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REGULATION OF FINANCIAL MARKETS

The Order of the FFMS of Russia as of 07.07.2009 №09-25/pz-n "On Peculiarities of Registering Shares of Joint-Stock Companies Beneficially Owned by the Russian Federation in the Share Register"

It is determined that in case shareholder's rights to shares owned by the Russian Federation are exercised by the Government of the RF and (or) authorized federal executive agency, by a specialized state institution(-s) or by a state corporation it is the Russian Federation that is specified in the register as the shareholder represented by an authorized body.

Grounds for opening an account of the Russian Federation by a joint-stock company that independently maintains its register of its shareholders or by a registrar are as follows:

- the questionnaire of a registered entity mentioning the authorized body as the holder of shares owned by the Russian Federation – in case the Government of the RF or federal executive authorities perform as the authorized body;
- in case a specialized state institution(-s) or state corporation perform as the authorized body – following documents executed in a proper way:
 - the questionnaire of a registered entity mentioning the authorized body as the holder of shares owned by the Russian Federation;
 - a document confirming the appointment of the head of the authorized body;
 - a document confirming the right of persons to act on behalf of the authorized body without a power of attorney or powers of attorney to the persons authorized to legally act in the name of the authorized body;
 - a certificate of state registration of the authorized body (if any);
 - a certificate of making a record in the Unified State Register of Legal Entities on the authorized organization registered prior to 1 July, 2002 (if any);
 - charter documents (documents specifying the status) of the authorized body in compliance with the legislation of the Russian Federation;
 - a card with samples of the authorized body's seal impression and of signatures of persons entitled to act on behalf of the authorized body without a power of attorney, those that have signed in the questionnaire of a registered entity.

The procedure for introducing changes to the information on the account of the registered entity contained in the register of shareholders in case information on the authorized body changes, the procedure of providing information from the register of shareholders, the procedure for disclosing any information from the register of shareholders, the order for fixing transactions performed on the account of the Russian Federation in the register of shareholders – all the procedures mentioned have been determined.

Effective – 10 days after the official publication. The document has not been published yet.

The Order of the FFMS of Russia as of 30.07.2009 №09-29/pz-n "On Amending the Standards of Capital Adequacy of Professional Participants to the Securities Market, Managing Companies to Investment Funds, Unit Investment Funds and Non-governmental Pension Funds, Approved by the Order of the Federal Financial Markets Service as of 24.04.2007 № 07-50/pz-n"

Standards of the capital adequacy of professional participants to the securities market are increased particularly, for example, for those that:

- operate as dealers (earlier RUR5 mln.) and (or) brokers (earlier RUR10 mln.) and (or) securities managers (earlier RUR10 mln.) – standards have been raised up to RUR35 mln., and starting from 1 July, 2011 will go as high as RUR50 mln.rbl.;
- perform activity of a settlement depository – changed to RUR250 mln., and from 1 July, 2011 will number RUR300 mln.;
- run the share – standards have been changed for RUR100 mln., and from 1 July, 2011 will achieve RUR150 mln.;
- act as the stock exchange – RUR150 mln., and from 1 July, 2011 will number RUR200 mln.

Changes have also been introduced to standards of the capital adequacy of other professional participants.

Effective – 01.07.2010. The document has not been published.

ANTIMONOPOLY REGULATION

The Regulation of the Government of Russia as of 15.09.2009 №744 "On Amending Acts of the Government of the Russian Federation on Issues Related to the Federal Antimonopoly Service"

The Federal Antimonopoly Service is assigned with the function of controlling foreign investments into business entities of strategic importance for the defense and security of the state, and is empowered with the following authorities:

- to agree (i) a form of a draft business plan of a business entity of strategic importance, (ii) a model form of the agreement with a foreign investor intending to enter a deal or gain control over the business entity of strategic importance to the defense and security of the state, stipulating definite undertakings for the investor to be fulfilled with no exception.
- to check a proper fulfillment of undertakings by the foreign investor assumed in compliance with the legislation on foreign investments into strategic industries,
- to consider petitions of the foreign investor for a preliminary approval of a deal with business entities of strategic importance or for an approval of establishing control over such entities,
- to consider notifications (information) received from the foreign investor on a purchase of 5 or more % shares in the charter capital of business entities of strategic importance.

