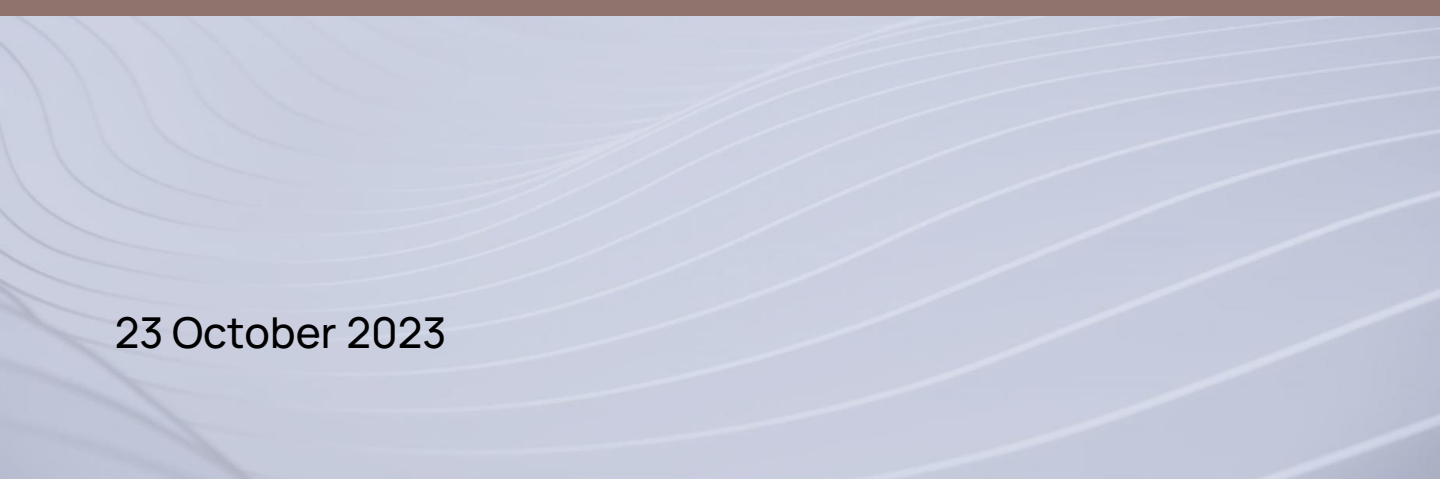




**RUSSIAN COUNTER-SANCTIONS REGULATIONS:  
PROPOSED AMENDMENTS TO LAW NO. 470-FZ**



23 October 2023

In early September 2023, Federal Law No. 470-FZ On the Peculiarities of Regulating Corporate Relationships in Business Entities That Are Economically Significant Companies (the **Law**) came into effect. As we advised in our client alert in August, the Law introduced certain mechanisms for the effective removal of foreign holding companies associated with unfriendly states, which hold at least 50% of the voting rights in Russian legal entities that are considered essential for the Russian economy, from the ownership structure of such entities, thus removing them as holding intermediaries in shareholding structures, so that the ultimate Russian beneficial owners of such companies could exercise their rights directly.

On 20 October 2023, draft amendments to the Law were submitted to the State Duma for consideration. The purpose of the amendments is to lay practical legal groundwork for such effective removal. In particular, the proposed amendments provide that the implementation of such statutory removal should be exempted from the following regulatory and corporate law requirements that would have applied otherwise:

- obtaining the pre- or post-closing approval of the Central Bank of Russia (applicable to banks and other financial organisations);
- obtaining the approval of the Government Commission for Control over Foreign Investments in the Russian Federation;
- obtaining the prior approval of, or submitting a post-closing notification to, the Federal Antimonopoly Service of the Russian Federation;
- complying with the procedure for the acquisition of 30 or more per cent of the shares in a joint stock company;
- involving a government authority for the determination of the share placement price;
- exercising the right of first refusal with respect the shares/equity interests; and
- approval of related party transactions.

If the amendments are enacted in their current form (which we believe is likely), they will make the removal of unfriendly shareholders more straightforward. We will continue monitoring the situation.

