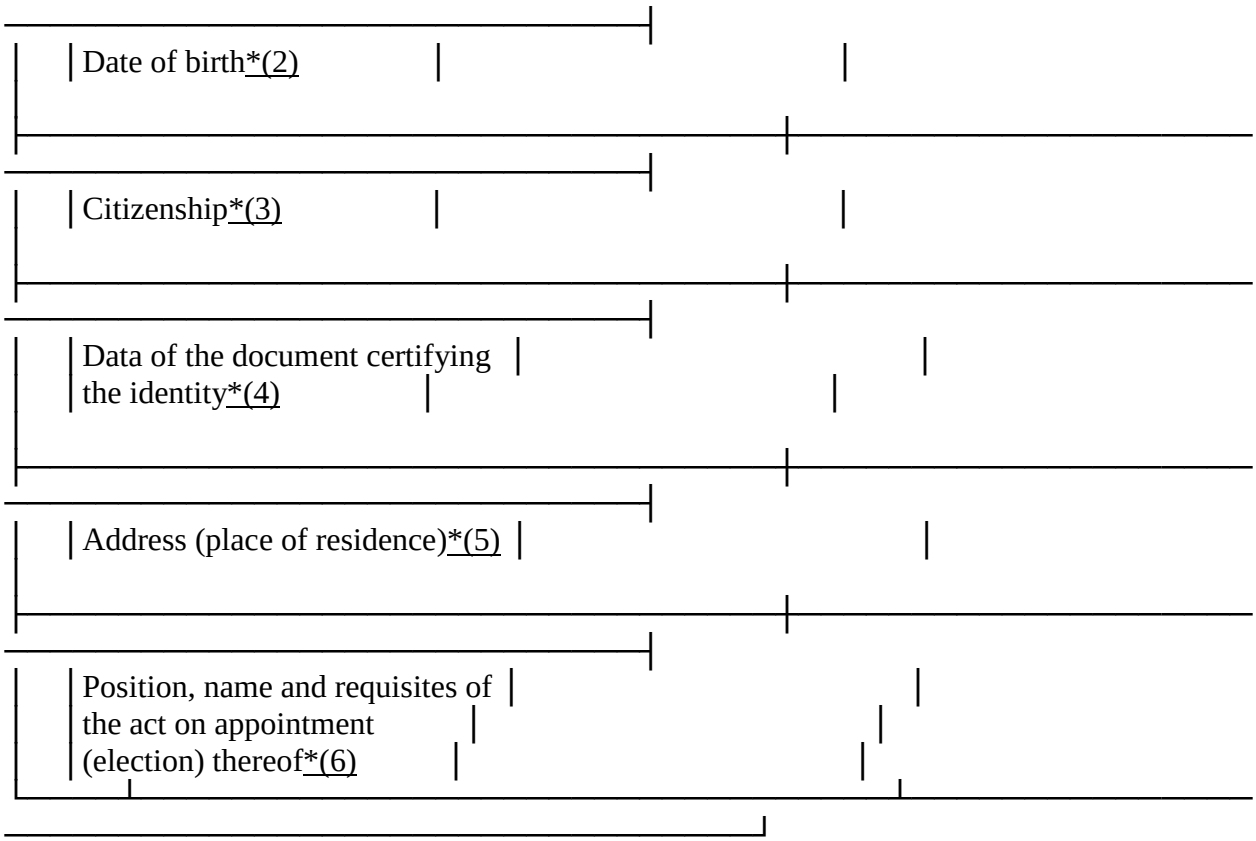
Form No. | O | N | 0 | 0 | 0 | 1 |

Sheet A
Data on the Persons within the Composition
of Non-Profit Organisation's Managerial Bodies

(full denomination of managerial body)

1	Full name*(1)	


Date of birth*(2)
Citizenship*(3)
Data of the document certifying the identity*(4)
Address (place of residence)*(5)
Position, name and requisites of the act on appointment (election) thereof*(6)
2
Full name*(1)
Date of birth*(2)
Citizenship*(3)
Data of the document certifying the identity*(4)
Address (place of residence)*(5)
Position, name and requisites of the act on appointment (election) thereof*(6)
3
Full name*(1)



The person entitled to act without a letter of attorney on behalf of the non-profit organisation:

_____ _____ _____

(full name and position held) stamp (signature) (date)

*(1) In respect of a foreign citizen and stateless person it shall be additionally cited in Latin transcription

on the basis of the data contained in the document established by federal law or recognized under an international treaty made by the Russian Federation as a document certifying the identity of a foreign citizen or stateless person.

*(2) In respect of persons under 18 years shall be likewise cited the ground (the kind of the document) proving their full legal capacity.

*(3) Where there is no citizenship, the words “stateless person” shall be entered.

*(4) In respect of a foreign citizen or stateless person shall be cited the kind and data of the document established by federal law or recognized in compliance with an international treaty made by the Russian Federation as a document certifying the identity of a foreign citizen or stateless person.

*(5) Here shall be cited the address of registration of a natural person at the place of residence thereof: the name of the constituent entity of the Russian Federation, of the town (other inhabited locality) and street, the numbers of the house and flat. In respect of foreign citizens and stateless persons shall be likewise cited the kind, data and validity term of the document proving the right to stay on a legal ground on the territory of the Russian Federation.

