

To securities market participants\*

No. 06-52/9527, dated 1 December 2014

On application of Russian legislation due to  
entry into force of amended version of Civil  
Code of Russian Federation

In connection with the entry into force from 1 September 2014 of Federal Law No. 99-FZ, dated 5 May 2014, 'On Amending Chapter 4 of Part One of the Civil Code of the Russian Federation and Recognising Certain Provisions of Russian Laws Invalid' (hereinafter, the Law), the Bank of Russia communicates the following.

1. The Law excludes from the Civil Code of the Russian Federation (hereinafter, the CC RF) the notion of joint-stock company types (open and closed) and introduces the notion of public and non-public joint-stock companies (Article 66 of the CC RF as amended by the Law). Meanwhile, until the charter is brought in compliance with the CC RF as amended by the Law, open and closed joint-stock companies preserve their names and fall under the provisions of the Russian legislation not contradicting to the CC RF as amended by the Law.

According to the features, stipulated by Clause 1 of Article 66 of the CC RF as amended by the Law, public joint-stock companies are companies which carry out public placement of their shares (issue-grade securities converted into shares) or whose shares (issue-grade securities converted into shares) were publicly traded under conditions stipulated by securities legislation before the Law has come into force. However, the redemption of the aforementioned securities of a joint-stock company which were publicly placed (through public subscription) or publicly traded before the law came into force, shall imply that this joint-stock company does not share the related features of a public joint-stock company.

The availability of prospectus of securities (prospectus of securities issue) does not serve as a ground for recognition of a joint-stock company as a public one in case it lacks the features of a public joint-stock company stipulated in Clause 1 of Article 66<sup>3</sup> of the CC RF as amended by the Law.

2. The provisions on open joint-stock companies are applied to public joint-stock companies if they do not contradict to the CC RF as amended by the Law (Clause 1<sup>1</sup> of Article 1 of Federal Law No. 208-FZ, dated 26 December 1995, 'On Joint-Stock Companies' (hereinafter, the Law on Joint-Stock Companies) as amended by Federal Law No. 218-FZ, dated 21 July 2014, 'On Amending Certain Legislative Acts of the Russian Federation').

Open and closed joint-stock companies which disclosed information in compliance with Article 92 of the Law on Joint-Stock Companies and Section VIII of the Regulation on the Disclosure of Information by the Issuers of Equity Securities, approved by FFSM of Russia Order No. 11-46/pz-n, dated 4 October 2011 (hereinafter, the Regulation), until 1 September 2014, will continue this obligatory disclosure.

After 1 September 2014, a public joint-stock company must disclose information in compliance with Article 92 of the Law on Joint-Stock Companies and Section VIII of the Regulation. The requirements to the information subject to obligatory disclosure by joint-stock companies which have brought their charter in compliance with the CC RF as amended by the Law and are not public, and to the procedure and terms to disclose such information will be stipulated by the Russian legislation when brought in compliance with the Law.

The obligation of public joint-stock companies and joint-stock companies which are not public (open and closed joint-stock companies before bringing their charter in compliance with the CC RF as amended by the Law) to disclose information in compliance with Article 30 of Federal Law No 39-FZ, dated 22 April 1996, 'On the Securities Market' (hereinafter, the Law on the Securities Market), does not terminate from 1 September 2014. Meanwhile, the status of a public joint-stock company in itself does not serve as a ground for the obligation to disclose information in compliance with Article 30 of the Law on the Securities Market.

After 1 September 2014, both public joint-stock companies and joint-stock companies which are not public which are obliged to disclose information under Clause 4 of Article 30 of the Law on the Securities Market, have the right to apply for exemption from the aforementioned obligation in case they comply with requirements stipulated by Article 30<sup>1</sup> of the Law on the Securities Market.

3. Starting 1 September 2014, the procedures stipulated by Chapter XI<sup>1</sup> of the Law on Joint-Stock Companies (voluntary or obligatory offering, notification on the right for redemption request and securities redemption request) are applied to securities of open joint-stock companies (before their charter is brought in compliance with the CC RF as amended by the Law) and public joint-stock companies (with consideration of provisions of Clause 1<sup>1</sup> of Article 1 of the Law on Joint-Stock Companies). Thus, when acquiring more than 30, 50, 75 per cent of shares of a public joint-stock company after 1 September 2014, the related person is obliged to make an obligatory offer to other shareholders of this company. Simultaneously, the procedure to acquire or redeem securities of an open joint-stock company initiated in compliance with Chapter XI<sup>1</sup> of the Law on Joint-Stock Companies before 1 September 2014, is not terminated due to the acquisition of the status of a public company by the joint-stock company whose securities are acquired (redeemed). Meanwhile, after 1 September 2014, an obligatory or a voluntary offer, notification on the right for redemption request, or redemption request cannot be submitted with regard to securities of the joint-stock company that had amended its charter in order to bring it in compliance with the CC RF as amended by the Law and became a non-public joint-stock company. Nevertheless, the procedure initiated with regard to securities of an open joint-stock company is not terminated due to the exclusion of the indication of type of the joint-stock company from its brand name and the lack of its status of a public company.

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