Additionally, authorities of the FAS of Russia as for the supervision over actions of participants to wholesale and retail markets of electric power have been specified. From now the FAS of Russia is empowered to partake in the approval of investment programmes of (i) companies of the electrical energy industry, that Government of the Russian Federation holds a share in, and (ii) chain organizations that satisfy the criteria set by the Government of the Russian Federation.

Effective – 7 days after the official publication. The document has not been published.

BANKING LAW

The Regulation of the Central Bank of Russia as of 07.08.2009 №342-P “On Required Reserves of Credit Institutions”

The Regulation determines (i) main notions applied when depositing required reserves, (ii) composition of reserved liabilities, (iii) procedure for depositing the reserves and regulating their size, (iv) control of the Bank of Russia over the compliance of credit institutions with the required reserves standards (v) procedure for re-registration of reserves due to reorganization of a credit institution or change of its location.

The method of calculating the averaging period is changed. Upon the entry into effect of the Regulation the averaging period will endure from the **tenth day** (earlier – from the first day) of the month that follows the accounting period, to the tenth day (earlier – to the first day) of the second month that follows the accounting period, inclusive. For a large credit institution with a wide network of divisions – the averaging period will last from the tenth day (earlier – from the first day) of the second month following the accounting month, to the tenth day (earlier – to the first day) of the third month that follows the accounting period, inclusive.

The following is excluded from obligations subject to reservation:

- non-monetary obligations (precious metals and natural jewels in their physical form, securities loans);
- obligations to another credit institution duly registered and acting on the basis of a license granted by the Bank of Russia for conducting banking operations;
- obligations to an international financial organization that operates on the basis of an international treaty (agreement) for its establishment with participation of the Russian Federation; and obligations to the state corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)” (hereinafter referred to as Vnesheconombank) and the Bank of Russia arising from contracts (except obligations upon debt securities and corresponding interests);
- obligations to the state corporation “Deposit Insurance Agency” (hereinafter referred to as DIA) and (or) obligations to investors, which are not credit institutions, that arise within the framework of rendering the financial support pursuant to the DIA’s plan for prevention of bankruptcy in compliance with the Federal Law as of 27.10.2008 №175-FZ “On Additional Measures

to Strengthen the Stability of the Bank System within the Period up to 31.12. 2011”.

In connection with the publication of the Regulation, the Regulation of the Central Bank of Russia as of 29.03.2004 №255-P “On Required Reserves of Credit Institutions” and a number of other regulatory-acts become void from 01.11.2009.

Effective – 01.11.2009

The Order of Central Bank of Russia as of 17.09.2009 №OD-620 “On Adjustment Factor”

The adjustment factor of 0.2 is established to determine the amount of liabilities of a credit institution to other credit institutions (residents) upon its debt securities subject to exclusion from the reserved liabilities in compliance with the Regulation of the Bank of Russia as of 7.08.2009 №342-P “On Required Reserves of Credit Institutions”.

The factor is to be applied for calculations of the size of required reserves (i) of a credit institution – starting from for November 2009, (ii) for a large credit institution with a wide network of divisions – starting from October 2009.

Effective – 01.11.2009

The Decree of Central Bank of Russia as of 17.09.2009 №2295-U “On Approval of Standards for Required Reserves (Reserve Requirements) of the Bank of Russia”

Standards of required reserves –

- as for liabilities to legal entities – non-residents,
 - as for liabilities to individuals,
 - other liabilities of credit institutions
- are established in the amount of 2.5% in the currency of the Russian Federation and foreign currency.

These standards are to be applied starting from the regulation of required reserves of credit institutions for the accounting period from the 1 November, 2009 to 1 December, 2009; and for a large credit institution with a wide network of divisions – from 1 October, 2009 to 1 November, 2009.