*(6) If a member of the managerial body is not an employee of a non-profit organisation, shall be cited his/her relation to this organisation (for example, the founder, representative of the founder); if a member of the managerial body is not an organisation’s founder, participant

(member) or employee, shall be only cited the requisites of the act on his/her appointment (election) to the managerial body.

Note: Sheet A shall be filled in separately in respect of each managerial body. If the data to be included in Sheet A are to extensive for one page, the required number of pages shall be filed in (each of them to be numbered).

Page | | |

Form No. |O|N|0|0|0|1|

Sheet B
Receipt
This is to certify that_____
(full name)
has submitted to_____
(Ministry of Justice of the Russian Federation
(regional agency thereof)
date received "__"_____ _____year
a report on the activities of _____
(full name of non-profit organisation)
on the persons in the composition of its managerial bodies for _____
year on____sheets.

Position of the federal
civil servant of the Ministry of
Justice of the Russian Federation
(of its regional agency)
accepting the report _____
Surname _____
First name _____
Patronymic _____

(signature)
The receipt has been obtained by me _____
(signature, surname and initials, date)

Note. Sheet B shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one them to be issued to the non-profit organisation and the other one to be kept by the Ministry of Justice of the Russian Federation (by a regional agency thereof).

Page |0|1|

Form No. |O|N|0|0|0|2|

(Ministry of Justice of Russia (regional agency thereof)

Report
on Spending by a Non-Profit Organisation Monetary Funds
and on Using Other Property, Including Those Received
from International and Foreign Organisations,
Foreign Citizens and Stateless Persons
for_________year
It is submitted in compliance with Item 3 of Article 32 of Federal Law
No. 7-FZ of January 12, 1996 on Non-Profit Organisations

(full denomination of non-profit organisation)

(address (location) of non-profit organisation)

OGRN | | | | | | | | | | | | | | date of inclusion in EGRUL | | |.| | |.| | | | | year

INN/KPP | | | | | | | | | | | / | | | | | | | | | |

1	Data on spending target monetary funds, including those received from international and foreign organisations, foreign citizens and stateless persons	Those actually spent, thsnd roubles
1.1	Kind of spending target monetary funds received from the federal budget, budgets of constituent entities of the Russian Federation and budgets of municipal entities	
	1.1.1.	
	1.1.2.	
	1.1.3.	

1.1.4.			
1.1.5.			
1.1.6.			
1.2	Kind of spending target monetary funds received from Russian organisations and citizens of the Russian Federation		
1.2.1.			
1.2.2.			
1.2.3.			
1.2.4.			
1.2.5.			
1.2.6.			
1.3	Kind of spending target monetary funds received from international and foreign organisations, foreign citizens and stateless persons		
1.3.1.			

1.3.2.	
1.3.3.	
1.3.4.	
1.3.5.	
1.3.6.	

Page | 0 | 2 |

Form No. | O | N | 0 | 0 | 0 | 2 |

2	Kind of spending other monetary funds, including those received from selling commodities, carrying out works, rendering services	Actually spent, thsnd roubles
2.1.1.		
2.1.2.		
2.1.3.		
2.1.4.		
2.1.5.		

2.1.6.	
3	Data on using other property, including that received from international and foreign organisations, foreign citizens and stateless persons
	Way of using*
3.1	Use of the property received from Russian organisations, citizens of the Russian Federation
3.1.1. Fixed assets (denominations to be specified):	
3.1.1.1.	
3.1.1.2.	
3.1.1.3.	
3.1.2. Other property (denominations to be specified and grouped according to the purpose thereof):	
3.1.2.1.	
3.1.2.2.	
3.1.2.3.	

3.2	Using the property received from international and foreign organisations, foreign citizens and stateless persons
3.2.1. Fixed assets (denominations to be specified):	
3.2.1.1.	
3.2.1.2.	
3.2.1.3.	
3.2.2. Other property (denominations to be specified and grouped according to the purpose):	
3.2.2.1.	
3.2.2.2.	
3.2.2.3.	

I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of non-profit organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

The person responsible for keeping accounts:

_____ _____ _____

(full name and position) stamp (signature) (date)

- It shall be completed in respect of other property grouped according to the purpose, if the total residual (balance) value of such property transferred to a single person is equal or exceeds 20 thousand roubles.

Note: If the data to be included into the report is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The report and an annex thereto shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy. If any data to be included into the form are not available, a dash shall be made in appropriate columns. Sheets of the report and of an annex thereto shall be threaded and the number of sheets (of the report and of an annex) shall be confirmed by the signature of the person entitled to act without a power of attorney on behalf of non-profit organisation to be affixed to the back of the last sheet at the place of threading.

Page | | |

Form No. | O | N | 0 | 0 | 0 | 2 |

Sheet A
Receipt
This is to certify that _____
(full name)
submitted to_____
(Ministry of Justice of the Russian Federation (regional agency thereof)
date received "__"_____ _____year

a report on spending by _____
(full denomination of non-profit organisation)
monetary funds and on using other property, including those received from international and foreign organisations, foreign citizens and stateless persons
for_____ year on _____ sheets.

Position of the federal civil servant of the Ministry of Justice of the Russian Federation (of its regional agency) who accepted the report _____
Surname _____
First name _____
Patronymic _____

(signature)
I received the receipt _____
(signature, surname, initials, date)

Note. Sheet A shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one of them to be issued to a non-profit organisation and the other to be kept by the Ministry of Justice of the Russian Federation (by a regional agency thereof).

