

RUSSIAN FEDERATION
FEDERAL LAW

ON BANKS AND BANKING ACTIVITIES

(As amended by Federal Laws No. 17-FZ, dated 3 February 1996; No. 151-FZ, dated 31 July 1998; No. 126-FZ, dated 5 July 1999; No. 136-FZ, dated 8 July 1999; No. 82-FZ, dated 19 June 2001; No. 121-FZ, dated 7 August 2001; No. 31-FZ, dated 21 March 2002; No. 86-FZ, dated 30 June 2003; No. 169-FZ, dated 8 December 2003; No. 181-FZ, dated 23 December 2003; No. 185-FZ, dated 23 December 2003; No. 58-FZ, dated 29 June 2004; No. 97-FZ, dated 29 July 2004; No. 127-FZ, dated 2 November 2004; No. 192-FZ, dated 29 December 2004; No. 219-FZ, dated 30 December 2004; No. 106-FZ, dated 21 July 2005; No. 19-FZ, dated 2 February 2006; No. 60-FZ, dated 3 May 2006; No. 140-FZ, dated 27 July 2006; No. 231-FZ, dated 18 December 2006; No. 246-FZ, dated 29 December 2006; No. 83-FZ, dated 17 May 2007; No. 214-FZ, dated 24 July 2007; No. 225-FZ, dated 2 October 2007; No. 248-FZ, dated 2 November 2007; No. 325-FZ, dated 4 December 2007; No. 20-FZ, dated 3 March 2008; No. 46-FZ, dated 8 April 2008; No. 315-FZ, dated 30 December 2008; No. 28-FZ, dated 28 February 2009; No. 73-FZ, dated 28 April 2009; No. 121-FZ, dated 3 June 2009; No. 213-FZ, dated 24 July 2009; No. 281-FZ, dated 25 November 2009; No. 352-FZ, dated 27 December 2009; No. 11-FZ, dated 15 February 2010; No. 83-FZ, dated 8 May 2010; No. 148-FZ, dated 1 July 2010; No. 181-FZ, dated 23 July 2010; No. 224-FZ, dated 27 July 2010; No. 294-FZ, dated 15 November 2010; No. 8-FZ, dated 7 February 2011 (as amended on 21 November 2011); No. 162-FZ, dated 27 June 2011; No. 169-FZ, dated 1 July 2011; No. 200-FZ, dated 11 July 2011; No. 329-FZ, dated 21 November 2011; No. 391-FZ, dated 3 December 2011; No. 409-FZ, dated 6 December 2011; No. 97-FZ, dated 29 June 2012; No. 144-FZ, dated 28 July 2012; No. 231-FZ, dated 3 December 2012; No. 280-FZ, dated 29 December 2012; No. 282-FZ, dated 29 December 2012; No. 29-FZ, dated 14 March 2013; No. 90-FZ, dated 7 May 2013; No. 102-FZ, dated 7 May 2013; No. 134-FZ, dated 28 June 2013; No. 146-FZ, dated 2 July 2013; No. 185-FZ, dated 2 July 2013; No. 251-FZ, dated 23 July 2013; No. 266-FZ, dated 30 September 2013; No. 335-FZ, dated 2 December 2013; No. 363-FZ, dated 21 December 2013; No. 379-FZ, dated 21 December 2013; No. 12-FZ, dated 3 February 2014; No. 106-FZ, dated 5 May 2014; No. 112-FZ, dated 5 May 2014; No. 173-FZ, dated 28 June 2014; 189-FZ, dated 28 June 2014; No. 218-FZ, dated 21 July 2014; No. 286-FZ, dated 4 October 2014; No. 289-FZ, dated 4 October 2014; No. 334-FZ, dated 4 November 2014; No. 344-FZ, dated 4 November 2014; No. 403-FZ, dated 1 December 2014; No. 432-FZ, dated 22 December 2014; No. 484-FZ, dated 29 December 2014; No. 98-FZ, dated 20 April 2015; No. 156-FZ, dated 29 June 2015; No. 159-FZ, dated 29 June 2015; No. 229-FZ, dated 13 July 2015; No. 231-FZ, dated 13 July 2015; No. 259-FZ, dated 13 July 2015; No. 372-FZ, dated 14 December 2015; No. 403-FZ, dated 29 December 2015; No. 88-FZ, dated 5 April 2016; No. 191-FZ, dated 23 June 2016; No. 361-FZ, dated 3 July 2016; No. 362-FZ, dated 3 July 2016; No. 41-FZ, dated 28 March 2017; No. 84-FZ, dated 1 May 2017; No. 92-FZ, dated 1 May 2017; No. 127-FZ, dated 18 June 2017; No. 176-FZ, dated 18 July 2017; No. 205-FZ, dated 26 July 2017; No. 212-FZ, dated 26 July 2017; No. 281-FZ, dated 29 July 2017; No. 482-FZ, dated 31 December 2017; No. 90-FZ, dated 23 April 2018 (from 23 July 2018); No. 106-FZ, dated 23 April 2018, No. 119-FZ, dated 23 May 2018; No. 133-FZ, dated 4 June 2018; No. 167-FZ, dated 27 June 2018; No. 263-FZ, dated 29 July 2018; No. 307-FZ, dated 3 August 2018; No. 322-FZ, dated 3 August 2018; No. 452-FZ, dated 28 November 2018; No. 514-FZ, dated 27 December 2018); No. 5-FZ, dated 6 February 2019; No. 105-FZ, dated 29 May 2019; No. 138-FZ, dated 6 June 2019; No. 249-FZ, dated 26 July 2019; No. 394-FZ, dated 2 December 2019; No. 434-FZ, dated 16 December 2019; No. 469-FZ, dated 27 December 2019; No. 507-FZ, dated 27 December 2019; No. 447-FZ, dated 22 December 2020; No. 495-FZ, dated 30 December 2020; No. 23-FZ, dated 24 February 2021; No. 79-FZ, dated 5 April 2021; No. 92-FZ, dated 20 April 2021;

Chapter I. GENERAL PROVISIONS

Article 1. The Main Definitions of the Federal Law

A credit institution shall mean a legal entity which is entitled to perform banking operations stipulated by this Federal Law to generate profit as the main goal of its activity on the basis of a special permit (licence) of the Central Bank of the Russian Federation (Bank of Russia). A credit institution shall be established based on any form of ownership as a business entity.

A bank shall mean a credit institution that holds an exclusive right to perform all of the following banking operations: taking household and corporate funds on deposit; placing these funds on its own behalf and at its own cost on the conditions of repayment, interest payment and maturity; and opening and maintaining household and corporate bank accounts.

A bank with a universal licence shall mean a bank entitled to perform banking operations specified in Part 1 of Article 5 hereof.

(Part 3 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

A bank with a basic licence shall mean a bank entitled to perform banking operations specified in Part 1 of Article 5 hereof subject to the restrictions established by Article 5¹ hereof.

(Part 4 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

A non-bank credit institution shall mean:

1) a credit institution entitled to perform only those banking operations which are specified in Clauses 3 and 4 (only in respect of corporate bank

accounts used for funds transfers without opening bank accounts), as well as in Clause 5 (only in connection with funds transfers without opening bank accounts) and in Clause 9 of Part 1 of Article 5 hereof (hereinafter, the non-bank credit institution entitled to perform funds transfers without opening bank accounts and other associated banking operations);

2) a credit institution entitled to perform individual banking operations as provided for by this Federal Law. Admissible combinations of banking operations for such non-bank credit institution shall be established by the Bank of Russia;

3) a credit institution acting as a central counterparty and performing its functions in accordance with Federal Law No. 7-FZ, dated 7 February 2011, ‘On Clearing, Clearing Activities and the Central Counterparty’ (hereinafter, the Federal Law ‘On Clearing, Clearing Activities and the Central Counterparty’). Admissible combinations of banking operations for the non-bank credit institution – central counterparty (hereinafter, a central counterparty) shall be established by the Bank of Russia. The Bank of Russia shall be entitled to establish additional conditions on the performance of banking operations by the central counterparty.

(Clause 3 was introduced by Federal Law No. 403-FZ, dated 29 December 2015; as amended by Federal Law No. 176-FZ, dated 18 July 2017)

(Part 5 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

A foreign bank shall mean a bank recognised as such under the laws of a foreign state in the territory of which it is registered.

Article 2. The Banking System of the Russian Federation and the Legal Regulation of Banking Activities

The banking system of the Russian Federation shall comprise the Bank of Russia, credit institutions and also the representative offices of foreign banks.

(Part 1 as amended by Federal Law No. 29-FZ, dated 14 March 2013)

Banking activities shall be regulated by the Constitution of the Russian Federation, this Federal Law, the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, other federal laws and Bank of Russia regulations.

Article 3. The Unions and Associations of Credit Institutions

Credit institutions may set up non-profit unions and associations to protect and represent the interests of their members, coordinate their activities, develop interregional and international relations, satisfy scientific, informational and professional interests, elaborate recommendations on banking activities and accomplish other common tasks of credit institutions. Unions and associations of credit institutions shall be prohibited from performing banking operations.

The unions and associations of credit institutions shall be set up and registered in accordance with the procedure stipulated by the legislation of the Russian Federation for non-profit organisations.

The unions and associations of credit institutions shall notify the Bank of Russia of their incorporation within one month from the date of their registration.

Article 4. A Banking Group and a Bank Holding Company

(as amended by Federal Law No. 146-FZ, dated 2 July 2013)

For the purpose of this Federal Law, a banking group shall mean an association of legal entities which is not a legal entity and in which one or several legal entities (hereinafter, banking group members) are controlled or materially influenced by a credit institution (hereinafter, the parent credit institution of a banking group).

