

# ClientInsight

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## Russian Legislation Update

### Securities

**On 28 December 2011 the Federal Service for Financial Markets (“FSFM”) issued Order No. 11-68/pz-n approving the procedure for the keeping of a register of certain agreements based on the terms of a master agreement and its submission to the FSFM.**

*The Order was registered with the Ministry of Justice on 11 May 2012.*

In accordance with Article 51.5(6) of the Securities Market Law, parties to (i) a REPO agreement, (ii) an agreement qualified as a derivative financial instrument entered into on an over-the-counter basis or (iii) other agreement made on the terms of a master agreement, are required to provide information regarding such agreements to a **Repository** (i.e., a self-regulating organization of professional participants on the securities market, a clearing organization or a stock exchange). The Repository is required to keep a register of such agreements and to submit it to the FSFM.

The Order, among other things, specifies the procedure and terms of submission of information on such agreements to a Repository and envisages that the Repository keeps the register in accordance with the requirements listed in the Order and in the specific agreement with the parties to the master agreement. According to the Order, information regarding the agreement entered into under the terms of a master agreement is submitted to the Repository within three business days of the date of its conclusion, termination or execution. If a term for the performance of obligations under such agreement is less than four business days, information regarding such agreement may be provided to the Repository on a quarterly basis, within three business days of the date of its termination. The Order also regulates in detail the contents of such register and the procedure for the keeping of the register by the Repository.

*The Order will enter into force ten days after the date of its official publication.*

### In This Issue...

- Securities
- Banking
- Licensing
- Environmental

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## Banking

**On 17 May 2012 the Central Bank issued Directive No. 2818-U “On Abolishing Clause 28 of the Central Bank Regulation “On Peculiarities of Registration of Lending Organizations with Foreign Investments” dated 23 April 1997”**

According to the Directive, the lending organizations that are Russian subsidiaries of foreign banks will no longer be required to obtain the Central Bank’s prior permission for opening branches in Russia.

*The Directive will enter into force on 3 June 2012.*

## Licensing

**On 5 May 2012 the Government issued Resolution No. 454 approving the procedure for the licensing of the operation of flammable and explosive hazardous industrial facilities (“facilities”).**

Following the adoption of a new Federal Law “On Licensing of Certain Types of Activities” on 4 May 2011 (please see our update of 9 – 22 May 2011), the Resolution specifies the procedure for licensing the operation of the facilities. The Resolution, in particular, details a list of documents to be submitted by an applicant to the Federal Service for Environmental, Technological and Nuclear Supervision to obtain a license and licensing requirements for operation of the facilities.

*The Resolution entered into force on 22 May 2012 and abolished Government Resolution No. 599 dated 12 August 2008 on the same matter.*

## Environmental

**On 5 May 2012 the Government issued Resolution No. 455 on state supervision over hazardous industrial facilities and hydro-technical facilities.**

Pursuant to the Resolution, starting from 1 July 2012, the owners of hazardous industrial facilities and hydro-technical facilities will be subject to state control over their compliance with mandatory requirements and safety measures when using such facilities and implementing works on them.

State control is executed by means of scheduled and nonscheduled inspections carried out by the Federal Service for Environmental, Technological and Nuclear Supervision. The Resolution, in particular, establishes the procedure for conducting the inspections.

*The Resolution entered into force on 22 May 2012.*

**On 30 April 2012 the President approved the Principles for the development of a state environmental policy in Russia until 2030 (“Principles”).**

The ecological situation in Russia is characterized by a high level of adverse environmental impact and significant environmental consequences of past economic activity. The development of the Principles is to ensure a favorable environment and ecological safety when modernizing the Russian economy. The achievement of this goal is ensured through the implementation of tasks listed in the Principles, including: (i) improvement of a regulatory framework aimed at environmental protection and safety; (ii) improvement of a state ecological monitoring system; (iii) ensuring environmentally oriented economic growth and integration of ecologically efficient technologies; and (iv) development of environmental education. The mechanisms of the implementation of a state environmental policy, which are used for the solution of these tasks, are detailed in the Principles.

*The text of the document is published on the official website of the President of Russia, <http://kremlin.ru/>*