Annex No. 2
to Order of the Ministry of Justice
of the Russian Federation
No. 72 of March 29, 2010

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Form No. |O|N|0|0|0|3|

(Ministry of Justice of the Russian Federation (regional agency thereof)
Report on the Volume of Monetary Funds and Other Property Received by a Public Association from International and Foreign Organisations, Foreign Citizens and Stateless Persons, on the Purposes of Their Spending or Using and on Their Actual Spending or Use
in_________year
It is submitted in compliance with Article 29 of Federal Law No. 82-FZ of May 19, 1995 on Public Associations

(full denomination of public association)

(address (location) of public association)

OGRN | | | | | | | | | | | | | | date of inclusion in EGRUL | | | . | | . | | | | | year

INN/KPP | | | | | | | | | | / | | | | | | | | | |

1	Monetary funds received in the reporting period from international and foreign organisations, foreign citizens and stateless persons	Amount (thsnd roubles)	Purposes they are spent for
1.1	Funds' balance of the previous reporting period		
1.2	Target funds received in the reporting period		
1.3	Other funds received in the reporting period		

2	Other property received in the reporting period from international and foreign organisations, foreign citizens and stateless persons	Amount (thsnd roubles)	Purposes they are spent for
2.1	Fixed assets (denominations to be specified):		
	2.1.1.		
	2.1.2.		
	2.1.3.		
	2.1.4.		
	2.1.5.		
2.2	Other property (grouped according to the purpose)*:		
	2.2.1.		
	2.2.2.		
	2.2.3.		
	2.2.4.		

Page | 0 | 2 |

Form No. | O | N | 0 | 0 | 0 | 3 |

3	Data on actual spending in the reporting period of monetary funds received from international and foreign organisations, foreign citizens and stateless persons	Amount (thsnd roubles)
3.1	Kind of spending:	
	3.1.1. outlays on social and charitable aid	
	3.1.2. outlays on holding conferences, meetings seminars, etc.	
	3.1.3. outlays connected with remuneration of of labour (including allowances)	
	3.1.4. outlays on paying educational grants	
	3.1.5. outlays on official missions and business missions	
	3.1.6. outlays connected with maintenance and operation of premises, buildings, motor transport and other property (both own ones and rented)	
	3.1.7. outlays on acquisition of fixed assets, tools and other property	
	3.1.8. outlays on paying taxes and making other	

obligatory payments to budgets of different levels; court costs and arbitration fees	
3.1.9. other outlays	
Total monetary funds spent:	

4	Data on actual use in the reporting period of other property received from an international or foreign organisation, foreign citizens or stateless persons, including that acquired (created) on account of the cited persons	Way of use
4.1	Denomination (according to the list as in Items 2.1, 2.2)	
	4.1.1	
	4.1.2.	
	4.1.3.	
	4.1.4.	
	4.1.5.	

I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of non-profit organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

The person responsible for keeping accounts:

_____ _____ _____

(full name and position) stamp (signature) (date)

- It shall be completed in respect of other property cited in Column 2.2, if the total value of such property transferred to a single person is equal to or exceeds 20 thousand roubles.

Note: If the data to be included into the report is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The report and an annex thereto shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy. If any data to be included into the form are not available, a dash shall be made in appropriate columns. Sheets of the report and of an annex thereto shall be threaded and the number of sheets (of the report and of an annex thereto) shall be confirmed by the signature of the person entitled to act without a letter of attorney on behalf of a public association to be affixed to the back of the last sheet at the place of threading.

Page | | |

Form No. | O | N | 0 | 0 | 0 | 3 |

Sheet A
Receipt
This is to certify that _____
(full name)
submitted to_____
(Ministry of Justice of the Russian Federation (regional agency thereof)
date received "__"_____ _____year

a report on the volume of monetary funds and other property received by
(full denomination of public association)
from international and foreign organisations, foreign citizens and stateless persons, on the purposes of their spending or use and on their actual spending or use for_____ year on _____ sheets.

Position of the federal civil
servant of the Ministry of Justice
of the Russian Federation
(of its regional agency)
who accepted the report _____
Family name _____
First name _____
Patronymic _____

(signature)
I received the receipt _____
(signature, family name, initials, date)

Note. Sheet A shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one of them to be issued to a public association and the other to be kept by the Ministry of Justice of the Russian Federation (by a regional agency thereof).

Annex No. 3
to Order of the Ministry of Justice
of the Russian Federation
No. 72 of March 29, 2010

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Form No. | O | R | 0 | 0 | 0 | 1 |

(Ministry of Justice of the Russian Federation (regional agency thereof)

Report

on the Activities of a Religious Organisation, on the Persons within the Composition of Its Managerial Bodies, on Spending Monetary Funds and on the Use of Other Property, Including Those Received from International and Foreign Organisations, Foreign Citizens and Stateless Persons

for_____year.

