

To: Professional participants in the securities market engaged in depositary activities and maintaining a register of security holders

d/d 29 May 2014 No. 015-55-4/4158

Re: Explanation of issues concerning the provision of information by holders of a security holders register and by nominal holders (depositories) of securities

Due to numerous applications to the Bank of Russia, we bring to the notice of professional participants in the securities market engaged in depositary activities and maintaining a security holders register (hereinafter the “Register”) on all issues pertaining to the provision of information by register holders and nominal holders of securities (appendix to this letter).

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

V.V. Chistyukhin

Appendix to the letter of
the Bank of Russia
d/d _____ No. _____

1. Regarding the persons to whom confidential information may be provided

Pursuant to Clause 1 of Article 8⁶ of Federal Law No. 39-FZ d/d 22 April 1996 “On the Securities Market” (hereinafter the “Law on the Securities Market”), register holders and depositaries are obliged to ensure confidentiality of information on the person to whom a personal account (depo account) is opened, as well as information on, including operations on, said account.

According to the general rule established by Clause 2 of Article 8⁶ of the Law on the Securities Market, the information mentioned in Clause 1 of Article 8⁶ of the Law on the Securities Market may only be provided to the person to whom a personal account (depo account) is opened, or his or her representative, as well as to other persons in accordance with federal laws.

Thus under federal laws, such information may, in particular, be provided to:

- 1) courts and arbitration courts (judges) as per Clause 4 of Article 8⁶ of the Law on the Securities Market;
- 2) the Bank of Russia as per Clause 4 of Article 8⁶ of the Law on the Securities Market;
- 3) prejudicial inquiry authorities for the cases under their proceedings subject to the approval of the head of the investigative authority as per Clause 4 of Article 8⁶ of the Law on the Securities Market;
- 4) internal affairs authorities for them to identify, prevent, and suppress economic crimes as per Clause 4 of Article 8⁶ of the Law on the Securities Market;
- 5) registered person whose personal account has over 1 percent of the issuer's voting shares (only the information on the name (company name) of registered persons and the number of shares of each category (type) accounted on their personal accounts) as per Clause 3 of Article 8 of the Law on the Securities Market;

6) notary as per Clause 3 of Article 1171 of the Civil Code of the Russian Federation at the latter's request to identify the structure of and to protect inheritance;

7) tax authorities upon a request for documents (information) about a taxpayer, payer of duties, and tax agent, or information on certain transactions as per Article 93¹ of the Tax Code of the Russian Federation;

8) trustee in bankruptcy under a bankruptcy case in accordance with the powers established by Article 20³, Clause 1, Paragraph Seven of Federal Law No. 127-FZ d/d 26 October “On Insolvency (Bankruptcy)”;

9) pledge holder upon the exercise of rights in accordance with Clause 2 of Article 343 of the Civil Code of the Russian Federation.

In this case, depositaries may also as per Clause 1 of Article 8⁶ of the Law on the Securities Market provide the information mentioned in Clause of Article 8⁶ of the Law on the Securities Market to the persons indicated in the depositary agreement to the extent prescribed by it.

2. Regarding the provision of information on securities encumbered by the right of pledge to a pledge holder

As follows from a pledge holder's powers provided under Clause 2 of Article 343 of the Civil Code of the Russian Federation, register holders may at the pledge holder's request provide information on the rights of pledge for securities listed for its benefit in the register (hereinafter the “Information on the Rights of Pledge”). Subject to the requirements of the Law on the Securities Market for ensuring confidentiality of information on personal accounts and depo accounts, register holders and depositaries may when providing the Information on the Rights of Pledge indicate the following:

1) the number of securities, the right of pledge to which is secured on personal accounts (depo accounts) for the benefit of the pledge holder, including the number of previously pledged securities;

2) full name of each individual pledge holder and full company name of each corporate pledge holder;

3) number of the pledge holder's personal account (depo account) in which

pledged securities are accounted;

- 4) identification signs of securities;
- 5) number and date of the pledge agreement.

The Information on the Rights of Pledge shall include the date and time as of which the pledge holder's (depository's) details, full name, address, and telephone are confirmed.

In this case, the information to be included in the pledge holder's request shall be determined by the register maintenance rules or the terms of depository activities.

3. Regarding legal grounds for providing the issuer with information on the person for whom a personal account (depo account) is opened, as well as information on the number of securities of said issuer in said personal account (depo account)

As per Clause 5 of Article 8⁶ of the Law on the Securities Market, information on the person for whom a personal account (depo account) is opened, as well as information on the number of securities held by said issuer in said personal account (depo account) (hereinafter the "Information") may also be provided to the issuer, if it is required to meet the requirements of Russian law.

