



FEDERAL ANTIMONOPOLY SERVICE

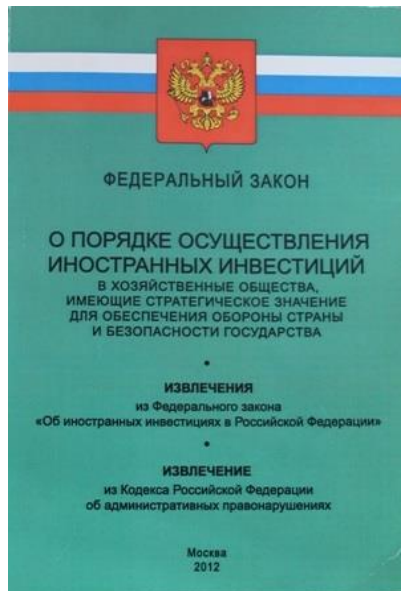
Foreign Investments in Strategic Companies

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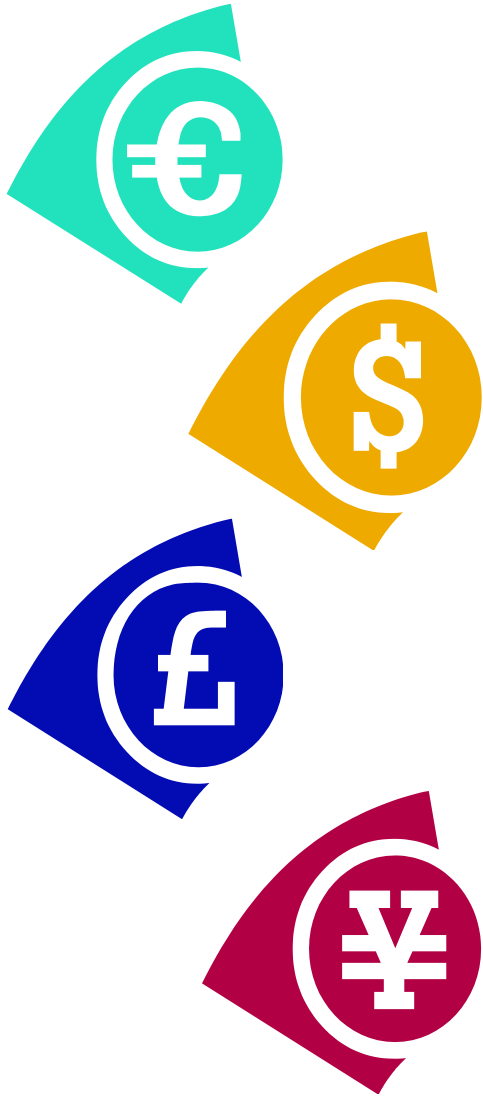
1. Federal Law No. 57-FZ 'On Foreign Investments in Strategic Companies' of April 29, 2008

2. Federal Law No. 160-FZ 'On Foreign Investments in the Russian Federation' of July 9, 1999



- 3. Government Resolution No. 510** 'On the Government Commission for Control over Foreign Investments in the Russian Federation' **of July 6, 2008**
- 4. Government Resolution No. 795** regulating the procedure for foreign investors to notify government agencies of transactions with shares in strategic companies **of October 27, 2008**
- 5. Government Resolution No. 838** regulating the procedure for government agencies to pre-approve foreign investments in strategic companies **of October 17, 2009** (as amended in 2012)
- 6. Government Executive Order No. 119-p** regulating the international financial organizations schedule which transactions don't require prior approval in accordance with the Federal Law No. 57-FZ and Federal Law No. 160-FZ **of February 3, 2012**
- 7. Government Executive Order No. 1273-p** regulating the significant for strategic Importance for Russian National Defence and State Security social and economic technologies schedule **of July 14, 2012**
- 8. FAS Russia Order No. 201** regulating strategic companies business plan form, filed by foreign investor in accordance with Article 8, Part 2, Paragraph 10 of the Federal Law No. 57-FZ **of March 23, 2011**

9. **FAS Russia order No. 23** regulating administrative provision on requests about transaction approval essentiality in accordance with Article 8, Part 6 of the Federal Law No. 57-FZ **of January 20, 2012**
10. **FAS Russia order No. 337** regulating administrative provision on foreign investor notification about acquisition of 5 or more percent of shares, comprising charter capital of strategic companies in accordance with the Federal Law No. 57-FZ **of May 25, 2012**
11. **FAS Russia order No. 115/13** regulating administrative provision on drafting and signing agreement with foreign investor, which is contemplating transaction or get under strategic company control, about obligations enforcement in accordance with the Resolution of the Government Commission **of March 6, 2013**
12. **FAS Russia order No. 597** regulating administrative provision for foreign investors to apply for pre-approval of transactions with shares in strategic companies **of August 18, 2011**
13. **FAS Russia order No. 436** regulating administrative provision on foreign investor audit in respect of obligations fulfillment in accordance with Article 12 of the Federal Law No. 57-FZ **of June 28, 2012**
14. **FAS Russia order No. 357** regulating model form of agreement about obligations enforcement with foreign investor, which is investing in strategic company **of September 17, 2008**