It is submitted in compliance with Item 3 of Article 32 of Federal Law No. 7-FZ of January 12, 1996 on Non-Profit Organisations

(full name of religious organisation)

(address (location) of religious organisation)

OGRN | | | | | | | | | | | | | | | | | date of inclusion in EGRUL | | | . | | | . year

INN/KPP | | | | | | | | | | / | | | | | | | | | |

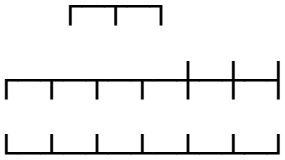
1	Kinds of activities in the reporting period in compliance with constituent documents:
1.1	Basic kinds of activities, in particular: (tick if any)
	1.1.1. Making religious rites, mysteries and ceremonies

1.1.2. Religious education	
1.1.3. Dissemination of religious beliefs directly or through mass media	
1.1.4. Cultural enlightenment activities	
1.1.5. Dissemination of religious articles and religious literature	
1.1.6. Charitable and other activities involved in rendering social services	
1.2 Other kinds of activities (to be cited)	
1.2.1.	
1.2.2.	
1.2.3.	
1.2.4.	
2 Sources of property forming (mark by “V” available ones)	
2.1 Receipts from Russian legal entities	
2.2 Receipts from foreign legal entities	

2.3	Grants, technical or humanitarian aid of foreign states	
2.4	Income derived from business activities	
2.5	Other receipts	

Page | 0 | 2 |

Form No. | O | R | 0 | 0 | 0 | 1 |



3	Data on spending monetary funds, including those received from international and foreign organisation, foreign citizens and stateless persons	Actually spent in thsnd roubles
3.1	Kinds of spending monetary funds received from international and foreign organisations, foreign citizens and stateless persons:	
	3.1.1. Outlays on basic activities	
	3.1.2. Charitable aid	
	3.1.3. Other kinds of spending monetary funds (to be specified):	

3.2	Spending other monetary funds	
3.3	Total outlays within the reporting period:	
4	Data on the use of other property received from international and foreign organisations, foreign citizens stateless persons	Way of use*
4.1	Fixed assets (denominations to be specified):	
	4.1.1.	
	4.1.2.	
	4.1.3.	
	4.1.4.	
4.2	Other property (its denominations grouped according to the purpose thereof)**:	
	4.2.1.	
	4.2.2.	
	4.2.3.	
	4.2.4.	

Annex: data on the persons within the managerial bodies of religious organisation (Sheet A)
I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of non-profit organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

The person responsible for keeping accounts:

_____ _____ _____

(full name and position) stamp (signature) (date)

- Here shall be cited the kind of property's use (if it is used directly, let on lease, alienated under contracts of purchase and sale, exchange, gift or other ways of using it).

** Shall be completed for other property grouped according to the purpose thereof, if the total (balance sheet) value of such property transferred to a single person is equal to or exceeds 20 thousand roubles.

Note: If the data to be included into the report is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The report and an annex thereto shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy. If any data to be included into the form are not available, a dash shall be made in appropriate columns. Sheets of the report and of an annex thereto shall be threaded and the number of sheets (of the report and of an annex thereto) shall be confirmed by the signature of the person entitled to act without a letter of attorney on behalf of non-profit organisation to be affixed to the back of the last sheet at the place of threading. The report in respect of a religious organisation forming part of a centralized religious organisation may be completed by the person entitled to act without a power of attorney on behalf of the religious organisation.

