



Банк России

ESTABLISHMENT OF CREDIT INSTITUTIONS WITH FOREIGN INVESTMENTS

Department for Market Access and Activity
Termination of Financial Institutions

2023














Bank of Russia's functions:

- **taking a decision on the state registration** of a credit institution;
- **issuance** of a banking licence;
- **making entries** on the credit institution into **the State Register of Credit Institutions**.

Bank of Russia's responsible functional unit is
the **Department for Market Access and Activity Termination of Financial Institutions**



Regulatory and legal framework

-  **Civil Code** of the Russian Federation
-  **Tax Code** of the Russian Federation
-  **Federal Law** of December 2, 1990 **No 395-1** “On Banks and Banking Activities”
-  **Federal Law** of December 26, 1995 **No 208-FZ** “On Joint-Stock Companies”
-  **Federal Law** of February 8, 1998 **No 14-FZ** “On Limited Liabilities Companies”
-  **Federal Law** of July 10, 2002 **No 86-FZ** “On the Central Bank of the Russian Federation (Bank of Russia)”
-  **Federal Law** of August 8, 2001 **No 129-FZ** “On the State Registration of Legal Entities and Individual Entrepreneurs”
-  **Federal Law** of December 23, 2003 **No 177-FZ** “On Insurance of Deposits with Russian Banks”
-  **Federal Law** of April 22, 1996 **No 39-FZ** “On the Securities Market”
-  Bank of Russia’s **Regulation** of April 23, 1997 **No 437** “On the Specifics of Registration of Credit Institutions with Foreign Investments”
-  Bank of Russia’s **Regulation** of December 27, 2017 **No 625-P** “On the Procedure for the Bank of Russia’s Approval of the Appointment (Election) of Candidates for Positions in a Financial Institution, Notification of the Bank of Russia about the Election (Termination of Office), Appointment (Removal) of the Persons Who Are Members of the Management Bodies and Other Officials in Financial Institutions, Appraisal of Compliance with Qualification Requirements and/or with the Requirements Applicable to the Business Reputation of the Persons Who Are Members of the Management Bodies and Other Officials and Founders (Shareholders, Stockholders) of Financial Institutions, for Dispatch of Information by a Member of the Board of Directors (Supervisory Board) of a Financial Institution to the Bank of Russia about Voting (Failure to Vote) against a Decision of the Board of Directors (Supervisory Board) of the Financial Institution, for Sending an Enquiry for Provision of Information by the Bank of Russia and for the Bank of Russia’s Sending a Reply on the Availability (Lack) of Information in the Databases Envisaged by Articles 75 and 76.7 of Federal Law of July 10, 2002 No 86-FZ “On the Central Bank of the Russian Federation (Bank of Russia)”, and Also on the Procedure for Keeping Such Databases”
-  Bank of Russia’s **Regulation** of December 19, 2019 **No 706-P** “On the Securities Issuance Standards”







