

Insight

27 August – 16 September 2012

Russian Legislation Update

Strategic Companies

On 11 September 2012 the Russian President issued Decree No. 1285 “On Protection Measures for the Interests of the Russian Federation When Russian Legal Entities Perform Their Foreign Economic Activities”.

The Decree relates to Russian strategic companies (that are on the list approved by Decree No. 1009 of 4 August 2004) and their subsidiaries. In case there are claims (requests) on behalf of foreign states, international organizations, unions of foreign states, or bodies (institutions) of these organizations (including their regulatory or/and controlling bodies), the Russian strategic companies and their subsidiaries shall not, without prior consent of the authorized federal body undertake the following:

- Provide to such foreign states, organizations and unions information on the company activity (except for the information that is subject to publication or disclosure according to the Russian laws, or disclosed at issuance, circulation or purchase of securities);
- Amend contracts entered into by the strategic companies with foreign counterparts, and any other documents related to commercial (pricing) policy of the strategic companies in the foreign states; and
- Dispose of shares in foreign companies, rights to conduct business activity in the foreign states, or immovable property located in the foreign states (that belongs to the strategic companies and their affiliates).

The authorized federal body shall refuse such consent if the above actions can impair economic interests of the Russian Federation. The Russian federal bodies authorized to give consent to be nominated within one month from the date of entry of the Decree into force.

The Decree entered into force on 12 September 2012.



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In This Issue:

- Strategic Companies
- Banking
- State Guarantees
- Refinancing Rate
- Waste
- First Reading: NGOs

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Banking

On 10 August 2012 the Central Bank issued Directive No. 2860-U amending its Regulation No. 254-P “On the Formation of Provisions by Lending Organizations to Cover Potential Losses in Loans, Loan Indebtedness and Other Similar Indebtedness.”

The Directive was registered with the Ministry of Justice on 17 August 2012.

The Directive allows banks not to increase provisions for loans granted to individuals whose financial position or service of debt worsened due to an emergency situation (of a regional or federal significance) within one year after the occurrence of such situation.

The Directive entered into force on 22 August 2012.

State Guarantees

On 14 August 2012 the Government adopted Resolution No. 825 on providing, in 2012, state guarantees for loans attracted by certain Russian organizations.

The Resolution sets out the procedure for the provision in 2012 of state guarantees for loans made by Russian banks to (i) strategic organizations of the military-industrial complex and (ii) other organizations selected following the established procedure. The guarantees may be provided for loans intended for main production activities and capital investments maturing after 1 January 2015.

The Resolution entered into force on 28 August 2012.

Refinancing Rate

On 13 September 2012 the Central Bank issued Directive No. 2873-U increasing the refinancing rate.

The Central Bank increased the refinancing rate from 8% to 8.25% per annum. The new rate applies as of 14 September 2012.

The Central Bank sets the refinancing rate for its financing of commercial banks. The rate is also used for calculating interest on commercial loans (if the rate is not specified in an agreement), tax payments and in other instances provided for under the law.

The Directive entered into force on 13 September 2012.

Waste

On 30 August 2012 the Government issued Resolution No. 870 “On a Utilization Fee on Vehicles.”

Following the recent amendments to the Federal Law “On Production and Consumption Waste,” which introduced a utilization fee for vehicles imported into or manufactured in Russia (see our July 2012 Alert on Russia/WTO Accession). The Resolution establishes the procedure for the calculation and payment of the established fee. The Resolution, in particular, lists types and categories of vehicles with respect to which the utilization fee is to be paid, as well as its amount.

Federal Customs Service is authorised to collect the fee.

The Resolution entered into force on 1 September 2012; it does not apply to vehicles which vehicle certificates were issued prior to 1 September 2012.

First Reading

NGOs

On 11 September 2012 the State Duma approved in the first reading Draft Law No. 109698-6 amending the Administrative Offences Code in relation to the regulation of non-commercial organizations acting as foreign agents.

On 21 November 2012 the provisions relating to the regulation of NGOs acting as foreign agents established by Federal Law No. 121-FZ will enter into force (see our update for 9 – 22 July 2012).

The Draft Law develops the provisions on administrative liability for the breach of the rules provided for in the Law and, among other things, establishes the fines of up to RUB one million if the NGO:

- Fails to submit to the state authority the information required by the Law, or submits incomplete or distorted information;
- Acts as a foreign agent but is not listed in the Register of Foreign Agents; and
- Publishes and distributes information (including through mass media and on the Internet) without stipulating that this information has been prepared by the NGO acting as a foreign agent.

The Draft Law establishes a fine of up to RUB 50,000 for organizing and participating in an NGO activity if such activity has been suspended by the authorized state authority.

The provisions of the Draft Law will apply if adopted by the State Duma in three readings, approved by the Federation Council, signed by the President and officially published.