For the purpose of this Federal Law, a bank holding company shall mean an association of legal entities (hereinafter, the members of a bank holding company) which is not a legal entity and which includes at least one credit institution controlled by a legal entity other than a credit institution (hereinafter, the parent organisation of a bank holding company), as well as other (if any) legal entities (other than credit institutions) which are controlled or materially influenced by the parent organisation of the bank holding company or which are part of the banking groups of credit institutions which are members of the bank holding company, provided that the share of banking activities assessed using the Bank of Russia's methodology accounts for no less than 40% of the bank holding company's activities. The share of banking activities in the activities of the bank holding company is measured as the ratio of assets and (or) revenues of credit institutions that are members of the bank holding company, calculated on the basis of the Bank of Russia's methodology and the total value of assets and (or) revenues of the bank holding company calculated with account of the assets and (or) revenues based on the accounting (financial) statements of these legal entities.

For the purpose of defining the members of a banking group (bank holding company) and compiling statements as established by this Federal Law, control and material influence shall be defined in accordance with the

International Financial Reporting Standards (hereinafter, the IFRS) recognised in the Russian Federation.

The parent organisation of a bank holding company, for the purpose of managing the activities of the members of a bank holding company and controlling the said activities, shall be entitled to set up a management company of the bank holding company and to charge it with the performance of duties which are imposed on the parent organisation of a bank holding company in accordance with this Federal Law. For the purpose of this Federal Law, the management company of a bank holding company shall be recognised a business entity whose core activities are the management of activities pursued by bank holding company members and control over those activities. The parent organisation of a bank holding company shall be able to influence the decisions of the management company of a bank holding company on matters within the competence of the meeting of its founders (members), including matters concerning its reorganisation and liquidation. The management company of a bank holding company shall be not entitled to engage in insurance, banking, manufacturing or trading activities, as well as perform professional activities in the securities market, manage investment funds, unit investment funds and non-governmental pension funds.

The parent credit institution of a banking group or the parent organisation of a bank holding company shall notify the Bank of Russia on the establishment of a banking group or a bank holding company, on the incorporation of the management company of a bank holding company and on its vested authority. The notification procedure shall be established by the Bank of Russia.

If the Bank of Russia discovers signs of participation of a credit institution or other institutions in a banking group, when supervising credit institutions, it shall demand that the parent credit institution of a banking group comply with the provisions established by this Federal Law. If the Bank of Russia discovers signs of participation of credit institutions in a bank holding company, when supervising credit institutions, it shall notify the parent organisation of a bank holding company of its failure to comply with the requirements of this Federal Law. The parent organisation of a bank holding company shall notify the Bank of Russia of the formation of a bank holding company within no more than 30 calendar days from the receipt of the Bank of Russia's notice or shall forward to the Bank of Russia information on the reasons for such failure to notify.

If the parent organisation of a bank holding company fails to comply with the requirements of this Federal Law and the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', the Bank of Russia shall be entitled, in accordance with its established procedure, to limit, for a period of up to six months, the performance of operations by the credit institution that is a member of a bank holding company with the parent organisation of a bank holding company and members of a bank holding company, or to prohibit, for a period of up to one year, the performance by the credit institution that is a member of a bank holding company of certain banking operations, stipulated by its banking licence, with the parent organisation of a bank holding company and members of a bank holding company.

Article 5. Banking Operations and Other Transactions of a Credit Institution

Banking operations shall include:

1) taking household and corporate funds on deposit (demand deposits and time deposits);

2) placing funds taken on deposit as per Clause 1 of Part 1 of this Article on its own behalf and for its own account;

3) opening and maintaining household and corporate bank accounts;

4) making funds transfers by order of households and legal entities, including those of correspondent banks, across their bank accounts;

(Clause 4 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

5) collecting cash, promissory notes, payment and settlement documents and providing cash services for households and legal entities;

6) the purchase and sale of foreign currency in cash and non-cash form;

7) taking precious metals of households and legal entities on deposit (demand deposits and time deposits), except for coins made of precious metals;

(Clause 7 as amended by Federal Law No. 212-FZ, dated 26 July 2017)

7¹) placing precious metals taken on deposit as per Clause 7 of this Part on its own behalf and for its own account;

(Clause 7¹ was introduced by Federal Law No. 212-FZ, dated 26 July 2017)

7²) opening and maintaining bank accounts of households and legal entities in precious metals, except for coins made of precious metals;

(Clause 7² was introduced by Federal Law No. 212-FZ, dated 26 July 2017)

7³) making funds transfers by order of households and legal entities, including those of correspondent banks, across their precious metal accounts;

(Clause 7³ was introduced by Federal Law No. 212-FZ, dated 26 July 2017)

8) ***this Clause has been null and void since 1 October 2019 in accordance with Federal Law No. 249-FZ, dated 26 July 2019;***

9) making funds transfers without opening bank accounts, including electronic funds transfers (with the exception of postal remittances).

(Clause 9 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

Bank accounts for individual entrepreneurs and legal entities registered in accordance with the legislation of the Russian Federation (except for public authorities and local governments) or for branches (representative offices) of foreign legal entities shall be opened by credit institutions based on information on the state registration of individuals as individual entrepreneurs, on the state registration of legal entities, on the accreditation of branches (representative offices) of foreign legal entities and on registration with tax authorities, which is contained in the Unified State Register of Individual Entrepreneurs, Unified State Register of Legal Entities and State Register of Accredited Branches and Representative Offices of Foreign Legal Entities, respectively.

(Part 2 as amended by Federal Law No. 191-FZ, dated 23 June 2016)

In addition to banking operations listed in Part 1 of this Article, a credit institution shall be entitled to perform the following transactions:

1) the issue of sureties for third parties which provide for the fulfilment of monetary obligations;

2) the acquisition of claims against third parties for the fulfilment of monetary obligations;

3) the trust management of funds and other assets under agreements with individuals and legal entities;

4) transactions with precious metals and coins made of precious metals in accordance with the legislation of the Russian Federation;

(Clause 4 as amended by Federal Law No. 212-FZ, dated 26 July 2017)

5) leasing out special premises or safe deposit boxes kept therein to individuals and legal entities for keeping documents and items of value;

- 6) leasing transactions;
- 7) consulting and information services;
- 8) issuing bank guarantees.

(Clause 8 was introduced by Federal Law No. 249-FZ, dated 26 July 2019)

A credit institution shall be entitled to carry out other transactions in accordance with the legislation of the Russian Federation.

All banking operations and other transactions shall be made in rubles or, if there is a corresponding licence of the Bank of Russia, in foreign currency as well. The rules for the performance of banking operations, including the rules for their material and technical support, shall be established by the Bank of Russia in accordance with federal laws. Banking operations and other transactions with precious metals shall be performed with fine gold, silver, platinum, palladium in bars and (or) with gold, silver, platinum, palladium accounted for in precious metal accounts and with coins made of precious metals.

(Part 5 as amended by Federal Law No. 212-FZ, dated 26 July 2017)

A credit institution shall be prohibited to engage in production, trade and insurance activities. These restrictions shall not apply to the conclusion of contracts that are financial derivatives and that stipulate either the obligation of one party to a contract to deliver commodities to the other party or the obligation of one party to buy or sell commodities on the conditions determined when concluding the contract on request of the other party, if the obligation to deliver is terminated without being discharged in kind, as well as to the conclusion of contracts for the purpose of performing the functions of a central counterparty or a commodity delivery operator in accordance with the Federal Law ‘On Clearing, Clearing Activities and the Central Counterparty’. The said restrictions shall not also apply to the sale of assets acquired by credit institutions for the purpose of their activities or

the sale of assets to be sold by the credit institution in case of seizure of the object of pledge due to the debtor's default on its obligation secured by the pledge of assets or received by the credit institution under a contract as compensation for the release from obligation. The said restrictions shall also not apply to the purchase and sale of precious metals and coins made of precious metals as specified in Part 5 of this Article.

(Part 6 as amended by Federal Laws No. 281-FZ, dated 25 November 2009; No. 8-FZ, dated 7 February 2011; No. 286-FZ, dated 4 October 2014; No. 403-FZ, dated 29 December 2015; and No. 212-FZ, dated 26 July 2017)

Funds transfers without opening bank accounts, except for electronic funds transfers, shall be made by order of individuals.

(Part 7 was introduced by Federal Law No. 162-FZ, dated 27 June 2011)

Article 5¹. The Specifics of Banking Operations and Transactions Performed by a Bank with a Basic Licence

(the Article was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

A bank with a basic licence shall not be entitled to perform banking operations specified in Clauses 2, 7, 7¹-7³ of Part 1 of Article 5 of this Federal Law, as well as transactions specified in Clause 8 of Part 3 of Article 5 of this Federal Law with foreign legal entities, foreign organisations not recognised as legal entities under foreign law, or with individuals whose personal law is the law of a foreign state.

(Part 1 as amended by Federal Laws No. 212-FZ, dated 26 July 2017; and No. 249-FZ, dated 26 July 2019)

A bank with a basic licence shall not open bank (correspondent) accounts in foreign banks, except for an account in a foreign bank for the purpose of participation in a foreign payment system.

A bank with a basic licence shall not acquire claims against the entities listed in Part 1 of this Article, perform leasing operations with these entities or issue sureties for these entities.

A bank with a basic licence shall be entitled to invest borrowed funds in securities that meet the requirements of Part 5 of Article 24 hereof.

A bank with a universal licence, which has acquired the status of a bank with a basic licence or changed its status to that of a non-bank credit institution, or a bank with a basic licence, which has changed its status to that of a non-bank credit institution, shall be entitled to continue to perform banking operations and transactions to execute contracts concluded before their status was changed, with due regard to the specifics set forth in this Article.

A bank with a universal licence, which has acquired the status of a bank with a basic licence or changed its status to that of a non-bank credit institution, or a bank with a basic licence, which has changed its status to that of a non-bank credit institution, shall be entitled to continue to perform banking operations and transactions which are not allowed for a bank with a basic licence or a non-bank credit institution, respectively, to execute contracts concluded before their status was changed until the expiry of those contracts, but no more than five years from the date when the status of the bank with a universal licence or bank with a basic licence was changed, unless a different timeframe is stipulated by this Article.