Federal Law No. 57-FZ sets forth:

- restrictions on acquisition of shares in strategic companies by foreign investors
- a list of strategic operations
- a procedure for foreign investors to apply for pre-approval of transactions with shares in strategic companies
- non-compliance implications and penalties

Resolution of the Government Commission for Control over Foreign Investments in the Russian Federation



Commitment agreement

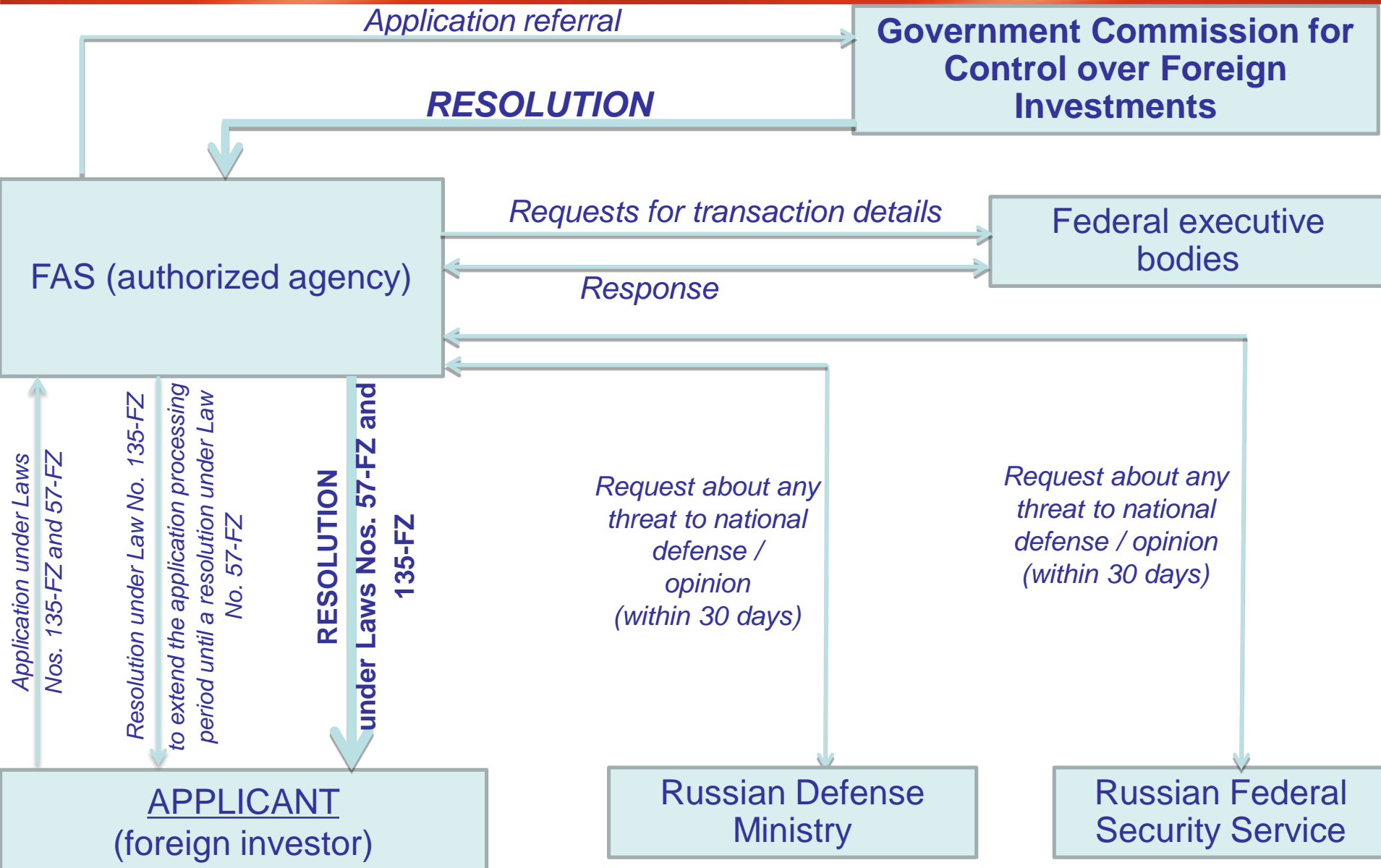


Foreign investment transaction within the timing set by the Commission



Foreign investor notification about transaction

Application processing mechanics



For 5 years operating under Federal Law No. 57-FZ, FAS has received a total of 324 applications:

- **171 applications** processed by the Government Commission to pre-approve *162 applications (imposing commitments on 43 applicants)* and decline *9 applications*
- **112 applications** returned to applicants as not subject to pre-approval
- **36 applications** withdrawn by applicants following their decision to cancel relevant transactions
- **5 applications** are reviewing

**No resolution made by the Government Commission
has been challenged in court**

- All regulatory controls over foreign investments in strategic companies are applied in practice
- Controls are quite liberal. FAS has declined just 9 out of 324 incoming applications since Law No. 57-FZ came into effect
- Administration and improvement of Russian laws on foreign investments are subject to public discussion