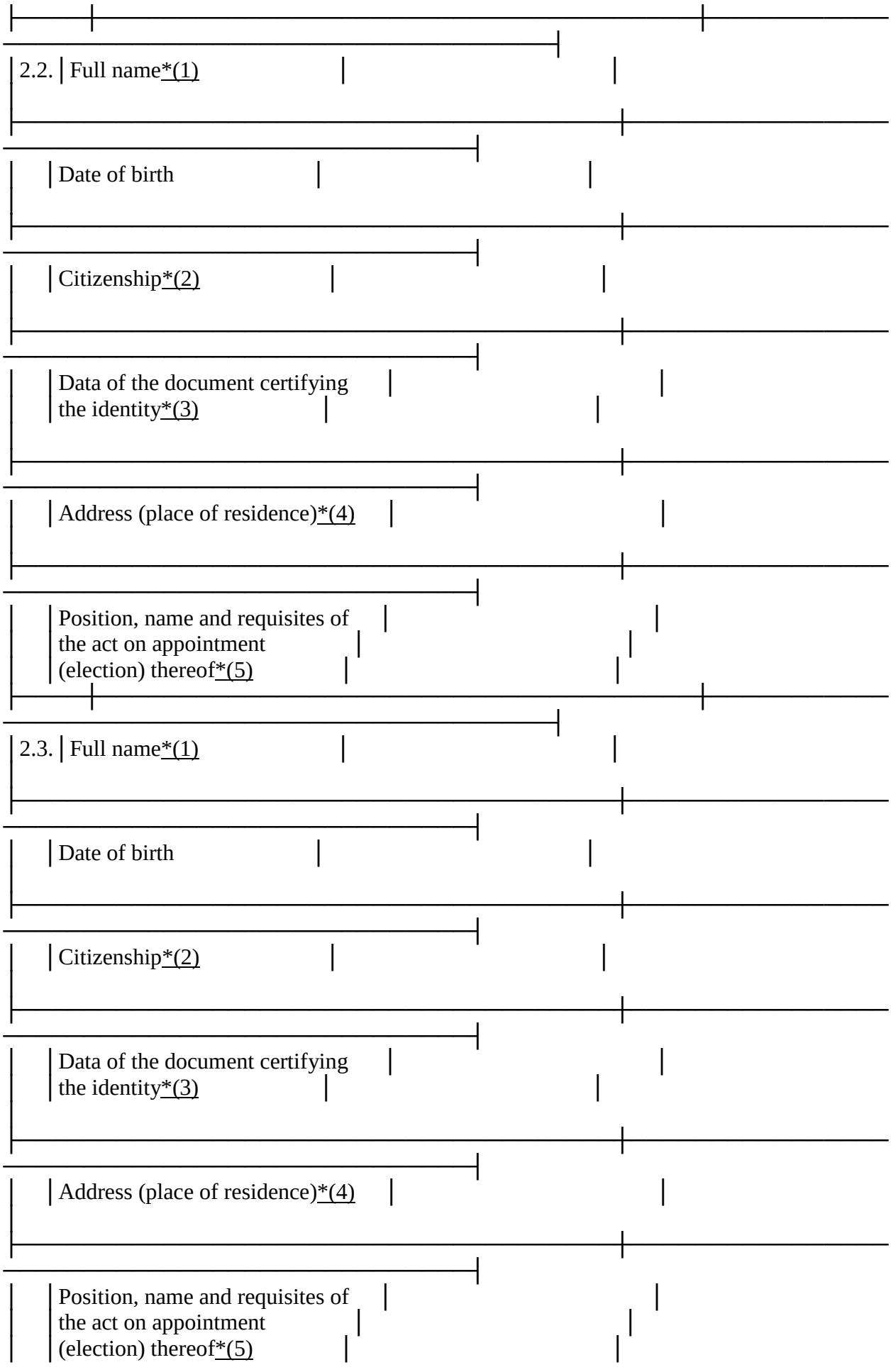
Page | | |

Form No. | O | R | 0 | 0 | 0 | 1 |

Sheet A
Data on the Persons within the Composition
of Religious Organisation's Managerial Bodies

1	Data on the person entitled to act without a power of attorney on behalf of a religious organisation
	Full name*(1)

	Date of birth
	Citizenship*(2)
	Data of the document certifying the identity*(3)
	Address (place of residence)*(4)
	Position, name and requisites of the act on appointment (election) thereof*(5)
2	Data on the persons within the composition of the collective managerial body of the religious organisation
2.1.	Full name*(1)
	Date of birth
	Citizenship*(2)
	Data of the document certifying the identity*(3)
	Address (place of residence)*(4)
	Position, name and requisites of the act on appointment (election) thereof*(5)


2.2.
Full name*(1)
Date of birth
Citizenship*(2)
Data of the document certifying the identity*(3)
Address (place of residence)*(4)
Position, name and requisites of the act on appointment (election) thereof*(5)
2.3.
Full name*(1)
Date of birth
Citizenship*(2)
Data of the document certifying the identity*(3)
Address (place of residence)*(4)
Position, name and requisites of the act on appointment (election) thereof*(5)

Page | | |

Form No. | O | R | 0 | 0 | 0 | 1 |

Sheet A

2.4	Full name*(1)		
	Date of birth		
	Citizenship*(2)		
	Data of the document certifying the identity*(3)		
	Address (place of residence)*(4)		
	Position, name and requisites of the act on appointment (election) thereof*(5)		
2.5	Full name*(1)		
	Date of birth		
	Citizenship*(2)		
	Data of the document certifying the identity(3)*		

	Address (place of residence)*(4)
	Position, name and requisites of the act on appointment (election) thereof*(5)
2.6	Full name*(1)
	Date of birth
	Citizenship*(2)
	Data of the document certifying the identity*(3)
	Address (place of residence)*(4)
	Position, name and requisites of the act on appointment (election) thereof*(5)

The person entitled to act without a letter of attorney on behalf of the religious organisation:

_____ _____ _____

(full name and position held) stamp (signature) (date)

*(1) In respect of a foreign citizen and stateless person it shall be additionally cited in Latin transcription on the basis of the data contained in the document established by federal law or recognized under an international treaty made by the Russian Federation as a document certifying the identity of a foreign citizen or stateless person.

*(2) Where there is no citizenship, the words “stateless person” shall be entered.

*(3) In respect of a foreign citizen or stateless person shall be cited the kind and data of the document established by federal law or recognized in compliance with an international treaty made by the Russian Federation as a document certifying the identity of a foreign citizen or stateless person.

*(4) Here shall be cited the address of registration of a natural person at the place of residence thereof: the name of the constituent entity of the Russian Federation, of the town (other inhabited locality) and street, the numbers of the house and flat, in respect of foreign citizens and stateless persons shall be likewise cited the kind, data and validity term of the document proving the right to stay on a legal ground on the territory of the Russian Federation.

*(5) If a member of the managerial body is not an employee of a religious organisation, shall be cited his/her relation to this organisation (for example, the founder, representative of the founder); if a member of the managerial body is not an organisation's founder, participant (member) or employee, shall be only cited the requisites of the act on his/her appointment (election) to the managerial body.

Note: If the data to be included in Sheet A are too extensive for one page, the required number of pages shall be filed in (each of them to be numbered).

Page | | |

Form No. | O | R | 0 | 0 | 0 | 1 |

Sheet B
Receipt
This is to certify that_____
(full name)
has submitted to_____
(Ministry of Justice of the Russian Federation (regional agency thereof)
date received "__"_____ _____year

a report on the activities of_____
(full name of religious organisation)
and on the persons in the composition of its managerial bodies for _____ year on____sheets.