Regulatory and legal framework

- Bank of Russia's **Regulation** of December 28, 2017 **No 626-P** "On Assessment of Financial Standing, on Requirements for Financial Standing and on Grounds for Acknowledgement as Unsatisfactory of the Financial Standing of Founders (Members) of Credit Institutions and Other Persons Envisaged by Federal Law of July 29, 2017 No 281-FZ "On Amending Certain Legislative Acts of the Russian Federation Related to Improvement of Obligatory Requirements for Founders (Members), Management Bodies and Officials of Financial Institutions"
- Bank of Russia's **Regulation** of January 29, 2018 **No 630-P** "On the Procedure for Carrying out Cash Transactions and the Rules for Storage, Transportation and Collection of Banknotes and Coins of the Bank of Russia in Credit Institutions in the Russian Federation"
- Bank of Russia's **Regulation** of December 26, 2017 **No 622-P** "On the Procedure for Disclosing Information on Persons Exercising Control or Significant Influence over the Banks Participating in the Systems of Mandatory Insurance of Natural Persons' Deposits Made with Banks of the Russian Federation, as well as on the Procedure for Disclosing and Presenting to the Bank of Russia Information on the Structure and Composition of Stockholders (Members) of Non-State Pension Funds, Insurance Institutions, Management Institutions and Microfinance Companies, in Particular on Persons Exercising Control or Significant Influence over Them"
- Bank of Russia's **Regulation** of December 16, 2003 **No 242-P** "On the Organisation of Internal Control in Credit Institutions and Banking Groups"
- Bank of Russia's **Direction** of December 25, 2017 **No 4662-U** "On the Qualification Requirements for the Head of Risk Management Service, Internal Control Service and Internal Audit Service of a Credit Institution, for the Person Responsible for Organising the Risk Management System, for the Controller of a Non-State Pension Fund and the Inspector of an Insurance Institution, the Procedure for Notifying the Bank of Russia on Appointing (Dismissing) the Cited Persons (Except for the Controller of a Non-State Pension Fund), Special Officials Responsible for Implementation of the Internal Control Rules for the Purpose of Counteraction against Legalisation (Laundering) of Illegal Income and against Financing of Terrorism of a Credit Institution, Non-State Pension Fund, Insurance Institution, Management Company of Investment Funds, Unit Investment Funds and Non-State Pension Fund, Microfinance Institution, an Official of the Internal Control Service of the Management Company of Investment Funds, Unit Investment Funds and Non-State Pension Funds, as well as the Bank of Russia's Procedure for Assessing the Compliance of These Persons (except for the Non-State Pension Fund Controller) with the Qualification Requirements and the Requirements for Business Reputation"
- Bank of Russia's **Direction** of September 30, 2019 **No 5275-U** "On the Procedure for Drawing up and Submission of a Business Plan of a Credit Institution to the Bank of Russia and on Criteria for Its Assessment"



Regulatory and legal framework

-  Bank of Russia's **Instruction** of June 6, 2019 **No 198-I** "On Statutory Ratios of Non-Bank Credit Institutions Authorised to Transfer Funds Without Opening Bank Accounts and to Carry out Other Related Transactions and on Supervision over Their Observance by the Bank of Russia"
-  Bank of Russia's **Instruction** of November 8, 2021 **No 207-I** "On Allowable Combinations of Banking Transactions of Settlement Non-Bank Credit Institutions, on Statutory Ratios of Settlement Non-Bank Credit Institutions and on Supervision over Their Observance by the Bank of Russia"
-  Bank of Russia's **Instruction** of November 21, 2017 **No 182-I** "On Allowable Combinations of Bank Transactions of Non-Bank Credit Institutions Carrying out Deposit and Credit Operations, on Statutory Ratios of Non-Bank Credit Institutions Carrying out Deposit and Credit Operations and on Supervision over their Observance by the Bank of Russia"
-  Bank of Russia's **Instruction** of April 2, 2010 **No 135-I** "On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences"



Requirements for the founders of a credit institution:

Satisfactory Financial Standing (Regulation No 626-P)

- **adequacy of adjusted net assets (own funds);**
- **absence of court proceedings on a case of insolvency (bankruptcy);**
- **absence of facts of non-fulfillment by a legal entity of its money obligations** due to the absence of funds on its bank accounts;
- **pursuit of economic activities during the three preceding years** over which the annual accounting (financial) statements are provided;
- **satisfactory structure of assets;**
- **maintenance of the necessary level of financial stability, solvency, efficiency of use of the working capital (business activity), profitability and financial result (cost efficiency);**
- other requirements envisaged by **Regulation No 626-P.**

Satisfactory Business Reputation (Regulation No 625-P and Federal Law No 395-1)

- absence of a **conviction**;
- absence of grounds for **bankruptcy**;
- other requirements envisaged by **Federal Law No 395-1** “On Banks and Banking Activities” and **Regulation No 625-P**