A bank with a universal licence, which has acquired the status of a bank with a basic licence or changed its status to that of a non-bank credit institution, or a bank with a basic licence, which has changed its status to that of a non-bank credit institution, shall be entitled to continue to perform banking operations and other transactions to execute loan contracts

concluded before their status was changed until the expiry of the initial effective period of these contracts.

In respect of the contracts specified in Parts 6 and 7 of this Article, the initial price (amount of the monetary liability) and the effective period of such contracts shall not be changed.

A bank with a universal licence, which has acquired the status of a bank with a basic licence or changed its status to that of a non-bank credit institution, or a bank with a basic licence, which has changed its status to that of a non-bank credit institution, shall terminate a bank (correspondent) account agreement with a foreign bank within a year from the date of acquisition of the said status. This limitation shall not apply to cases where an account is opened with a foreign bank for the purpose of participation in a foreign payment system.

Article 6. Credit Institution's Activities in the Securities Market

In accordance with a banking licence issued by the Bank of Russia, a bank shall be entitled to issue, buy, sell, record, store and carry out other operations with securities used as payment documents, with securities confirming that funds have been taken on deposit accounts or have been credited to bank accounts and with other securities that do not require a special licence under federal laws; as well as to exercise trust management over the mentioned securities under an agreement with individuals and legal entities.

A credit institution shall be entitled to conduct professional activities in the securities market in accordance with federal laws.

A credit institution acting on its own behalf, while executing a transaction with an individual on securities alienation for compensation, when concluding agreements that are derivatives, when taking actions as a result of which an individual becomes an insured person under a personal insurance contract concluded to ensure the performance of his/her liabilities under a consumer loan, or acting on behalf and (or) on the instruction of a non-bank financial institution, when concluding financial services agreements with an individual, is obliged to provide such individual with reliable information about this agreement (transaction), including its conditions and risks associated with its execution. Minimum (standard) requirements for the volume and content of the information provided shall be established by the standard for protecting the rights and legitimate interests of parties receiving banking services, as stipulated by Article 24¹ of this Federal Law and (or) a Bank of Russia regulation. This information shall be provided in writing in hard copy or in electronic form. The Bank of Russia shall be entitled to establish the form, methods and procedure for providing the specified information.

(Part 3 was introduced by Federal Law No. 192-FZ, dated 11 June 2021 (effective from 10 September 2021))

Should a credit institution default on its obligations stipulated by Part 3 of this Article, the Bank of Russia shall be entitled to apply against it measures established by the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’.

(Part 4 was introduced by Federal Law No. 192-FZ, dated 11 June 2021 (effective from 10 September 2021))

Article 7. Corporate Name of a Credit Institution

(as amended by Federal Law No. 231-FZ, dated 18 December 2006)

A credit institution shall have a full corporate name and may also have a short corporate name in the Russian language. A credit institution is also entitled to have a full and (or) a short corporate name in the languages of the nations of the Russian Federation and (or) in foreign languages.

The corporate name of a credit institution in the Russian language and in the languages of the nations of the Russian Federation may contain borrowings from foreign languages in the Russian transcription or in the transcription of the languages of the nations of the Russian Federation, except for terms and abbreviations defining the organisational and legal form of the credit institution.

The corporate name of a credit institution shall specify the nature of its activity through the use of words a 'bank' or 'non-bank credit institution'.

Other requirements for the corporate name of a credit institution shall be established by the Civil Code of the Russian Federation.

When considering an application for the state registration of a credit institution, the Bank of Russia shall prohibit the use of the corporate name of a credit institution if the State Register of Credit Institutions already contains such a corporate name. The use of words 'Russia', 'Russian Federation', 'state', 'federal' and 'central', as well as their derivative words and combinations in a corporate name shall be permissible according to a procedure established by federal laws.

No legal entity in the Russian Federation, except legal entities that have received a banking licence from the Bank of Russia, may use the words 'bank' or 'credit institution' in their corporate names or otherwise indicate that they are entitled to perform banking operations.

Article 8. Disclosure of Information on the Management Bodies of a Credit Institution and on the Activities of a Credit Institution, a Banking Group or a Bank Holding Company

(as amended by Federal Laws No. 146-FZ, dated 2 July 2013; No. 334-FZ, dated 4 November 2014)

A credit institution shall disclose the following information on its activities according to the forms, procedure and within the timeframe established by the Bank of Russia:

1) on an annual basis: annual accounting (financial) statements and the related auditor's report;

(Clause 1 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

2) on a quarterly basis: interim accounting (financial) statements. If interim accounting (financial) statements were audited, the said statements shall be disclosed together with the auditor's report issued by the audit company.

(Clause 2 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

At the request of an individual or a legal entity, a credit institution shall provide them with a copy of its banking licence and copies of its other permits (licences), if the need to obtain these documents is stipulated by federal laws, and also accounting (financial) statements for the current year.

(Part 2 as amended by Federal Law No. 344-FZ, dated 4 November 2014)

A credit institution shall be held liable in accordance with this Federal Law and other federal laws for misleading an individual or a legal entity by its failure to provide information or by the provision of unreliable or incomplete information.

The parent credit institution of a banking group shall disclose the following:

1) on an annual basis: annual consolidated financial statements and an auditor's report on these statements, information on risks assumed, risk assessment procedures, and risk and capital management procedures;

2) on a quarterly basis: interim consolidated financial statements, information on risks assumed and procedures for their assessment, as well as procedures for risk and capital management. If interim consolidated financial statements were audited, they shall be disclosed together with the auditor's report issued by the audit company.

(Clause 2 as amended by Federal Law No. 403-FZ, dated 29 December 2015)

The forms, procedure and timeframe for the disclosure of information on risks assumed and risk assessment procedures, as well as risk and capital management procedures by the parent credit institution of a banking group shall be determined by the Bank of Russia. The procedure and timeframe for disclosing consolidated financial statements and an auditor's report thereon by the parent credit institution of a banking group shall be determined by the Bank of Russia.

The parent organisation of a bank holding company shall disclose consolidated financial statements and an auditor's report thereon on an annual basis. The procedure and timeframe for disclosing consolidated financial statements and an auditor's report thereon by the parent organisation of a bank holding company shall be determined by the Bank of Russia.

A credit institution holding a Bank of Russia licence to take household funds on deposit shall disclose information on interest rates under bank deposit agreements with individuals (for the credit institution in general, without disclosing information on particular individuals) and information on the credit institution's outstanding amounts on household deposits. The

procedure for disclosing such information shall be established by the Bank of Russia.

A credit institution shall disclose information on transactions for the assignment of monetary claims to mortgage agents or specialised companies, including claims secured with mortgage certificates. The scope of such information, and also the procedure and timeframe for its disclosure shall be established by Bank of Russia regulations.

(Part 8 was introduced by Federal Law No. 379-FZ, dated 21 December 2013)

In line with the procedure established by Bank of Russia regulations, a credit institution shall disclose to the general public on its official website the following information about the qualification and work experience of the members of the board of directors (supervisory board) of the credit institution, persons holding the positions of the sole executive body, its deputies, members of the collective executive body, chief accountant, deputy chief accountant of the credit institution, as well as director and chief accountant of a branch of the credit institution:

- 1) full name (including patronymic, if any);
- 2) position held (including the dates of approval by the Bank of Russia and appointment to the position, for persons holding the positions of the sole executive body, its deputies, members of the collective executive body of the credit institution, chief accountant, deputy chief accountant of the credit institution, as well as director and chief accountant of a branch of the credit institution, or the dates of election, for members of the board of directors (supervisory board) of the credit institution);
- 3) information on professional education (including the name of the educational establishment, the year of graduation, qualification, speciality and (or) area of training), additional professional education specifying the

educational programme completed and the date of its completion, as well as information on academic degree and the date of its conferment, on academic rank and the date of its conferment;

4) employment record information for five years preceding the date of appointment (election) to the position held specifying the places of employment and positions held (including membership in the board of directors (supervisory board) of a legal entity), dates of appointment (election) and dismissal (release from the position) and description of official duties.

(Part 9 was introduced by Federal Law No. 334-FZ, dated 4 November 2014)

If a member of the board of directors (supervisory board) of a credit institution fails to provide the credit institution with details included in the information stipulated by Part 9 of this Article, the credit institution shall disclose information on the said person's failure to provide those details according to the same procedure.

(Part 10 was introduced by Federal Law No. 334-FZ, dated 4 November 2014)

If, after the disclosure of information as per Part 9 of this Article, details forming a part thereof are changed, information on this shall be disclosed according to the same procedure within the timeframe not exceeding three days following the day the documentary confirmation thereof was received.

(Part 11 was introduced by Federal Law No. 334-FZ, dated 4 November 2014)

If a credit institution and its officials violate the procedure and timeframe for the disclosure of information as per Part 9 of this Article, they shall be held liable in accordance with the legislation of the Russian Federation.

(Part 12 was introduced by Federal Law No. 334-FZ, dated 4 November 2014)

A credit institution, other than a bank with a basic licence, or a parent credit institution of a banking group shall disclose information to the general

public on their official websites according to the procedure and within the timeframe established by the Bank of Russia on financial instruments included in the calculation of the equity capital of the credit institution or the banking group, including all the conditions and timeframe of their issue, redemption or conversion, on other operations with them, and also on material changes to these instruments.

(Part 13 was introduced by Federal Law No. 403-FZ, dated 29 December 2015, as amended by Federal Law No. 92-FZ, dated 1 May 2017)

A credit institution, other than a bank with a basic licence, shall disclose information on risks assumed, risk assessment procedures, risk and capital management procedures using the forms, according to the procedure and within the timeframe established by the Bank of Russia.

(Part 14 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

The Bank of Russia shall be entitled to establish the specifics of information disclosure in line with the type of credit institutions, inter alia, depending on the types of licences issued to banks.

