

**THE CENTRAL BANK  
OF THE RUSSIAN FEDERATION  
(Bank of Russia)  
FIRST DEPUTY GOVERNOR**

To the participants of the securities market and the  
issuers of issue-grade securities

12 Neglinnaya St., 107016 Moscow  
*No. 06-52/6680, dated 18 August 2014*  
to No. \_\_\_\_\_ dated \_\_\_\_\_

On certain issues related to the application of specific provisions of Federal Law No. 99-FZ of 5 May 2014, “On Amending Chapter 4 of Part 1 of the Civil Code of the Russian Federation, and on Recognising Some Provisions of Russian Legislative Acts to be Void”

In response to the enactment on 1 September 2014 of Federal Law No. 99-FZ, dated 5 May 2014, “On Amending Chapter 4 of Part 1 of the Civil Code of the Russian Federation, and on Recognising Some Provisions of Russian Legislative Acts to be Void” (hereinafter Law No. 99-FZ), we hereby bring to your attention the Bank of Russia’s opinion on certain issues related to the application of Law No. 99-FZ.

1. In accordance with Point 1 of Article 66 of the Civil Code of the Russian Federation (hereinafter the Civil Code) (as amended by Law No. 99-FZ), a public joint-stock company is a joint-stock company, whose shares and securities convertible into its shares are offered in a public manner (through a public subscription), or publicly traded on terms set forth by securities laws. The rules on public companies also apply to joint-stock companies whose charter and official name specify that the company is public.

Therefore, the attributes of a public joint-stock company stipulated by Point 1 of Article 66<sup>3</sup> of the Civil Code (as amended by Law No. 99-FZ) include the public offering (through public subscription) or public trading of shares and/or securities convertible into shares of the joint-stock company, irrespective of whether these attributes represent events of limited duration (public offering), or events that may be terminated for different reasons (public trading).

Joint-stock companies founded before the effective date of Law No. 99-FZ and meeting the aforesaid criteria are recognised to be public joint-stock companies, irrespective of whether their official name specifies that the company is public (Point 11 of Article 3 of Law No. 99-FZ).

Under Point 1 of Article 97 of the Civil Code (as amended by Law No. 99-FZ), a public joint-stock company shall be obliged, and a non-public joint-stock company shall have the right to submit to the single state register of legal entities information about the official company name specifying that the company is public.

2. According to Point 1 of Article 2 of Federal Law No. 218-FZ, dated 21 July 2014, “On Amending Some Russian Laws”, the provisions stipulated by Federal Law No. 208-FZ, dated 26 December 1995, “On Joint-Stock Companies” (hereinafter Law No. 208-FZ) concerning open joint-

stock companies shall apply to public joint-stock companies, insofar as they are not in conflict with the Civil Code (as amended by Law No. 99-FZ).

3. In line with Point 1 of Article 97 of the Civil Code (as amended by Law No. 99-FZ), a joint-stock company acquires the right to conduct a public offering (through public subscription) of shares and securities convertible into its shares that may be publicly traded on terms set forth by securities laws, from the day information is entered into the single state register of legal entities about the official name of the company specifying that the company is public.

Joint-stock companies founded before the effective date of Law No. 99-FZ and whose attributes are those of public joint-stock companies shall have the right to conduct a public offering of shares and securities convertible into shares, as they are recognised to be public joint-stock companies pursuant to Point 11 of Article 3 of Law No. 99-FZ.

To inform investors and other parties concerned, the Bank of Russia recommends joint-stock companies with the attributes of public joint-stock companies and whose securities are in the process of placement to disclose information about their compliance with the attributes of public joint-stock companies.

4. Decision-making by the general meeting of the members of a joint-stock company and a list of its members who have been present during the decision-making concerning a public joint-stock company shall be confirmed by a person registering the shareholders of the company and performing the functions of a counting commission (Point 4 of Article 97 of the Civil Code, as amended by Law No. 99-FZ), and concerning a non-public joint-stock company by a notarized certification or a person registering the shareholders of the company and performing the functions of a counting commission (sub-points 1 and 2 of Point 3 of Article 67<sup>1</sup> of the Civil Code as amended by Law No. 99-FZ).