Position of the federal
civil servant of the Ministry of
Justice of the Russian Federation
(of its regional agency)
accepting the report _____
Family name _____
First name _____
Patronymic _____

(signature)
The receipt has been obtained by me _____
(signature, family name and initials, date)

Note. Sheet B shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one them to be issued to a

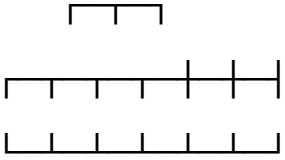
religious organisation and the other to be kept by the Ministry of Justice of the Russian Federation (by the regional agency thereof).

Annex No.4
to Order of the Ministry of Justice
of the Russian Federation
No. 72 of March 29, 2010

Forms of Reports of a Structural Unit of a Foreign Non-Profit Organisation on the Volume of Monetary Funds and Other Property Received by This Structural Unit of the Foreign Non-Profit Organisation, on Their Supposed Distribution, on the Purposes They Are Spent or Used for and on Their Actual Spending or Use, on the Programmes to Be Implemented on the Territory of the Russian Federation, as Well as on Spending the Cited Monetary Funds Allocated to Natural Persons and Legal Entities and on the Use of Other Property Granted Thereto

Page | 0 | 1 |

Form No. | S | P | 0 | 0 | 0 | 1 |



Ministry of Justice of the Russian Federation

Report of a Structural Unit of Foreign Non-Profit Non-Governmental Organisation on the Volume of Monetary Funds and other Property Received by This Structural Unit, on Their Supposed Distribution, as Well as on the Purposes of Their Spending or Using
in_____year
It is submitted in compliance with Item 4 of Article 32 of Federal Law No. 7-FZ of January 12, 1996 on Non-Profit Organisations

(full denomination of structural unit)
(address (location) of structural unit)

OGRN | | | | | | | | | | | | | | | | | | | | | | | | | date of inclusion in EGRUL | | | . | | | . | | | year

(for a branch of a foreign non-profit non-governmental organisation)

Date of entering data on the structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations

Filing number of the structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations

| | | . | | | . | | | | | year

_____

INN/KPP | | | | | | | | | | | | / | | | | | |

1	Monetary funds received in the reporting period	Amount (thsnd roubles)	Purposes they are spent for
1.1	Target funds received in the reporting period		
1.2	Other funds received in the reporting period, in particular from selling commodities, carrying out works and rendering services		

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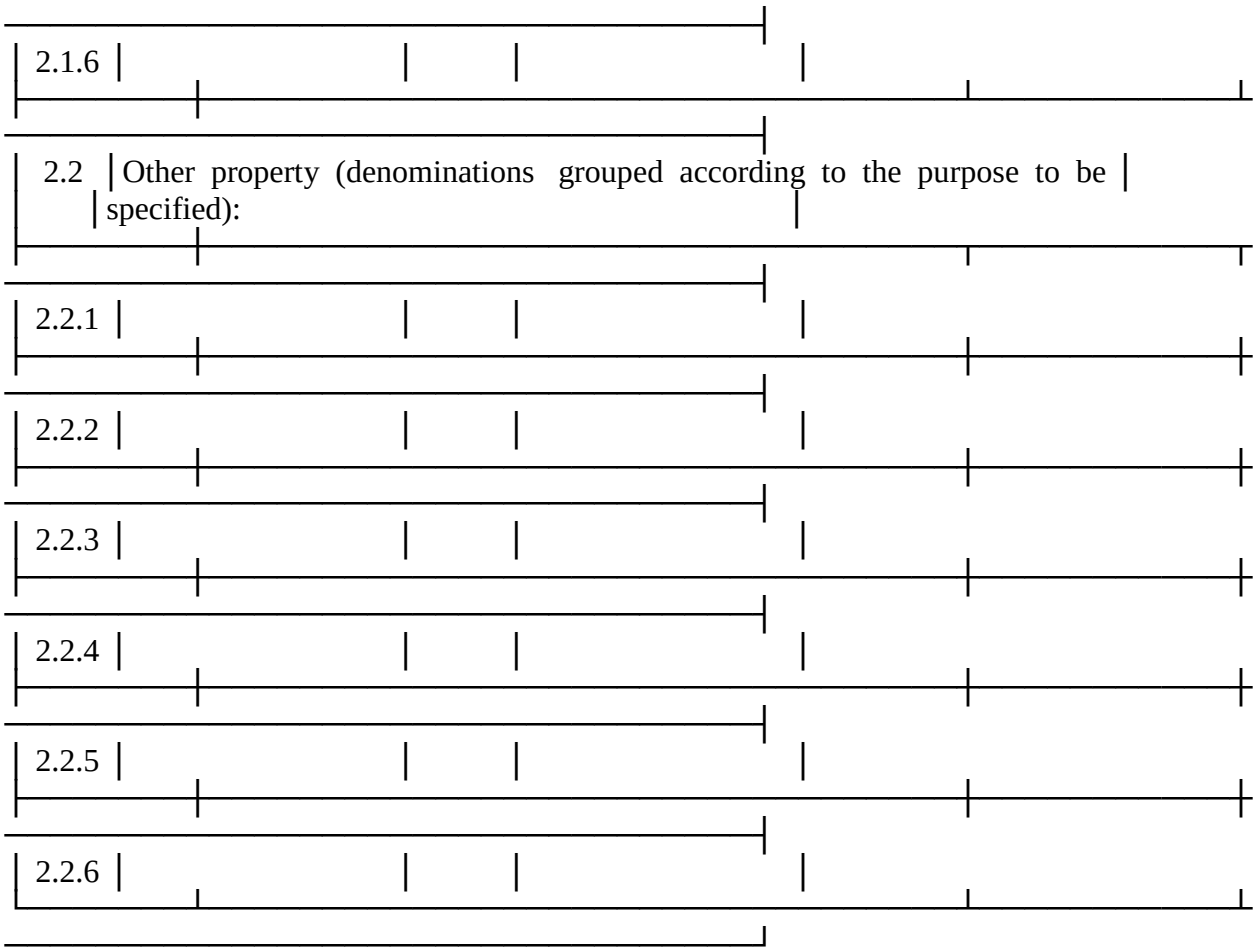
Form No. | S | P | 0 | 0 | 0 | 1 |