The requirements of Russian law mentioned in Clause 5 of Article 8⁶ of the Law on the Securities Market imply certain (specific) norms vesting the issuer with obligations, the fulfilment of which requires the Information.

Thus, register holders may provide the issuer with the Information provided that the issuer's request contains the grounds based on which the issuer required such Information.

Issuers may, in particular, request the Information in the following cases:

- 1) to exercise the rights attached to securities, including upon making a list of:
 - a) persons entitled to participate in the general shareholders' meeting as per Clause 3 of Article 8 of the Law on the Securities Market, Clause 1 of Article 51 of Federal Law No. 208-FZ "On Joint-Stock Companies" d/d 26 December 1995 (hereinafter the "Law on Joint-Stock Companies");

b) persons entitled to participate in the general meeting of holders of investment units as per Clause 3 of Article 8 of the Law on the Securities Market, Article 18 of Federal Law No. 156-FZ “On Investment Funds” d/d 29 November 2001, Clause 2.13 of the Regulation on Additional Requirements for the Procedure for Preparation, Convocation, and Holding of the General Meeting of Holders of Investment Units of a Closed Unit Investment Fund approved by Order No. 08-5/pz-n of FFMS of Russia d/d 7 February 2008;

c) persons entitled to participate in the general meeting of holders of mortgage participation certificates as per Clause 3 of Article 8 of the Law on the Securities Market, Article 26 of Federal Law No. 152-FZ “On Mortgage Securities” d/d 11 November 2003, Clause 2.13 of the Regulation on Additional Requirements for the Procedure for Preparation, Convocation, and Holding of the General Meeting of Holders of Mortgage Participation Certificates approved by Order No. 09-55/pz-n of FFMS of Russia d/d 15 December 2009;

d) registered persons to make payments on securities, including dividends, in accordance with Clause 3 of Article 8 of the Law on the Securities Market, and Clause 2 of Article 42 of the Law on Joint-Stock Companies;

e) persons entitled to receive monetary funds and/or acquired by the company's shareholders based on a resolution to reduce the company's authorised capital by reducing the par value of shares and equity securities as per Clause 3 of Article 29 of the Law on Joint-Stock Companies;

f) persons having a pre-emptive right to acquire additional shares and equity securities convertible into shares as per Clause 2 of Article 40 of the Law on Joint-Stock Companies;

g) shareholders entitled to demand that the company repurchases their shares as per Clause 2 of Article 75 of the Law on Joint-Stock Companies;

h) holders of acquired securities, the list of which is made based on the data contained in the register of security holders as of the date of a voluntary or mandatory offer received by the company as per Clause 2 of Article 84³ of the Law on Joint-Stock Companies;

i) holders of repurchased securities as per Article 84³ of the Law on Joint-Stock Companies;

2) to disclose information on the securities market in accordance with the requirements of Article 30 of the Law on the Securities Market;

3) to provide full information on the ownership structure of a professional participant of the securities market as per Clause 2.1.10 of the Regulation on Licensing Requirements and Conditions of Professional Activities on the Securities Market approved by Order No. 10-49/pz-n of FFMS of Russia d/d 20 July 2010;

4) to publish on the Bank of Russia's official website the information on the persons having control over or significant influence on the bank as per Clause 1 of the Regulation on the procedure for disclosure of information on the Bank of Russia's official website about persons who have control over or significant influence on the banks participating in the system of mandatory insurance of retail deposits with the banks of the Russian Federation approved by the Bank of Russia on 27 October 2009 No. 345-P;

5) to provide the list of shareholders (members) who own over five percent of shares (interests, deposits, units) in the authorised (share) capital of a legal entity acquiring the shares (interests) of a credit institution as per Paragraph Six of Clause 3.2.1 of the Bank of Russia Instruction No. 146-I "On the Procedure for Obtaining the Bank of Russia's Consent for Acquiring Shares (Interests) in a Credit Institution" d/d 25 October 2013;

6) to provide an extract from the register listing the shareholders who hold over 5 percent of shares in the joint-stock company as per Clause 12 of the List of Documents provided by a Russian exporter to EXIMBANK OF RUSSIA CJSC to receive a guarantee from the agent bank (tender guarantee, advance guarantee, or guarantee of proper fulfilment of contractual obligations) in the form of Annex 4 to Order No. 76n of the Ministry of Finance of the Russian Federation "On the list of documents to be provided to receive guarantees for the state support for exporting industrial products" d/d 8 September 2004;

7) to provide an extract from the register of shareholders to acquire a subsoil licence to produce ground water used for the residential drinking water supply or the

industrial process water supply of industrial facilities as per Subclause 4 of Clause 3 of the Procedure for processing the applications for a subsoil licence to produce ground water used for the residential drinking water supply or the industrial process water supply approved by Order No. 710 of the Ministry of Natural Resources and Environment of the Russian Federation d/d 29 November 2004.

