



# Trading Russian securities abroad

AMENDMENTS TO THE RULES ON DEPOSITARY RECEIPTS PROGRAMMES

The Russian Federal Service for Financial Markets has revised its proposed amendments to the regulation governing the issue of permits to Russian issuers for offering and trading securities abroad. This briefing provides an overview of the key changes to the proposed amendments.

The Russian Federal Service for Financial Markets (the FSFM) has published a revised draft of the proposed amendments (the amendments) to the regulation governing the issue of permits to Russian issuers in connection with offering and trading securities abroad, including through establishment of depositary receipts programmes (DR permits) (Order No. 06-5/pz-n dated 12 January 2006 and amended on 5 June 2008) (the regulation). The amendments are expected to be registered by the Ministry of Justice shortly and become effective on 1 January 2010.

In addition to the proposed changes introduced by the FSFM this summer, which established, among other things, DR permit thresholds of 5, 15 and 25 per cent of a Russian issuer's shares depending on the type of Russian listing (described in greater detail in our [July 2009 briefing](#)), the amendments provide an exception to this rule, stipulating that a DR permit for up to 25 per cent of a Russian issuer's shares may be granted (irrespective of the type of Russian listing) if the depositary bank is incorporated in a jurisdiction where the securities regulator has entered into a co-operation treaty with the FSFM. So far the FSFM has entered into such treaties with Germany, Venezuela, Cyprus, Turkey, the UAE, India, China, Brazil, Belarus and Kyrgyzstan.

With respect to a Russian issuer involved in activities considered to be of strategic importance for Russia's national security and engaged in mining and other activities in subsoil areas of federal significance, the amendments provide that if a prior approval for the

acquisition of a certain number of the issuer's shares by foreign investors has been obtained from a competent Russian authority, the DR permit may be granted for a number of issuer's shares that does not exceed the number of shares specified in such prior approval, but in any case for not more than 25 per cent of the issuer's shares.

This material is for general information only and is not intended to provide legal advice.

© Freshfields Bruckhaus Deringer LLP 2009  
[www.freshfields.com](http://www.freshfields.com)

---

For further information please contact	Mikhail Loktionov
	T +7 495 785 3067
	E <a href="mailto:mikhail.loktionov@freshfields.com">mikhail.loktionov@freshfields.com</a>

Freshfields Bruckhaus Deringer LLP is a limited liability partnership registered in England and Wales with registered number OC334789. It is regulated by the Solicitors Regulation Authority. For regulatory information please refer to [www.freshfields.com/support/legalnotice](http://www.freshfields.com/support/legalnotice). Any reference to a partner means a member, or a consultant or employee with equivalent standing and qualifications, of Freshfields Bruckhaus Deringer LLP or any of its affiliated firms or entities.