2	Other property received in the reporting period	Amount (thsnd roubles)	Purposes they are spent for
2.1	Fixed assets (denomination of each object of civil rights to be specified):		
2.1.1			
2.1.2			
2.1.3			
2.1.4			
2.1.5			



I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of a branch of a foreign non-profit non-governmental organisation or the head of a branch (representation) of a foreign non-profit non-governmental organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

The person responsible for keeping accounts:

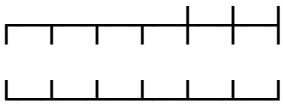
_____ _____ _____

(full name and position) stamp (signature) (date)

Note: If the data to be included into the report is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The form shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy whose sheets shall be threaded, numbered and the number of sheets shall be confirmed by the signature of an authorized person of structural unit of non-profit non-governmental organisation appointed in the established procedure to be affixed to the back of the last sheet at the place of threading. If any data to be included into the form are not available, a dash shall be made in appropriate columns.

Page 0 0

Form No. | S | P | 0 | 0 | 0 | 1 |



Sheet A
Receipt
This is to certify that _____
(full name)
submitted to Ministry of Justice of the Russian Federation on
"__"_____ _____year
(date received)
a report of_____
(full denomination of structural unit)
of on the volume of monetary funds and other property received by this structural unit, on their supposed distribution, as well as on the purposes of their spending or use for_____ year
on _____ sheets.

Position of the federal civil
servant of the Ministry of Justice
of the Russian Federation
(of its regional agency)
who accepted the report _____
Family name _____
First name _____
Patronymic _____

(signature)
I received the receipt _____
(signature, family name, initials, date)

Note. Sheet A shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one of them to be issued to a structural unit of foreign non-profit non-governmental organisation and the other one to be kept by the Ministry of Justice of the Russian Federation (by a regional agency thereof).

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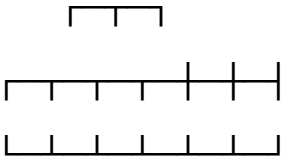

Form No. | S | P | 0 | 0 | 0 | 2 |

Ministry of Justice of Russia

Report
of a Structural Unit of a Foreign Non-Profit Non-Governmental Organisation on Actual Spending or Use of Monetary Funds and Other Property, as Well as on Spending the Cited Monetary Funds Allocated to Natural Persons and Legal Entities and on Using the Other Property Provided to Them
in_____year.
It is submitted in compliance with Item 4 of Article 32 of Federal Law

(full denomination of structural unit)
(address (location) of structural unit)

OGRN | | | | | | | | | | | | | | date of inclusion in EGRUL | | |.| | |.| | | | | year

(for a branch of a foreign non-profit non-governmental organisation)

Date of entering data on structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations	Filing number of structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations
	|.|	|.|				year.	________________

INN/KPP | | | | | | | | | | | / | | | | | | | | | |

1	Data on actual spending of monetary funds	Amount (thsnd roubles)
1.1	Kind of spending:	
	1.1.1. outlays on social and charitable aid	
	1.1.2. outlays on holding conferences, meetings seminars etc.	
	1.1.3. outlays connected with remuneration of of labour (including allowances)	
	1.1.4. outlays on official missions and business	

missions	
1.1.5. outlays connected with maintenance and operation of premises, buildings, motor transport and other property	
1.1.6. outlays on acquisition of fixed assets, implements and other property	
1.1.7. outlays on paying taxes and making other obligatory payments to budgets of different levels; court costs and arbitration fees	
1.1.8.	

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Form No. | S | P | 0 | 0 | 0 | 2 |

1.1.9.	
1.1.10.	
1.1.11.	
1.1.12.	
1.1.13.	

1.1.14.	
Total monetary funds spent:	

2	Data on actual use of other property	Way of use*

2.1	Property denomination (in compliance with the list according to Items 2.1, 2.2 of Form SP0001):
2.1.1.	
2.1.2.	
2.1.3.	
2.1.4.	
2.1.5.	
2.1.6.	
2.1.7.	