(Part 15 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

The Government of the Russian Federation shall be entitled to determine cases where credit institutions are entitled to disclose information that is subject to disclosure under this Federal Law in a limited composition and (or) volume, the list of information that credit institutions are entitled not to disclose, as well as the list of entities in respect of which information may not be disclosed. If, according to this Part, a credit institution discloses in a limited composition and (or) volume information subject to disclosure according to the requirements of this Federal Law and if no obligation to submit such information to the Bank of Russia is required by the Russian legislation, such credit institution shall inform the Bank of Russia thereof and shall also provide the Bank of Russia with information that is not

disclosed in cases, within the timeframe, according to the procedure, in the composition and volume established by the Bank of Russia.

(Part 16 as amended by Federal Law No. 514-FZ, dated 27 December 2018)

Article 9. Relations between a Credit Institution and the State

A credit institution shall not be held liable on the obligations of the state. The state shall not be held liable on the obligations of a credit institution, except when the state has assumed such obligations on its own.

A credit institution shall not be held liable on the obligations of the Bank of Russia. The Bank of Russia shall not be held liable on the obligations of a credit institution, except when the Bank of Russia has assumed such obligations on its own.

Legislative and executive authorities and local governments shall not interfere with the activities of credit institutions, except for the cases stipulated by federal laws.

Based on state or municipal contracts for the provision of services for state or municipal needs, a credit institution may execute certain orders of the Government of the Russian Federation, executive authorities of the Russian constituent territories and local governments, conduct operations with the funds of the federal budget, budgets of Russian constituent territories and local budgets, make settlements with them and ensure the proper use of the budget funds allocated for the implementation of federal and regional programmes. Such contract should specify mutual obligations and responsibilities of the parties and also the terms and forms of control over the use of budget funds.

(Part 4 as amended by Federal Law No. 19-FZ, dated 2 February 2006)

A credit institution shall not be obliged to engage in activities that are not specified by its constituent documents, except for the cases when the credit institution has assumed the respective obligations or cases stipulated by federal laws.

In accordance with the procedure established by the Bank of Russia and agreed upon with the Central Election Commission of the Russian Federation, credit institutions shall receive and consider requests filed by the Central Election Commission of the Russian Federation or election commissions of Russian constituent territories concerning the provision of information on the bank accounts and deposits of candidates to deputies or other elective positions. In cases stipulated by federal laws, credit institutions shall also provide information on the bank accounts and deposits held by the spouses and underage children of the aforementioned persons. As envisaged by the Russian election legislation, these measures are designed to verify the reliability of information provided by candidates to deputies and other elective positions to election commissions. If a credit institution has information on bank accounts and deposits, it shall send such information to the Central Election Commission of the Russian Federation and the election commissions of Russian constituent territories according to the procedure and within the timeframe established by the Bank of Russia and agreed upon with the Central Election Commission of the Russian Federation, in the scope stipulated by the Russian election legislation.

(Part 6 was introduced by Federal Law No. 231-FZ, dated 13 July 2015)

A credit institution and its officials shall be held liable for the violation of the requirements of Part 6 of this Article in accordance with the procedure established by the Russian legislation.

(Part 7 was introduced by Federal Law No. 231-FZ, dated 13 July 2015)

Article 10. Constituent Documents of a Credit Institution

(as amended by Federal Law No. 31-FZ, dated 21 March 2002)

A credit institution shall have constituent documents provided for by federal laws for a legal entity of the respective form of incorporation.

The articles of association of a credit institution shall comprise the following:

1) a full and abbreviated (if any) corporate name;

(Clause 1 as amended by Federal Law No. 41-FZ, dated 28 March 2017)

2) *this Clause is null and void in accordance with Federal Law No. 41-FZ, dated 28 March 2017;*

3) information on the address and location of a credit institution;

(Clause 3 as amended by Federal Law No. 41-FZ, dated 28 March 2017)

4) a list of banking operations and transactions performed by the credit institution in accordance with Article 5 hereof;

5) information on the size of the authorised capital;

6) information on the system of management bodies, including executive bodies and internal control bodies, the procedure of their formation and authority thereof;

7) other details stipulated by federal laws for the articles of association of legal entities with the said form of incorporation.

The credit institution shall register all amendments introduced to its constituent documents. Documents specified by Clause 1 of Article 17 of the Federal Law ‘On the State Registration of Legal Entities and Individual Entrepreneurs’ and by Bank of Russia regulations shall be submitted by the credit institution to the Bank of Russia in line with the procedure established by the latter. Within a month following the provision of all duly executed

documents, the Bank of Russia shall make a decision on the state registration of amendments introduced to the constituent documents of the credit institution and shall forward to the federal executive body authorised under Article 2 of the Federal Law ‘On the State Registration of Legal Entities and Individual Entrepreneurs’ (hereinafter, the authorised registering body) information and documents required for maintaining the Unified State Register of Legal Entities by this body.

(Part 3 as amended by Federal Law No. 169-FZ, dated 8 December 2003)

Based on the said decision made by the Bank of Russia and on the necessary information and documents submitted thereby, the authorised registering body shall make a corresponding entry in the Unified State Register of Legal Entities within the period of time not exceeding five business days following the receipt of necessary information and documents and shall notify the Bank of Russia thereof no later than on the next business day after such entry is made. The interaction between the Bank of Russia and the authorised registering body in respect of the state registration of amendments made to the constituent documents of the credit institution shall be in line with the procedure agreed upon by the Bank of Russia and the authorised registering body.

Article 11. Authorised Capital of a Credit Institution

The authorised capital of a credit institution shall comprise the contributions of its members and shall determine the minimum value of assets that guarantee its creditors’ interests.

The minimum authorised capital as of the day of filing an application for the state registration and issuance of a banking licence, shall be set in the following amount:

- 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) 90 million rubles: for a newly registered non-bank credit institution, except for the minimum authorised capital of a newly registered non-bank credit institution that is a central counterparty;
- 4) 300 million rubles: for a newly registered non-bank credit institution that is a central counterparty.

(Part 2 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

Part 3 is null and void in accordance with Federal Law No. 28-FZ, dated 28 February 2009.

The Bank of Russia shall establish the maximum size of assets (non-monetary) contributions to the authorised capital of a credit institution and a list of the types of non-monetary assets which may be contributed as payments to the authorised capital.

(Part 4 as amended by Federal Law No. 60-FZ, dated 3 May 2006)

Borrowed funds shall not be used for the formation of the authorised capital of a credit institution. The authorised capital of a credit institution, when it is increased, shall not be paid by offsetting claims to the credit institution, except for monetary claims on the payment of declared dividends in cash. The Bank of Russia shall establish the procedure and criteria for assessing the financial position of the founders (members) of a credit institution.

(Part 5 as amended by Federal Laws No. 352-FZ, dated 27 December 2009; No. 282-FZ, dated 29 December 2012; and No. 281-FZ, dated 29 July 2017)

Federal budget funds and the resources of state extra-budgetary funds, free cash flows and other property items of federal government authorities

shall not be used for the formation of the authorised capital of a credit institution, except for the cases stipulated by federal laws.

The funds of regional and local budgets, free cash flows and other property items of regional and local governments may be used for the formation of the authorised capital of a credit institution on the basis of a respective legislative act of a regional government or a decision of a local government in accordance with the procedure established by this Federal Law and other federal laws.

Unless otherwise stipulated by federal laws, the acquisition (except for the case when shares (stakes) are acquired upon the foundation of a credit institution), including as a result of donation and (or) receipt in trust management (hereinafter, the acquisition) as a result of one or several transactions performed by one legal entity or individual of more than one per cent of shares (stakes) in a credit institution, shall require notification of the Bank of Russia and the acquisition or receipt in trust management of more than ten per cent shall require the latter's prior consent. The requirements set forth in this Article shall also apply to the acquisition of more than one per cent of shares (stakes) in a credit institution and more than ten per cent of shares (stakes) in a credit institution by a group of entities, as defined in accordance with Federal Law No. 135-FZ, dated 26 July 2006, 'On the Protection of Competition' (hereinafter, a group of entities).

(Part 8 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

The receipt of the Bank of Russia's prior consent according to the procedure set forth by this Article is also required for the acquisition of:

1) more than ten per cent and up to 25 per cent of shares of a credit institution;

2) more than ten per cent and up to one-third of stakes in a credit institution;

3) more than 25 per cent and up to 50 per cent of shares of a credit institution;

4) more than one-third and up to 50 per cent of stakes in a credit institution;

5) more than 50 per cent and up to 75 per cent of shares of a credit institution;

6) more than 50 per cent and up to two-thirds of stakes in a credit institution;

7) more than 75 per cent of shares of a credit institution;

8) more than two-thirds of stakes in a credit institution.

(Part 9 was introduced by Federal Law No. 146-FZ, dated 2 July 2013)

The prior consent of the Bank of Russia is also required for the establishment of direct or indirect (via third parties) control over shareholders (members) of a credit institution that own more than ten per cent of shares (stakes) in this credit institution as a result of one or several transactions (hereinafter, the establishment of control over the shareholders (members) of a credit institution).

(Part 10 was introduced by Federal Law No. 282-FZ, dated 29 December 2012, as amended by Federal Law No. 146-FZ, dated 2 July 2013)

The requirements set forth by this Article shall also apply to the establishment of control over the shareholders (members) of a credit institution by a group of entities.

(Part 11 was introduced by Federal Law No. 282-FZ, dated 29 December 2012, as amended by Federal Laws No. 146-FZ, dated 2 July 2013; No. 281-FZ, dated 29 July 2017)

Within no more than 30 days following the receipt of an application for the Bank of Russia's consent of a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution

and (or) at the establishment of control over the shareholders (members) of a credit institution, the Bank of Russia shall notify the applicant on its decision in writing (consent or refusal). If the Bank of Russia has not informed of its decision within the said period time, the transaction (transactions) shall be deemed approved.