Effective – 01.11.2009

Letter of the Central Bank of Russia as of 17.09.2009 №113-T “On Listing Securities in the Lombard List of the Bank of Russia”

The Lombard list of the Bank of Russia includes:

- commercial bonds (birzhevye obligatsii) of the Open Joint-Stock Company for Power and Electrification Mosenergo of the state registration number 4B02-02-00085-A;
- bonds of the Open Joint-Stock Company “Joint-Stock Financial Corporation “Sistema”, of the state registration number 4-02-01669-A,
- bonds of the Joint-Stock Commercial Bank “Moscow Bank for Reconstruction and Development” (open joint-stock company) of the state registration number 40502268B;
- some other.

Effective – 23.09.2009

CIVIL LAW

The Regulation of the Government of the RF as of 10.09.2009 №722 “On Approval of Rules for the Assessment of Tender Bids for a Procurement Contract for Delivery of Goods, Assignments and Services for State and Municipal needs”

The procedure for the assessment of tender bids for a procurement contract for delivery of goods, assignments and services for state and municipal needs has been determined. These are the assessment criteria specified with the procedure:

- contract price,
- functional characteristics (consumer properties) or qualitative characteristics of goods,
- quality of assignments to be fulfilled, services to be delivered and (or) qualification of a tender participant;
- volume of quality guarantees provided;
- expenses for the technical maintenance of goods,
- time-terms for the delivery of goods, execution of assignments, rendering services;
- quality guarantee time-term provided;
- operational costs.

For the purpose of choosing better terms and conditions for execution of the state or municipal contract, comparison of provided tender bids is conducted by tender committees, and results in assigning ratings pursuant to the assessment criteria. The assigning of a rating is made at least upon 2 assessment criteria – one of those is “the contract price” (the contract price per a unit / item of goods, assignment, services), that cannot be less 35 %.

The state (municipal) contract shall be entered when the tender participant, a supposed party to the state (municipal) contract, provides a guarantee of a proper execution of terms and conditions of the contract with regard to a certain criterion (in case the guarantee is envisaged with its tender bid).

In case if a tender participant is a budgetary institution, the rating upon a certain criterion shall be assigned irrespective of the presence of any guarantee of a proper execution of terms and conditions of the contract with regard to a certain criterion.

Effective – 01.11.2009

ADMINISTRATIVE LAW

The Regulation of the Government of Russia as of 14.09.2009 №731 “On Issue of Explanations as for a Uniform Order of Applying the Federal Law “On Insurance Contributions to the Pension Funds of the Russian Federation, Fund of Social Insurance of the Russian Federation, Federal Fund for Obligatory Medical Insurance and Territorial Funds of Obligatory Medical Insurance”

The right to issue explanations on a uniform order of applying the above mentioned Federal Law is granted to the Ministry for Health and Social Development of the Russian Federation.

Effective – 01.01.2010

The Resolution of the Government of the RF as of 15.09.2009 №748 “On Amending the Provision on the Ministry for Economic Development of the Russian Federation”

The Ministry is empowered with an authority to approve a regulatory act setting (i) the order for determining price for sale of land plots, that are in the federal ownership, to owners of the buildings, constructions, structures located at these land plots, and (ii) the payment order.

Effective – 02.10.2009

TAX LAW

The Letter of the Federal Tax Service of Russia as of 21.09.2009 № ShS-22-3/733@ “On Data Essential for Calculation of the Mineral Extraction Tax with Regard to Oil Exploitation for August 2009”

The ratio adjusting the mineral extraction tax rate for oil exploitation for August 2009 is figured as 6,9561.

In July 2009, the ration was 5,9391. A higher ration roots from (i) a rise in the average level of prices for the “Urals” oil in the Mediterranean and Rotterdam markets of raw oils from 64,18 up to 72,40 US dollars per a barrel and (ii) a higher average exchange rate of a US dollar to the RF ruble within all days of the tax period from 31,5192 up to 31,6295.

Effective – the document is not a regulatory act.

The review was executed by lawyers of the law firm “Liniya Prava”. Please, contact the law firm “Liniya Prava” for additional information:
8 Presnenskaya Naberezhnaya, bld. 1, Moscow, 123100
Business Center “City of Capitals” MIBC “Moscow-City”, 7th floor
Tel.: (495) 664-28-90
Fax: (495) 664-28-91
review@lp.ru