Requirements for the minimum authorised capital

1

1 billion rubles — for a newly registered bank with a **universal** licence

2

300 million rubles — for a newly registered bank with a **basic** licence

3

No less than 3.6 billion rubles — for a newly registered bank with a **universal** licence entitled to **take household funds on deposit**

4

90 million rubles — for a newly registered **non-bank credit institution**

Article 11 of the Federal Law of December 2, 1990 No 395-1 “On Banks and Banking Activities”

Requirements for the due time payment of the authorised capital

100% of the declared authorised capital shall be paid within **one month** after receiving information on the state registration of a credit institution

Bank of Russia’s Instruction of April 2, 2010 No 135-I “On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences”



Sequence of operations for establishing a new credit institution with foreign investments:

- receipt of a **prior permission for establishing** a credit institution with foreign investments (signing of a **protocol of intent** with a foreign bank);
- receipt of an **opinion letter on the possibility of using corporate names** of the credit institution;
- **state registration** of the credit institution;
- **registration of the first issue of shares** (in case the credit institution is incorporated in the form of a joint-stock company);
- confirmation of **the authorised capital payment**;
- receipt of a **banking licence**.



Receipt of a prior permission for establishing a credit institution with foreign investments (signing of a protocol of intent with a foreign bank)	Bank of Russia's Regulation of April 23, 1997 No 437 "On the Specifics of Registration of Credit Institutions with Foreign Investments"
Verification of compliance of candidates nominated as chief executives and to other positions in the established credit institution with qualification and (or) business reputation requirements	<ul style="list-style-type: none">• Articles 11¹ and 16 of Federal Law of December 2, 1990 No 395-1 "On Banks and Banking Activities"• Article 60 of Federal Law of July 10, 2002 No 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)"
Preparation of documents for assessing the financial standing of the founders of a credit institution and other legal entities (natural persons) envisaged by the Russian legislation	Bank of Russia's Regulation of December 28, 2017 No 626-P "On the Assessment of Financial Standing, on Requirements for Financial Standing and on Grounds for Acknowledgement as Unsatisfactory of the Financial Standing of Founders (Members) of Credit Institutions and Other Persons Envisaged by Federal Law No 281-FZ of July 29, 2017 on Amending Certain Legislative Acts of the Russian Federation Related to Improvement of Obligatory Requirements for Founders (Members), Management Bodies and Officials of Financial Institutions"
Selection of a unique name for the credit institution to be established	<ul style="list-style-type: none">• Articles 54 and 1473 of the Civil Code of the Russian Federation• Article 7 of Federal Law of December 2, 1990 No 395-1 "On Banks and Banking Activities"• Bank of Russia's Instruction of April 2, 2010 No 135-I "On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences"



Payment of a state duty (0,1% of the declared authorised capital, but no more than 500 thousand rubles) for issuance of a banking licence	<ul style="list-style-type: none">• Article 333.33 of the Tax Code of the Russian Federation (Part 2) of August 5, 2000 No 117-FZ
Submission of documents for the state registration of the credit institution to the Bank of Russia	<ul style="list-style-type: none">• Articles 14 and 17 of Federal Law of December 2, 1990 No 395-1 “On Banks and Banking Activities”• Bank of Russia’s Instruction of April 2, 2010 No 135-I “On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences”
Receipt of a notification on making an entry about the credit institution in the Unified State Register of Legal Entities and a registration certificate of the Bank of Russia	Bank of Russia’s Instruction of April 2, 2010 No 135-I “On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences”
Payment of the authorised capital and receipt of a banking licence	Bank of Russia’s Instruction of April 2, 2010 No 135-I “On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences”



List of documents for receiving a prior permission (signing a memorandum of understanding with a foreign bank) submitted to the Bank of Russia by a founder (legal entity):