(Part 12 was introduced by Federal Law No. 282-FZ, dated 29 December 2012, as amended by Federal Law No. 146-FZ, dated 2 July 2013)

The notification of the acquisition of more than one per cent of shares (stakes) in a credit institution and (or) on the establishment of control over the shareholders (members) of a credit institution shall be sent to the Bank of Russia within no more than 30 days from the date of the acquisition of shares (stakes) in a credit institution and (or) the performance of a transaction (transactions) aimed at establishing control over the shareholders (members) of a credit institution.

(Part 13 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

The Bank of Russia's consent to a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) at the establishment of control over the shareholders (members) of a credit institution may be obtained after the transaction has been performed (hereinafter, the subsequent consent), if the acquisition of shares of a credit institution and (or) establishment of control over the shareholders (members) of a credit institution are made through a public offering and (or) public trading of shares, as well as in other cases specified by this Federal Law. The possibility of obtaining subsequent consent as stipulated by this part also applies to the acquisition of more than ten per cent of the shares of a credit institution at a public offering and (or) public trading, as well as to the establishment of control over the shareholders (members) of a credit institution by a group of entities recognised as such in

accordance with Federal Law No. 135-FZ, dated 26 July 2006, ‘On the Protection of Competition’.

(Part 14 was introduced by Federal Law No. 282-FZ, dated 29 December 2012, as amended by Federal Laws No. 146-FZ, dated 2 July 2013; No. 281-FZ, dated 29 July 2017)

The procedure for obtaining the Bank of Russia’s prior consent and subsequent consent for the performance of a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) at the establishment of control over the shareholders (members) of a credit institution and the procedure for notifying the Bank of Russia of the acquisition of more than 1 per cent of shares (stakes) in a credit institution and (or) of the establishment of control over the shareholders (members) of a credit institution shall be set forth by federal laws and Bank of Russia regulations adopted in pursuance thereof.

(Part 15 was introduced by Federal Law No. 282-FZ, dated 29 December 2012, as amended by Federal Laws No. 146-FZ, dated 2 July 2013; No. 281-FZ, dated 29 July 2017)

The Bank of Russia may refuse to grant its consent to the performance of a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) at the establishment of control over the shareholders (members) of a credit institution in the following cases:

(the Paragraph as amended by Federal Law No. 281-FZ, dated 29 July 2017)

1) ascertainment of the unsatisfactory financial position of the following persons/entities based on the grounds for recognising financial position as unsatisfactory established by a Bank of Russia regulation:

an individual or legal entity performing a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and also an individual or legal entity exercising control over the said legal entity;

an individual or legal entity performing a transaction (transactions) aimed at the acquisition of ten per cent or less of shares (stakes) in a credit institution which is a part of a group of entities acquiring more than ten per cent of shares (stakes) in a credit institution or an individual or legal entity exercising control over the said legal entity;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over the shareholders (members) of a credit institution;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in a credit institution and these shareholders (members), if as a result of such transaction (transactions) the said shareholders (members) will become part of a group of entities owning more than ten per cent of shares (stakes) in the credit institution;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in a credit institution and are part of a group of entities owning more than ten per cent of shares (stakes) in the credit institution;

(Clause 1 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

2) absence of a positive decision by an anti-monopoly authority regarding an application for the consent to a transaction (transactions) submitted in accordance with Federal Law No. 135-FZ, dated 26 July 2006, ‘On the Protection of Competition’, if the transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) at the establishment of control over the shareholders

(members) of a credit institution is (are) subject to control in accordance with the anti-monopoly legislation;

3) absence of a decision on the prior approval of a transaction or on approval of the establishment of control in accordance with Federal Law No. 57-FZ, dated 29 April 2008, ‘On the Procedure for Foreign Investments in Business Entities of Strategic Importance for National Defence and State Security’, if the transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) at the establishment of control over the shareholders (members) of a credit institution is (are) subject to control in accordance with the said Federal Law;

4) ascertainment of the unsatisfactory business reputation of the following persons/entities based on the grounds established in Clause 5 of Part 1 of Article 16 hereof:

an individual or legal entity performing a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution or an individual or legal entity exercising control over the said legal entity;

an individual or legal entity performing a transaction (transactions) aimed at the acquisition of ten per cent or less of shares (stakes) in a credit institution, which is a part of a group of entities acquiring more than ten per cent of shares (stakes) in a credit institution, or an individual or legal entity exercising control over the said legal entity;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over the shareholders (members) of a credit institution;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in a credit institution and over these shareholders (members), if as a result of such transaction (transactions) the said shareholders (members) will become part of a group of entities owning more than ten per cent of the shares (stakes) of the credit institution;

an individual or legal entity performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in a credit institution and that are part of a group of entities owning more than ten per cent of shares (stakes) in the credit institution;

a sole executive body of the legal entity performing such transaction (transactions), a sole executive body of the legal entity exercising control over a legal entity performing such transaction (transactions) aimed at the acquisition of shares (stakes) in a credit institution, or a sole executive body of legal entities that are shareholders (members) of the credit institution, which are specified in Paragraph 5 of this Clause;

(Clause 4 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

5) existence of other grounds specified by federal laws and Bank of Russia regulations adopted in pursuance thereof.

(Part 16 as amended by Federal Law No. 146-FZ, dated 2 July 2013)

Part 17 is null and void in accordance with Federal Law No. 281-FZ, dated 29 July 2017.

Part 18 is null and void in accordance with Federal Law No. 335-FZ, dated 2 December 2013.

The financial position of the following persons/entities shall satisfy the requirements established by a Bank of Russia regulation throughout the period time shares (stakes) in a credit institution are possessed and control is exercised:

legal entities that are shareholders (members) owning more than ten per cent of shares (stakes) in a credit institution and legal entities exercising control over such shareholders (members);

legal entities that are shareholders (members) owning ten per cent or less of shares (stakes) in a credit institution and that are members of a group of entities owning more than ten per cent of shares (stakes) in a credit institution and legal entities exercising control over such shareholders (members).

(Part 19 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Article 11¹. Management Bodies of a Credit Institution

(as amended by Federal Law No. 281-FZ, dated 29 July 2017)

The management bodies of a credit institution, along with the general meeting of its founders (members), include the board of directors (supervisory board), the sole executive body and the collective executive body.

The sole executive body and collective executive body carry out the day-to-day management of a credit institution.

Persons shall be elected to the board of directors (supervisory board) of a credit institution and to the position of the chairman of the board of directors (supervisory board) of a credit institution in compliance with the restrictions established by Clause 4 of Article 653 of the Civil Code of the Russian Federation. A person performing the functions of a sole executive body, his/her deputy, a member of the collective executive body (hereinafter, the chief executive of a credit institution), the chief accountant or deputy chief accountant of a credit institution, or the chief executive or

chief accountant of the branch of a credit institution shall not perform the functions of the chief executive or chief accountant in other organisations that are credit institutions, foreign banks, insurance or clearing companies, professional securities market participants, trade organisers in the commodity and (or) financial markets, joint-stock investment funds, specialised depositories of investment funds, unit investment funds, and also non-governmental pension funds, organisations engaged in pension provision and pension insurance, management companies of investment funds, unit investment funds and non-governmental pension funds, or microfinance companies, as well as in organisations carrying out leasing activity or affiliated with the credit institution. The said restriction shall not apply if the credit institutions (a foreign bank and a credit institution) are parent and subsidiary companies with respect to each other, as well as if a non-profit organisation (except for a state corporation) is an affiliate of the credit institution.

(Part 3 as amended by Federal Law No. 105-FZ, dated 29 May 2019)

A person performing the functions of the member of the board of directors (supervisory board) of a credit institution or a candidate to this position shall comply with requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof as well as with qualification requirements established by federal laws.

If a court conviction for committing a premeditated crime or court ruling finding the member of the board of directors (supervisory board) of a credit institution subsidiarily liable for the obligations of a credit or non-bank financial institution (hereinafter, jointly referred to as a financial institution) or liable in the form of loss recovery in favour of the financial institution under Federal Law No. 127-FZ, dated 26 October 2002, ‘On

Insolvency (Bankruptcy)’ (hereinafter, the Federal Law ‘On Insolvency (Bankruptcy)’’) or if an administrative punishment in the form of disqualification comes into force against a member of the board of directors (supervisory board) of a credit institution, the said member of the board of directors (supervisory board) shall be deemed dismissed from the board of directors (supervisory board) as of the day the corresponding court ruling enters into force.

A credit institution shall notify the Bank of Russia in writing on the election (dismissal) of the member of the board of directors (supervisory board) within three business days from the day of such decision and shall submit information and documents as per Clause 10 of Part 1 of Article 14 hereof.

In accordance with the procedure established in Parts 8 and 10 of this Article, a credit institution may assign certain duties of the persons indicated in Part 8 of this Article which provide for the right to manage monetary funds kept in the credit institution’s accounts opened with the Bank of Russia to the persons holding the positions specified in Part 9 of this Article and other positions in the credit institution who comply with the qualification requirements and requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof.

A person performing the functions of the chief executive of a credit institution, the chief accountant or deputy chief accountant of a credit institution, the chief executive or chief accountant of a branch of a credit institution (except for a non-bank credit institution entitled to perform funds transfers without opening bank accounts and other associated banking operations), or the sole executive body or chief accountant of a non-bank credit institution entitled to perform funds transfers without opening bank

accounts and other associated banking operations, during the candidate approval process, appointment (election) to the positions and throughout the time of performance of the functions of the said positions, including the temporary performance of official duties, shall comply with the qualification requirements and requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof.

A person performing the functions of the deputy sole executive body, member of the collective executive body, deputy chief accountant, chief executive or chief accountant of a branch, and also candidates to the said positions in a non-bank credit institution entitled to perform funds transfers without opening bank accounts and other associated banking operations, upon their appointment (election) to the positions and throughout the time of performing their functions in the said positions (including the temporary performance of official duties), shall comply with the requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof.