In view of the foregoing, the adoption of decisions and a list of shareholders participating in the general meeting shall be confirmed by a person registering the shareholders of a joint-stock company through his/her performance of the functions of a counting commission, as set forth by Point 4 of Article 56 of Law No. 208-FZ.

5. A joint-stock company may be founded by one person or may consist of a person if a shareholder purchases all shares of the company. Information thereon shall be entered into the single state register of legal entities (Point 6 of Article 98 of the Civil Code, as amended by Law No. 99-FZ).

In a joint-stock company, where all voting shares are held by one shareholder, decisions on issues related to the competence of the general meeting of shareholders shall be made solely by this shareholder in writing. In this case, the provisions of Chapter VII of Law No. 208-FZ specifying the procedure and terms of preparation, convening and holding of the general meeting of shareholders shall not apply, except for the provisions concerning deadlines for holding an annual general meeting of shareholders (Point 3 of Article 47 of Law No. 208-FZ).

Therefore, requirements set forth by sub-points 1 and 2 of Point 3 of Article 67 of the Civil Code do not apply if decisions are made by one shareholder owning all voting shares of a joint-stock company.

6. Articles of association, as well as names of legal entities founded before the effective date of Law No. 99-FZ shall be complied with the provisions of Chapter 4 of the Civil Code (as amended by Law No. 99-FZ) when the articles of association of these legal entities are changed for the first time (Point 7 of Article 3 of Law No. 99-FZ).

When applying this provision, one shall consider that amendments and (or) supplements to the articles of association of a joint-stock company may be introduced either on the basis of a decision of the general meeting of shareholders, or without it (Article 12 of Law No. 208-FZ).

Taking into account that the compliance of the articles of association of a joint-stock company with Chapter 4 of the Civil Code (as amended by Law No. 99-FZ) requires corresponding amendments and (or) supplements to the articles of association (approval of a new version of the articles of association) of a joint-stock company to be made on the basis of a corresponding decision of the general meeting of shareholders, the simultaneous adjustment of the articles of association of a joint-stock company to Chapter 4 of the Civil Code (as amended by Law No. 99-FZ) is not required when amendments to the articles of association of the joint-stock company are introduced after the effective date of Law No. 99-FZ, if these amendments are not made on the basis of a decision of the general meeting of shareholders.

7. Henceforth, before legislative acts and other regulations effective in the Russian Federation are complied with the provisions of the Civil Code (as amended by Law No. 99-FZ), the former shall apply if they are not in conflict with the provisions of the Civil Code (as amended by Law No. 99-FZ) (Point 4 of Article 3 of the Law No. 99-FZ).

Therefore, after 1 September 2014, the provisions of Point 2 of Article 34 of Law No. 208-FZ concerning the payment of shares shall apply insofar they are not in conflict with the provisions of Point 1 of Article 66<sup>1</sup> of the Civil Code.

The payment of shares offered by a joint-stock company can be effected in cash, in kind (including documentary securities), with stakes (shares) in the authorised (share) capital of other entities and companies, with public and municipal bonds, and with exclusive and other intellectual rights and rights under license agreements which are subject to pecuniary valuation.

When paying the shares offered during the foundation of a joint-stock company, funds to be paid should be no less than minimum authorised capital (Point 2 of Article 66<sup>2</sup> of the Civil Code).

In addition, under Article 11 of Federal Law No. 395-1 of 2 December 1990, “On Banks and Banking Activities”, it is the Bank of Russia that establishes the maximum sum of property (non-cash) contributions to the authorised capital of a credit institution, and a list of the types of property in non-cash form, which may be contributed to the authorised capital of a credit institution.

This letter is to be published in the Bank of Russia Bulletin.

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