3	Data on spending monetary funds provided to natural persons and legal entities**	Amount (thsnd roubles)

3.1	Kind of spending for the benefit of natural persons

| 3.1.1. |

| 3.1.2. |

| 3.1.3. |

| 3.1.4. |

| 3.1.5. |

| 3.2 | Kind of spending for the benefit of legal entities |

| 3.2.1. |

| 3.2.2. |

| 3.2.3 |

| 3.2.4 |

| 3.2.5 |

Page | 0 | 3 |

Form No. | S | P | 0 | 0 | 0 | 2 |

4	Data on the use of other property provided to natural persons and legal entities	Purpose of use
4.1	Property denomination (in compliance with the list according to Items 2.1 and 2.2 of Form SP0001)	
	4.1.1.	
	4.1.2.	
	4.1.3.	
	4.1.4.	
	4.1.5.	
	4.1.6.	
	4.1.7.	

I hereby confirm the accuracy and completeness of the data.
The person entitled to act without a power of attorney on behalf of branch of foreign non-profit non-governmental organisation or the head of branch (representation) of foreign non-profit non-governmental organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

The person responsible for keeping accounts:

_____ _____ _____

(full name and position) stamp (signature) (date)

- Shall be completed in respect of other property cited in Column 2.2 of Form SP 0001, if the total value of such property transferred to a single person is equal to or exceeds 20 thousand roubles.

** Here shall be shown the kinds of spending cited in Item 1.1 of this form, except for those mentioned in Items 1.1.1 - 1.1.7.

Note: If the data is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The form shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy whose sheets shall be threaded, numbered and the number of sheets shall be confirmed by the signature of an authorized person of structural unit of non-profit non-governmental organisation appointed in the established procedure to be affixed to the back of the last sheet at the place of threading. If any data to be included into the form are not available, a dash shall be made in appropriate columns.

Page | | |

Form No. | S | P | 0 | 0 | 0 | 2 |

Sheet A

Receipt

This is to certify that _____
(full name)

submitted to Ministry of Justice of the Russian Federation on "__"_____ _____year
(date received)

a report of _____
(full denomination of structural unit)

on actual spending or use of monetary funds and other property, as well as on spending the cited monetary funds allocated to natural persons and legal entities and on the use of other property provided to them in_____ year on _____ sheets.

Position of the federal civil servant of the Ministry of Justice of the Russian Federation (of its regional agency) who accepted the report _____

Family name _____

First name _____

Patronymic _____

(signature)

I received the receipt _____
(signature, family name, initials, date)

Note. Sheet A shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in 2 copies, one of them to be issued to

structural subdivision of foreign non-profit institution and the other one to be kept by the Ministry of Justice of the Russian Federation (by a regional agency thereof).

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Form No. | S | P | 0 | 0 | 0 | 3 |

Ministry of Justice of the Russian Federation

Information
of Structural Unit of Foreign Non-Profit Non-Governmental Organisation
on the Programmes Supposed to Be Implemented on the Territory of
the Russian Federation
in__________year.

It is submitted in compliance with Item 4 of Article 32 of Federal Law No. 7-FZ of January 12, 1996 on Non-Profit Organisations

(full denomination of structural unit)
(address (location) of structural unit)

OGRN | | | | | | | | | | | | | | date of inclusion in EGRUL | | | . | | | . | | | | | year

(for a branch of a foreign non-profit non-governmental organisation)

Date of entering data on structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations

Filing number of structural unit in the register of branches and representations of international organisations and foreign non-profit non-governmental organisations

| | . | | . | | | | year. ______________________________

1	Programme denomination	
2	Date of programme's endorsement	
3	Denomination of body (organisation) that has rendered the decision on programme's endorsement	

4	Programme’s purposes (tasks):
4.1	
4.2	
4.3.	
4.4	
4.5	
5	Time of programme’s implementation:
5.1	
5.2	
6	Extent and sources of programme’s financing*:
6.1	
6.2	
7	The area of the Russian Federation where it is supposed to implement programme**

I hereby confirm the reliability and completeness of the data.
The person entitled to act without a letter of attorney on behalf of branch of foreign non-profit non-governmental organisation or the head of branch (representation) of foreign non-profit non-governmental organisation:

_____ _____ _____

(full name and position) stamp (signature) (date)

- If the amount is not shown in roubles, its currency shall be cited.

** If the territory where it is supposed to implement the programme is not defined, the words “not defined” shall be entered.

Note: If the data is too extensive for the pages contained in the form, the required number of pages shall be completed (each of them to be numbered). The form shall be filled in by hand in block letters using ink or a ballpoint pen of dark blue or black colour or typed in one copy whose sheets shall be threaded, numbered and the number of sheets shall be confirmed by the signature of an authorized person of structural unit of non-profit non-governmental organisation appointed in the established procedure to be affixed to the back of the last sheet at the place of threading. If any data to be included into the form are not available, a dash shall be made in appropriate columns.

Page | | |

Form No. | S | P | 0 | 0 | 0 | 3 |

Sheet A

Receipt

This is to certify that _____
(full name)

submitted to Ministry of Justice of the Russian Federation on “__”_____ _____year
(date received)

a report of _____
(full denomination of structural unit)

on the programmes supposed to be implemented on the territory of the Russian Federation

in_____ year on _____ sheets.

Position of the federal civil servant of the Ministry of Justice of the Russian Federation who accepted the report _____

Family name _____

First name _____

Patronymic _____

(signature)

I received the receipt _____
(signature, family name, initials, date)

Note. Sheet A shall be completed by a federal civil servant of the Ministry of Justice of the Russian Federation (of a regional agency thereof) in two copies, one of them to be issued to structural subdivision of foreign non-profit non-governmental organisation and the other one to be kept by the Ministry of Justice of the Russian Federation.