To obtain consent from the Bank of Russia, a credit institution (including a non-bank credit institution entitled to perform funds transfers without opening bank accounts and other associated banking operations) shall send a request for the approval of candidates to the positions specified in Part 8 of this Article (assignment of the temporary performance of duties in those positions and (or) performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) and shall submit information and documents as per Clauses 8-10 of Part 1 of Article 14 hereof. The Bank of Russia, within a month after receiving such documents according to the procedure stipulated by a Bank of Russia regulation, shall give its consent to the appointment (election) of the said persons to the positions listed above

or shall submit a justified refusal in writing on the grounds set forth in Clause 1 of Part 1 of Article 16 hereof. The Bank of Russia's refusal to approve the appointment (election) of a candidate may be appealed by the latter in court.

A credit institution (including a non-bank credit institution entitled to make funds transfers without opening bank accounts and other associated banking operations) shall notify the Bank of Russia in writing, according to the procedure established by a Bank of Russia regulation, on the appointment (election) of candidates to the positions specified in Parts 8 and 9 of this Article (assignment of the temporary performance of duties in those positions and (or) performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) within three business days after such decision is made and on the dismissal of the said persons from their positions (their release from temporary performance of duties in those positions and (or) from the performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) not later than on the next business day after such decision is made.

If a credit institution (including a non-bank credit institution entitled to make funds transfers without opening bank accounts and other associated banking operations), after receiving consent from the Bank of Russia to the appointment (election) of candidates specified in Parts 7 and 8 of this Article and before their actual appointment (election) to the positions specified in Part 8 of this Article (assignment of the temporary performance of duties in those positions and (or) performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts

opened with the Bank of Russia), discovers that these candidates do not comply with the qualification requirements and (or) the requirements for business reputation as per Clause 1 of Part 1 of Article 16 hereof, the credit institution shall refuse to appoint the candidate to the position and shall notify the Bank of Russia thereof in writing indicating the facts that entailed such decision within no more than one business day after such non-conformity was discovered. In this case, the Bank of Russia's positive decision on the approval of the candidate shall be deemed cancelled.

If facts of non-compliance with the qualification requirements and (or) the requirements for business reputation as per Clause 1 of Part 1 of Article 16 hereof are discovered by the credit institution after the actual appointment (election) of candidates to the positions specified in Part 8 of this Article (assignment of the temporary performance of duties in the said positions and (or) performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) or to the positions listed in Part 9 of this Article (assignment of the temporary performance of duties in the said positions), the credit institution shall:

- 1) notify the Bank of Russia thereof in writing (indicating the respective facts) within no more than two business days after such facts were discovered;

- 2) dismiss the person from the position (release from the temporary performance of duties in the said position and (or) from the performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) within no more than a month after such facts were discovered, according to the procedure stipulated by the labour legislation;

3) notify the Bank of Russia on the dismissal of the person from the position (release from the temporary performance of duties in the said position and (or) from the performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia) according to the procedure stipulated by Part 11 of this Article.

Should the credit institution discover any facts of non-conformity of the business reputation of an elected member of the board of directors (supervisory board) to the requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof after the credit institution has sent the notification as per Part 6 of this Article, the credit institution shall notify the Bank of Russia thereof in writing (indicating the respective facts) as well as of measures taken by the credit institution to terminate the powers of such person, within no more than three business days after such facts were discovered.

If the credit institution fails to perform its duties as per Clause 3 of Part 13 and Part 14 of this Article, or if the Bank of Russia discovers independently any facts of the non-conformity of persons mentioned in Parts 4, 7–9 of this Article to the qualification requirements and (or) to requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof, the Bank of Russia shall send an instruction to the credit institution to replace such persons according to the procedure established by a Bank of Russia regulation.

In the cases set forth by the Federal Law 'On Insolvency (Bankruptcy)', the powers of the sole executive body of a bank may be exercised by the limited liability company Fund of Banking Sector Consolidation Asset

Management Company. In this case the provisions of Parts 8 and 10 of this Article shall not apply.

Article 11¹⁻¹. Specifics of the Competence and Activities of the Board of Directors (Supervisory Board) of a Credit Institution

(the Article was introduced by Federal Law No. 146-FZ, dated 2 July 2013)

The competence of the board of directors (supervisory board) of a credit institution, as determined by its charter, shall include issues stipulated by Federal Law No. 208-FZ, dated 26 December 1995, ‘On Joint-stock Companies’, Federal Law No. 14-FZ, dated 8 February 1998, ‘On Limited Liability Companies’, as well as the following issues:

1) approving the strategy for managing credit institution’s risk and capital, including measures ensuring capital adequacy and liquidity to cover risks related both to the credit institution in general and to particular areas of its activity, as well as approving the procedure for managing the most significant risks threatening the credit institution and monitoring the execution of the said procedure;

2) approving the procedure for the application of bank risk management methods and quantitative risk assessment models (in the case stipulated by Article 72¹ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’), including the assessment of assets and liabilities, off-balance sheet claims and liabilities of the credit institution, and stress testing scenarios and findings;

3) approving the procedure for preventing conflicts of interest, the financial stability recovery plan in case of a significant deterioration in the financial standing of the credit institution, its contingency and emergency

plans for ensuring business continuity and (or) recovery, the head of the credit institution's internal audit service and its plan, as well as the remuneration policy of the credit institution and control over its implementation;

4) assessing the compliance by the sole executive body and collective executive body of the credit institution with the strategies and procedures approved by the board of directors (supervisory board) based on reports prepared by the internal audit service;

5) decision-making on the duties of the members of the board of directors (supervisory board), including the establishment of its committees, as well as evaluating its own performance and submitting its findings to the general meeting of the credit institution's members;

6) approving the credit institution's human resources policy (the procedure for setting the amount of remuneration to the chief executives of the credit institution, the procedure for setting the amount, form and payment of rewards and incentives to the chief executives of the credit institution, head of the risk management service, head of the internal audit service, head of the internal control service of the credit institution and other chief executives (employees) making decisions on conducting operations and other transactions by the credit institution, the results of which may affect the compliance by the credit institution with required ratios or the occurrence of other situations threatening the interests of depositors and creditors, including the grounds for implementing measures aimed at preventing the insolvency (bankruptcy) of the credit institution, qualification requirements for the specified persons, as well as the salary budget of the credit institution).

Article 11¹⁻². Requirements for the Risk and Capital Management Systems and Internal Control System of a Credit Institution

(the Article was introduced by Federal Law No. 146-FZ, dated 2 July 2013)

A credit institution (the parent credit institution of a banking group) shall comply with the requirements for risk and capital management systems, internal control system, including requirements for the activities of the head of the internal control service and head of the internal audit service of the credit institution, set by the Bank of Russia for banking groups.

When appointed to the position of the head of the risk management service, head of the internal audit service or head of the internal control service of a credit institution and throughout the period of performing the functions in the said positions (including the temporary performance of duties), a person shall meet the qualification requirements established by the Bank of Russia and the requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof. When appointed to the position of a special official in charge of the implementation of internal control rules in the credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, and throughout the period of performing the functions in the said position (including the temporary performance of duties), a person shall meet qualification requirements established by the Bank of Russia in consultation with the authorised body performing the functions of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction,

and requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof.

(Part 2 as amended by Federal Laws No. 281-FZ, dated 29 July 2017; and No. 394-FZ, dated 2 December 2019)

A credit institution shall notify the Bank of Russia in writing on the appointment of the head of the risk management service, head of the internal audit service, head of the internal control service of a credit institution, or a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction within three days after the respective decision was made.

(Part 3 as amended by Federal Laws No. 281-FZ, dated 29 July 2017; and No. 394-FZ, dated 2 December 2019)

A credit institution shall notify the Bank of Russia in writing of the dismissal of the head of the risk management service, head of the internal audit service, head of the internal control service of a credit institution, or a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction no later than on the next business day after the respective decision is made.

Part 4 as amended by Federal Laws No. 281-FZ, dated 29 July 2017; and No. 394-FZ, dated 2 December 2019)

Banks with a basic licence do not have to appoint a head of the internal control service. In this case, the functions of the head of the internal control service shall be performed by the head of the risk management service.

(Part 5 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

The procedure for notifying the Bank of Russia on the appointment (dismissal) of the head of the risk management service, head of the internal audit service, head of the internal control service of a credit institution or a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction shall be established by Bank of Russia regulations.

(Part 6 was introduced by Federal Law No. 281-FZ, dated 29 July 2017, as amended by Federal Law No. 394-FZ, dated 2 December 2019)

In cases where after a person has been actually appointed to the position of the head of the risk management service, head of the internal audit service or head of the internal control service of a credit institution his/her non-conformity to the qualification requirements established by the Bank of Russia is discovered (with regard to the appointment of a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, to the qualification requirements established by the Bank of Russia in consultation with the authorised body in charge of the functions of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction), and (or) his/her non-conformity to the requirements for business reputation as per Clause 1 of Part 1 of Article 16 hereof is discovered, the credit institution shall:

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

1) notify the Bank of Russia thereof in writing (indicating the respective facts) within no more than two business days after such facts were discovered;

2) dismiss such person from the position held (release him/her from the temporary performance of duties in such position) within no more than a month after such facts have been discovered in accordance with the procedure established by labour laws;

3) notify the Bank of Russia of the dismissal of the said person from these positions (release from the temporary performance of duties in such position) in accordance with the procedure established by Part 5 of this Article.

