

RUSSIAN GOVERNMENT FURTHER EXPANDS THE NON-DISCLOSURE REGIME FOR ISSUERS OF SECURITIES

Key Aspects:

- *The Russian government has adopted a resolution defining a list of grounds under which issuing companies will have the right to limit the disclosure of the specified data.*
- *The resolution takes into account restrictive measures in force against a company or organization, the status of an authorized bank, the geographic location of the company's activities, among other things.*
- *The new list includes information on the composition of the management bodies and control over the financial and economic activities of issuers, information on affiliates and subsidiaries, financial investments, foreign currency transactions. In addition, the list contains information on the issuer's business segments in terms of information on the provision of services to them, on manufactured products, purchase of goods, performance of certain works, information on counterparties, their industry and geographical structure.*



On 4 July 2023, the Russian Government adopted a resolution determining a list of corporate information that stock market participants will be able to withhold from disclosure in order to protect themselves from possible restrictive measures. Earlier, in March 2022, Russian issuers of securities were given the opportunity not to disclose corporate information in whole or in part until 1 July 2023. The new rules for the disclosure of sensitive information by issuers has significantly expanded the non-disclosure regime.

According to the new resolution, issuers of securities are entitled not to disclose or to disclose limited information:

- If the issuer is subject to restrictive measures;
- if the issuer is a credit institution authorized not to disclose information in accordance with the Federal Law "On the State Defense Order";
- if the issuer is registered and (or) carries out business activities in the territories of the Donetsk People's Republic, and (or) the Republic of Crimea, and (or) the Luhansk People's Republic, and (or) Zaporozhye region, and (or) Kherson region, and (or) Sevastopol;
- if the issuer is included in the consolidated register of organizations of the military-industrial complex.

List of information that issuers of securities may not disclose:

1. Information about the persons who are, or were within the previous three years, members of the management bodies of the issuer of securities, deputies of its sole executive body, served as the issuer's chief accountant and his deputies, heads and chief accountants of the issuer's branches, or candidates included in the list of voters during the elections to the issuer's management bodies.

2. Information about the persons who are, or were within the previous three years, members of the bodies controlling the financial and economic activities of the issuer, and candidates included in the list of voters during the elections to the bodies of control over the financial and economic activities of the issuer, persons responsible for the organization and implementation of risk management, control over the financial and economic activities, as well as internal control and internal audit.
3. Information about the transactions of the issuer, its controlling persons, persons controlled by it, including information that such transactions have not been made.
4. Information about banking groups, banking holdings and associations, which include the issuer, as well as their members.
5. Information about the issuer's affiliates, including the grounds for affiliation and the share of the issuer's shares they own.
6. Information about organizations controlled by the issuer and persons who are members of their management bodies, persons controlling the issuer, and persons who are members of their management bodies.
7. Information on persons who are (were) shareholders of the issuer and (or) an organization controlled by the issuer, including information on their number and on the shares owned by them in the issuer and (or) an organization controlled by the issuer, as well as information on the number of shares of the issuer and (or) an organization controlled by the issuer of each category that can be acquired by such persons as a result of the conversion of their securities.
8. Information on the persons controlling (or whose reason for exercising control has ceased) of the shareholders of the issuer, including information on the shares of the issuer owned by them and on the right to dispose (or termination of the right to dispose) of the votes attributable to voting shares constituting the authorized capital of the issuer.
9. Information about persons who are nominal holders of the issuer's securities.
10. Information about related parties with whom the issuer conducts business transactions.
11. Information about the issuer's subsidiaries.
12. Information about financial investments of the issuer.
13. Information on the risks assumed by the issuer, risk assessment and risk management procedures.
14. Information about a dispute related to the creation of the issuer, its management or participation in it.
15. Information on transactions and (or) the volume of transactions and (or) the volume of funds of the issuer - credit organization in foreign currency.

16. Information on the balances and (or) amount of funds on accounts opened by issuers, credit institutions for different types of customers.

17. Information on the segments of the issuer's activities, such as provision of services to them, products manufactured, purchase of goods, performance of defense and strategic works, their financing, geographical regions in which their production (sale) is carried out, types of transactions and income (expenses, losses) on them, types of customers, as well as on the issuer's activities carried out in the territories of the Donetsk People's Republic and (or) the Republic of Crimea, and (or) Lugansk People's Republic, and (or) Zaporozhye region, and (or) Kherson region, and (or) the city of Sevastopol.

18. Information about the issuer's counterparties, as well as their sectoral and geographical structure.

19. Information about licenses in the field of fulfillment of the state defense order and implementation of military-technical cooperation.

20. Information about the persons among whom the placement of securities is supposed to be carried out through a closed subscription.

21. Information on the terms of reorganization of the issuer, organizations controlled by the issuer, persons controlling the issuer, persons providing security for the issuer's securities.

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