- the founder's **application (request)**;
- the **charter documents**;
- the **decision** of the authorised body of the legal entity on **its participation in the authorised capital** of the credit institution in the Russian Federation;
- a copy of the document (or **an abstract** from it) confirming the **registration of the legal entity**;
- the **accounting (financial) statements for the three preceding years of activity confirmed by an audit statement**;
- the written **consent** of an appropriate **control body of the country of the founder's location for participation in the authorised capital of the credit institution** in the Russian Federation or the opinion letter of such body excluding the need to obtain such consent;
- the information and **documents confirming the compliance of business reputation** of the founder, the sole executive body of the founder and the persons exercising control over the founder with requirements envisaged by the Bank of Russia in line with Federal Law of December 2, 1990 No 395-1 "On Banks and Banking Activities".

List of documents for obtaining a prior permission submitted to the Bank of Russia by a founder (natural person):

- the founder's **application (request)**;
- a **letter of confirmation of the founder's solvency** issued by a first-rate foreign bank.

The documents should be legalized (apostilled) according to the established procedure, translated into Russian and certified by a notary.

Bank of Russia's **Regulation** of April 23, 1997 **No 437** "On the Specifics of Registration of Credit Institutions with Foreign Investments"



List of documents submitted to the Bank of Russia:

- a **request** for the state registration of a credit institution and issuance of a banking licence;
- an **application for the state registration** of the credit institution presented in the prescribed form;
- the **charter** of the credit institution approved by the general meeting of the founders;
- a **business plan** of the credit institution;
- the **minutes of the general meeting of the founders** of the credit institution;
- the **minutes of the meeting of the board of directors** (supervisory board) of the credit institution, which contain a decision on the election of the chairman of the board of directors (supervisory board) of the credit institution;
- the **documents confirming the payment of a state duty** for issuance of a banking licence;
- the copies of the documents confirming **the state registration of the founders** of the credit institution;
- the **audit statements** on accuracy of financial statements of the founders of the credit institution, with the enclosed **aforesaid financial statements for the three preceding years** of activity;
- the **personal data forms** of candidates for the positions of chief executives of the credit institution and **other documents for assessing the qualification and business reputation** of chief executives of the credit institution;
- the copies of documents confirming the **right to own** (tenant, sublease) **the building** (premises) where the credit institution will be located;
- the **documents necessary for registration of the first issue of shares** of the credit institution (in case of a request for the state registration of the credit institution in the form of a joint-stock company);
- the **documents for assessing the financial standing of the members** of the credit institution and **the persons exercising control over the founders** of the credit institution.

The documents should be legalized (apostilled) according to the established procedure, translated into Russian and certified by a notary

Bank of Russia's **Instruction** of April 2, 2010 **No 135-I** "On the Procedure for Taking by the Bank of Russia a Decision on the State Registration of Credit Institutions and Issuance of Banking Licences"



Timeframes

1

Prior permission for establishing a credit institution with foreign investments is valid within **one year** following the date of its receipt (signing)

2

An opinion letter on the possibility of using the corporate names of a credit institution is issued by the Bank of Russia **within five days** after submission of a relevant inquiry and is valid within **one year** following the date of issuance of the opinion letter

3

The state registration of a credit institution is accomplished within **six months** following the date of submission of all the required documents

According to Regulation No 437-P

4

The payment of 100% of the declared authorised capital shall be carried out within **one month** following the date of receipt of the Bank of Russia's notice on the state registration of a credit institution

According to Instruction No 135-I

5

The legality of payment of the declared authorised capital is verified by the Bank of Russia within **ten days** upon submission of all the necessary documents

According to Instruction No 135-I

6

A decision on issuance of a banking licence is taken by the Bank of Russia within **three days** following the date of receipt of an opinion letter on the legality of payment of the declared authorised capital and registration of the report on the results of the first issue of shares (in case of a request for the state registration of a credit institution in the form of a joint-stock company)

According to Instruction No 135-I

According to Instruction No 135-I

According to Instruction No 135-I



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