(Part 7 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

If a credit institution fails to perform the duty stipulated by Clause 3 of Part 7 of this Article, or in the cases when the Bank of Russia discovers independently the non-conformity of persons listed in Part 2 of this Article to the qualification requirements established by the Bank of Russia (with regard to a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, to the qualification requirements established by the Bank of Russia in consultation with the authorised body in charge of the functions of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction), and (or) when the Bank of Russia discovers independently the non-conformity of the mentioned persons to the requirements for business reputation established by Clause 1 of Part 1 of Article 16 hereof, the Bank

of Russia shall send the credit institution an instruction to replace the said persons in accordance with the procedure established by Bank of Russia regulations.

(Part 8 was introduced by Federal Law No. 281-FZ, dated 29 July 2017, as amended by Federal Law No. 394-FZ, dated 2 December 2019)

Article 11¹⁻³. Persons Controlling a Credit Institution

(the Article was introduced by Federal Law No. 23-FZ, dated 24 February 2021)

A credit institutions shall on a permanent basis identify its controlling persons based on the characteristics of a controlling person established in Article 61¹⁰ and Clause 1 of Article 189²³ of the Federal Law ‘On Insolvency (Bankruptcy)’ and shall update information on them.

A credit institution shall forward to the Bank of Russia information on its controlling persons according to the form, procedure and within the timeframe established by the Bank of Russia. In this case, the credit institution shall inform its relevant controlling person about forwarding the mentioned information to the Bank of Russia no later than the business day following the day this information was forwarded.

The Bank of Russia may recognise a person as a person controlling a credit institution in accordance with Article 57⁶ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’. The credit institution shall inform a person recognised by the Bank of Russia as the person controlling the credit institution of such recognition no later than the business day following the day it receives information about it from the Bank of Russia.

Article 11². Minimum Equity Capital of a Credit Institution

Starting 1 January 2018, minimum equity capital is established in the following amount:

- 1) 1 billion rubles (except for the cases stipulated in Parts 3 and 4 of this Article) for a bank with a universal licence;
- 2) 300 million rubles for a bank with a basic licence.

The size of the equity capital of a non-bank credit institution applying for the status of:

- 1) a bank with a universal licence, as of the first day of the month when the respective application is filed with the Bank of Russia, shall be no less than 1 billion rubles starting 1 January 2018;
- 2) a bank with a basic licence, as of the first day of the month when the respective application is filed with the Bank of Russia, shall be no less than 300 million rubles starting 1 January 2018.

A bank with a universal licence, the equity capital of which was less than 1 billion rubles as of 1 January 2018, but no less than 300 million rubles, shall obtain the status of a bank with a basic licence or change its status to that of a non-bank credit institution or obtain the status of a microfinance company and, simultaneously, terminate its status of a credit institution and cancel its banking licence by 1 January 2019 in accordance with the procedure established by the Bank of Russia in order to be able to continue its activity, except for the case specified in Part 4 of this Article.

If a bank with a universal licence, the equity capital of which was less than 1 billion rubles as of 1 January 2018, but no less than 300 million rubles as of 1 January 2019, has been having the equity capital in the minimum amount of 1 billion rubles and has been fully complying with the required

ratios established by the Bank of Russia for banks with a universal licence as of 1 January 2019 for no less than four consecutive months prior to the said date, such bank shall be entitled to apply to the Bank of Russia before 1 February 2019 with a request to continue operations as a bank with a universal licence. The procedure for submitting and considering such application shall be determined by the Bank of Russia.

If the equity capital of a bank with a universal licence falls below the minimum equity capital amount established in Part 1 of this Article after 1 January 2019 for four consecutive months, except when such reduction results from the Bank of Russia's changing the methodology for determining equity capital, such bank shall obtain the status of a bank with a basic licence, change its status to that of a non-bank credit institution or obtain the status of a microfinance company and, simultaneously, terminate its status of a credit institution and cancel its banking licence in accordance with the procedure established by the Bank of Russia within six months after the termination of the said period.

If the equity capital of a bank with a basic licence falls below the minimum equity capital amount established in Part 1 of this Article after 1 January 2018 for four consecutive months, except when such reduction resulted from the Bank of Russia's changing the methodology for determining equity capital, such bank shall change its status to that of a non-bank credit institution or obtain the status of a microfinance company and, simultaneously, terminate its status of a credit institution and cancel its banking licence in accordance with the procedure established by the Bank of Russia within six months after the termination of the said period.

If the equity capital of a bank with a universal licence (except banks with a universal licence specified in Parts 3 and 4 of this Article) falls below

the amount established in Part 1 of this Article as a result of the Bank of Russia's changing the methodology for determining the equity capital of a bank with a universal licence, the bank with a universal licence shall increase its equity capital within twelve months to 1 billion rubles, calculated using the new methodology of the Bank of Russia for determining the equity capital of a bank with a universal licence.

If the equity capital of a bank with a basic licence decreases below the amount established in Part 1 of this Article as a result of the Bank of Russia's changing the methodology for determining the equity capital of a bank with a basic licence, the bank with a basic licence shall increase its equity capital within twelve months to 300 million rubles, calculated using the new methodology of the Bank of Russia for determining the equity capital of a bank with a basic licence.

If a bank with a universal licence fails to comply with the requirement established in Part 7 of this Article, the bank with a universal licence, in order to continue its operations, shall obtain the status of a bank with a basic licence or change its status to that of a non-bank credit institution or obtain the status of a microfinance company, and it shall terminate its status of a credit institution and cancel its banking licence in accordance with the procedure established by the Bank of Russia within six months after the end of the period specified in Part 7 of this Article.

If a bank with a basic licence fails to comply with the requirement established in Part 8 of this Article, the bank with a basic licence, in order to continue its operations, shall change its status to that of a non-bank credit institution or obtain the status of a microfinance company, and it shall terminate its status of a credit institution and cancel its banking licence in

accordance with the procedure established by the Bank of Russia within six months after the end of the period specified in Part 8 of this Article.

If the equity capital of a bank with a basic licence is 3 billion rubles or more and if it is no less than 2.7 billion rubles during twelve months from the reporting date as of which the said size of the equity capital of the bank was recorded for the first time, such bank shall fully comply with the requirements established by the Bank of Russia for banks with a universal licence.

If the equity capital of a bank with a basic licence is 1 billion rubles or more for four consecutive months, and if such bank fully complies with the required ratios established by the Bank of Russia for banks with a universal licence during the said period, such bank shall be entitled to file a request to the Bank of Russia to obtain a universal banking licence in accordance with the procedure established by the latter, unless otherwise provided for by this Federal Law.

The minimum equity capital for a non-bank credit institution shall total 90 million rubles, except as otherwise provided for by Part 14 of this Article.

A non-bank credit institution the equity capital of which was less than 90 million rubles as of 1 July 2016 may continue its operations, provided that its equity capital does not go below the level reached as of 1 July 2016.

The equity capital of a non-bank credit institution which meets the requirement established in Part 14 of this Article shall be no less than 90 million rubles starting 1 July 2019.

If the equity capital of a non-bank credit institution falls below the level specified in Parts 13 and 14 of this Article as a result of the Bank of Russia's changing the methodology for determining equity capital:

1) the non-bank credit institution the equity capital of which was 90 million rubles or more as of 1 July 2016 or which was incorporated after 1 July 2016, shall reach, within twelve months, the size of equity capital equal to 90 million rubles, calculated using the new methodology established by the Bank of Russia for determining equity capital;

2) the non-bank credit institution the equity capital of which was less than 90 million rubles as of 1 July 2016, shall reach, within twelve months, the size of its equity capital as of 1 July 2016, calculated using the new methodology established by the Bank of Russia for determining equity capital, and starting 1 July 2019, its equity capital shall reach 90 million rubles.

The minimum equity capital of a non-bank credit institution that is a central counterparty shall be 300 million rubles.

Article 11³. Elimination of Violations Committed when Acquiring Shares (Stakes) in a Credit Institution

(as amended by Federal Law No. 281-FZ, dated 29 July 2017)

The Bank of Russia shall issue an instruction to remedy a violation upon the discovery of the violation of the requirements of this Federal Law or a Bank of Russia regulation adopted in pursuance thereof on obtaining the consent of the Bank of Russia to the acquisition of more than ten per cent of the shares (stakes) in a credit institution or to the establishment of control over the shareholders (members) of a credit institution (hereinafter in this Article, a Bank of Russia instruction to remedy a violation) by the following persons:

1) an individual or legal entity that performed a transaction (transactions) to acquire more than ten per cent of shares (stakes) in a credit institution;

2) an individual or legal entity that performed a transaction (transactions) to acquire ten per cent or less shares (stakes) in a credit institution and is a member of a group of entities which has acquired over ten per cent of shares (stakes) in a credit institution;

3) an individual or legal entity that performed a transaction (transactions) to establish control over the shareholders (members) of a credit institution;

4) an individual or legal entity that performed a transaction (transactions) to establish control over shareholders (members) who own ten per cent or less shares (stakes) in a credit institution, if as a result of such transaction (transactions) the said shareholders (members) became part of a group of entities owning more than ten per cent of shares (stakes) in a credit institution;

5) an individual or legal entity that performed a transaction (transactions) to establish control over shareholders (members) who own ten per cent or less shares (stakes) in a credit institution and are part of a group of entities owning more than ten per cent of the shares (stakes) of a credit institution.

The Bank of Russia's instruction to remedy a violation shall be sent by the Bank of Russia to the individuals/entities specified in Part 1 of this Article within no more than 30 days after such violation is detected. The Bank of Russia shall publish information on its official website on sending its instruction to remedy a violation no later than the day it is actually sent.

Copies of the Bank of Russia's instruction to remedy a violation shall be forwarded to the credit institution and to other persons the list of which shall be determined by the Bank of Russia's regulation. The credit institution shall inform its shareholders (participants) about the receipt of the said copy of the instruction according to the procedure prescribed by the Bank of Russia's instruction no later than on the day following the day of its receipt.