The Law on the Securities Market does not prohibit providing the issuer with analytical and statistical information on a contractual basis regarding the register of security holders which does not refer to the Information mentioned in Clause 5 of Article 8⁶ of the Law on the Securities Market.

4. Regarding inspections to identify the validity of the ground indicated in the issuer's request

The Law on the Securities Market does not require a register holder or a nominal holder to make any inspections in order to identify whether there is actual ground as indicated by the issuer in its request or by the register holder, the request of which is made based on the issuer's request (Clauses 6 and 8 of Article 8³ of the Law on the Securities Market).

Also, the Law on the Securities Market does not provide for the possibility for nominal holders to refuse providing the list made as of a certain date which is to be provided to a register holder or a superior depositary.

5. Regarding legal grounds for providing the information on depo accounts of a foreign nominal holder

The circumstances where a foreign nominal holder is obliged to provide information on security holders and persons exercising the rights attached to securities that are accounted on the depo account of said foreign nominal holder are provided under Clauses 6 and 10 of Article 8⁴ of the Law on the Securities Market. Thus, such information is, in particular, provided:

1) in circumstances and within the time limits provided under federal laws and regulations of the Bank of Russia for nominal holders;

2) to draw up a list of persons to be made as of a certain date and containing the information on the persons exercising their rights attached to securities, and the information on the number of securities held by such persons.

As per Clause 11 of Article 8⁴ of the Law on the Securities Market, the information on security holders, other persons exercising their rights attached to securities and about the persons for the benefit of whom the said persons exercise their rights attached to securities accounted on the depo account of the foreign nominal holder, save where the persons exercising their rights attached to securities are foreign organisations that under their laws are participants in collective investment schemes, is provided at the request of the following persons:

- 1) issuers;
- 2) courts, arbitration courts (judges);
- 3) the Bank of Russia;
- 4) prejudicial inquiry authorities for cases under their proceedings, subject to the consent of the head of the investigating authority.

In this case, the issuer is entitled to request the information provided under Clause 11 of Article 8⁴ of the Law on the Securities Market, if it is necessary for fulfilling the requirements of Russian law.

Thus, as mentioned above (clause 1.3 hereof), the information prescribed by Clause 11 of Article 8⁴ of the Law on the Securities Market is to be provided to the issuer on condition that the issuer's request contains the appropriate ground based on which it requires such information.

6. Regarding the procedure for notifying the Bank of Russia of violations by the persons, to whom depo accounts of a foreign nominal holder are opened, of Article 8⁴ of the Law on the Securities Market

As stipulated in Clause 7 of Article 8³ of the Law on the Securities Market, in addition to the list of all security holders and other persons who under federal law

exercise their rights attached to securities which are mentioned in Clause 6 of this Article of the Law on the Securities Market, a nominal holder provides information on nominal holders, foreign nominal holders who failed to provide the information to be included in the list, and about securities accounted by nominal holders on the accounts of unidentified persons.

Thus, if a foreign nominal holder failed to provide information on security holders and persons exercising their rights attached to securities accounted on the depo account of a foreign nominal holder to the extent provided under Clauses 6 and 10 of Article 8⁴ of the Law on the Securities Market, the superior depository is to act as prescribed by Clause 7 of Article 8³ of the Law on the Securities Market.

As per Clause 15 of Article 8⁴ of the Law on the Securities Market, the depository that opened a depo account of a foreign nominal holder is to notify the Bank of Russia of any violations committed by persons to whom the relevant depo accounts were opened of the requirements established by this Article of the Law on the Securities Market.

The obligation to provide the above notices in the event of failure to provide the information by the persons to whom the relevant depo accounts were opened arises upon the expiry of the time allocated for the provision of the relevant information.

Since the Law on the Securities Market sets no certain requirements for the form of said notices, the notice shall, based on the provision of Clause 15 of Article 8⁴ of the Law on the Securities Market, contain a reference to the person who committed the violation and the nature of said violation.