

NEWS ALERT

March 26, 2009

Amendments to the Law on Limited Liability Companies

December 2008 saw a series of amendments introduced to the laws regulating corporate matters of limited liability companies (hereinafter referred to as the “Amendments”), which come into effect on July 1st, 2009.

The Amendments concern the right of shareholders to leave the company without selling the shares, possibility to have shareholders' agreements, notarization of transactions with shares, exercise of preemptive rights, approval of major transactions and related-party transactions, etc. Some of the Amendments may require introducing changes to your Company Charter by January 1, 2010. Most of the possible changes are going to address technical issues.

The changes to the Charter can be registered starting July 1, 2009, that is from the date the Amendments come into effect. We recommend initiating relevant procedures well in advance, if applicable.

Below we give only brief information on the new piece of legislation on limited liability companies. We are ready to provide more details on adopted Amendments as well as to consult you with respect to particular aspects of your company. We recommend you to have your Company Charter reviewed and modified as per the Amendments, if required.

If the Company Charter will not be in compliance with the Amendments it might complicate the operation of the company. When the Company Charter (in its current version) will be presented at the bank to open the new account, at the notary office to conduct notary activities (for example, certification of power of attorney or transaction) or at the government offices, such Charter might not be accepted.

Additionally, we would like to draw your attention to the following modification introduced in the Amendments with respect to keeping the register of shareholders.

Register of Shareholders

Currently, the information concerning amounts and par value of shares of each shareholder of the Company must be contained in the Charter and the public trade register (Federal Law On Limited Liability Companies, Art. 12, p.2). The Charter is one of the documents that confirm the shareholder's ownership of the shares in the Company.

As from July 1, 2009, information on amounts and par value of each shareholder's share does not have to be included in the Company Charter. The Company will have to keep the register of its shareholders. The law establishes special requirements as to the content and procedure for keeping the register.



The register of the Company's shareholders will have to include the data on each of the shareholders, the value of their shares in the charter capital and the amount of payment therefor, as well as the value of shares owned by the Company, the dates those shares were transferred to the Company or were purchased by the Company. Based on the data contained in the register of the Company's shareholders, the shareholders will be notified about the General Meeting of Shareholders of the Company being conducted, and the minutes of the meetings will be forwarded to their attention. Also, there will be a possibility to prepare the extracts from the register of the Company's shareholders that would support the participation of a particular person as a shareholder of the Company, the period of time for his/her participation as a shareholder, the size and value of his/her share in the charter capital of the Company, along with other documents.

Hellevig, Klein & Usov Services

We offer our assistance, including reviewing your Company Charter and preparing, if required, the relevant changes to the Charter; as well as preparing the Register of Shareholders to be kept by a Limited Liability Company.

Please let us know if you have any questions or concerns.

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