The Bank of Russia's instruction to remedy a violation shall be complied with by the persons specified in Part 1 of this Article that committed the violation within no more than 90 days following the receipt of the instruction, in one of the following ways:

- 1) by obtaining a subsequent consent from the Bank of Russia for the acquisition of shares (stakes) in a credit institution or the establishment of control over shareholders (members) in a credit institution performed with a violation, in accordance with the procedure established by a Bank of Russia regulation;

- 2) by performing a transaction (transactions) to alienate shares (stakes) (to terminate trust management of shares (stakes) in a credit institution) which were acquired with a violation and (or) a transaction (transactions) to terminate control over the shareholders (members) of a credit institution which was established with a violation.

A person that has complied with the Bank of Russia's instruction to remedy a violation by performing transactions specified in Clause 2 of Part 4 of this Article shall, within no more than five days after the instruction has been complied with, notify the credit institution and the Bank of Russia thereof according to the procedure established by a Bank of Russia regulation.

The Bank of Russia's instruction to remedy a violation shall be cancelled by the Bank of Russia upon fulfilment of the requirements set forth therein. A Bank of Russia regulation on the cancellation of the Bank of Russia's instruction to remedy a violation shall be sent to the persons that received such instruction. Copies of the Bank of Russia's regulation on the cancellation of its instruction to remedy a violation shall be sent to the persons that received copies of such instruction. The form and procedure for sending the Bank of Russia's instruction to eliminate a violation and its regulation on the cancellation of the instruction shall be established by a Bank of Russia regulation. Information on the cancellation of the Bank of Russia's instruction to eliminate a violation shall be published on the Bank of Russia website according to the procedure established by it no later than on the day when the Bank of Russia's regulation on the cancellation of the instruction was sent.

The credit institution shall communicate information on the receipt of the copy of the Bank of Russia's regulation on the cancellation of its instruction to remedy the violation according to the procedure set forth by a Bank of Russia regulation no later than on the day following the day of its receipt.

From the day information on the instruction sent by the Bank of Russia to remedy a violation is published on the Bank of Russia website in accordance with Part 1 of this Article and until the day information on its cancellation is published:

- 1) an individual or legal entity specified in Clause 1 of Part 1 of this Article, that has committed a violation, shall have the right to vote only by the number of shares (stakes) in the credit institution for which the specific

consent of the Bank of Russia has been received, if the need to obtain such consent is stipulated by this Federal Law;

2) an individual or legal entity specified in Clause 2 of Part 1 of this Article, that has committed a violation, shall have the right to vote only by shares (stakes) in the credit institution which, together with the shares (stakes) of other persons that are members of the same group of persons with such an individual or a legal entity, do not exceed ten per cent of shares (stakes) in the credit institution. Such an individual or a legal entity, that had committed a violation, as well as any other person from such group of persons shall have the right to vote by the number of shares (stakes) in the credit institution which is proportional to the number of shares (stakes) in the credit institution which belong to them. The procedure for determining the said number of voting shares (stakes) in the credit institution shall be established by a Bank of Russia regulation;

3) the shareholder (member) of the credit institution over which control has been established by an individual or a legal entity specified in Clause 3 of Part 1 of this Article with a violation shall have the right to vote only by shares (stakes) in the credit institution which do not exceed ten per cent of shares (stakes) in the credit institution;

4) the shareholders (members) of the credit institution over which control has been established by individuals or legal entities specified in Clauses 4 and 5 of Part 1 of this Article with a violation shall have the right to vote only by shares (stakes) in the credit institution which, together with the shares (stakes) of other persons from the same group of persons as the said shareholders (members) of the credit institution, do not exceed ten per cent of shares (stakes) in the credit institution. The said shareholders (members) of the credit institution as well as other persons from such group

of persons shall have the right to vote by the number shares (stakes) in the credit institution which is proportional to the number of shares (stakes) in the credit institution which belong to them. The procedure for determining the said number of voting shares (stakes) in the credit institution shall be established by a Bank of Russia regulation.

Other shares (stakes) in the credit institution which were acquired with a violation or which belong to the group of persons of which the person that acquired the shares (stakes) of the credit institution with a violation is member or which belong to a shareholder (participant) of the credit institution over which control was established with a violation or which belong to a group of persons of which the shareholder (member) of the credit institution over which control was established with a violation is a member shall not be voting shares and shall not be counted for the purpose of determining the quorum at the general meeting of shareholders (members) of the credit institution. The restrictions established by Part 8 of this Article and by this Part shall not apply if the minutes of the general meeting of shareholders (members) of the credit institution are drawn up on or before the day when the Bank of Russia publishes information on sending the Bank of Russia's instruction to remedy a violation.

The Bank of Russia, within one year after sending the instruction specified in Part 1 of this Article, shall be entitled to appeal in court the decisions of the general meeting of shareholders (members) of the credit institution which were passed in violation of the requirements established by Parts 8 and 9 of this Article, as well as transactions performed in pursuance of those decisions, if participation in voting with the shares (stakes) acquired with a violation or belonging to the group of persons of which the person that acquired shares (stakes) of the credit institution with

a violation is a member, or if participation in the voting of shareholders (members) of the credit institution over which control was established with a violation, or shareholders (members) from the same group of persons as the shareholder (member) of the credit institution over which control was established with a violation, influenced the decisions passed by the general meeting of shareholders (members) of the credit institution.

If the individuals or legal entities specified in Part 1 of this Article fail to comply with the Bank of Russia's instruction to remedy a violation in due time, the Bank of Russia shall have the right to file a lawsuit for the invalidation of a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in the credit institution, a transaction (transactions) aimed at the acquisition of ten per cent or less of shares (stakes) in the credit institution by a person from a group of persons which acquired more than ten per cent of shares (stakes) in the credit institution, a transaction (transactions) aimed at the establishment of control over the shareholders (members) of the credit institution, a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in the credit institution, if as a result of such transaction (transactions) the said shareholders (members) became part of a group of persons which owns more than ten per cent of shares (stakes) in the credit institution, or a transaction (transactions) aimed at the establishment of control over shareholders (members) owning ten per cent or less of shares (stakes) in the credit institution which are members of a group of persons owning more than ten per cent of shares (stakes) in the credit institution, as well as subsequent transactions of those persons which are aimed at the acquisition of shares (stakes) in such credit institution and

(or) transactions aimed at the establishment of control over the shareholders (members) of such credit institution.

Article 11⁴. Procedure for a Bank with a Universal Licence to Obtain the Status of a Bank with a Basic Licence and for a Bank with a Basic Licence to Obtain the Status of a Bank with a Universal Licence

(the Article was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

In cases stipulated by this Federal Law, acquisition of the status of a bank with a basic licence by a bank with a universal licence or the status of a bank with a universal licence by a bank with a basic licence shall be accomplished by introducing amendments to the charter of such bank and replacing its banking licence. Such bank shall comply with requirements established by Article 11² hereof for a bank with the respective status.

For the purpose of the state registration of amendments to the charter of the bank and stipulated by Part 1 of this Article, documents listed in Article 17 of the Federal Law ‘On the State Registration of Legal Entities and Individual Entrepreneurs’, a request for the state registration of such amendments, and a business plan of a bank or amendments thereto shall be submitted to the Bank of Russia in accordance with the procedure established by the latter.

The Bank of Russia shall make a decision on the state registration of amendments to the charter of the bank and shall interact with the federal executive body in charge of the state registration of legal entities according to the procedure set forth by this Federal Law and by Bank of Russia regulations adopted in pursuance thereof.

The banking licence issued to the bank shall be replaced by the Bank of Russia in accordance with the procedure established by the latter after the state registration of amendments to the charter of the bank and associated with the acquisition by a bank with a universal licence of the status of a bank with a basic licence or with the acquisition by a bank with a basic licence of the status of a bank with a universal licence.

Chapter II. PROCEDURE FOR REGISTERING CREDIT INSTITUTIONS AND LICENSING BANKING OPERATIONS

Article 12. The State Registration of Credit Institutions and the Issue of Banking Licences thereto

(as amended by Federal Law No. 31-FZ, dated 21 March 2002)

Credit institutions shall be subject to the state registration in accordance with the Federal Law ‘On the State Registration of Legal Entities and Individual Entrepreneurs’, with due regard to the special procedure for the state registration of credit institutions established by this Federal Law.

(Part 1 as amended by Federal Law No. 169-FZ, dated 8 December 2003)

A decision on the state registration of a credit institution shall be made by the Bank of Russia. Information on the establishment, reorganisation and liquidation of credit institutions, as well as other information provided for by federal laws shall be entered in the Unified State Register of Legal Entities by the authorised registering body on the basis of a decision of the Bank of Russia on the respective state registration. The interaction of the Bank of Russia with the authorised registering body on the state registration

of credit institutions shall be carried out according to the procedure agreed upon by the Bank of Russia with such authorised registering body.

For the purpose of performing its monitoring and supervisory functions, the Bank of Russia shall maintain the State Register of Credit Institutions in compliance with the procedure prescribed by federal laws and Bank of Russia regulations adopted in pursuance thereof.

A duty shall be charged for the state registration of credit institutions according to the procedure and in the amount established by Russian legislation.

A credit institution shall notify the Bank of Russia of any changes in the details indicated in Clause 1 of Article 5 of the Federal Law ‘On the State Registration of Legal Entities and Individual Entrepreneurs’, except for information on licences received, within three days from the moment of such changes. The Bank of Russia, within no more than one business day after receiving the corresponding information from the credit institution, shall notify the authorised registering body thereof, and the latter shall make an entry in the Unified State Register of Legal Entities to change the data on the credit institution.

(Part 5 as amended by Federal Law No. 169-FZ, dated 8 December 2003)

A banking licence shall be issued to a credit institution after its state registration according to the procedure established by this Federal Law and by Bank of Russia regulations adopted in pursuance thereof.

A credit institution shall be entitled to perform banking operations from the moment it obtains a licence issued by the Bank of Russia.

Part 8 is null and void in accordance with Federal Law No. 60-FZ, dated 3 May 2006.

Article 13. Licensing of Banking Operations

Banking operations shall be carried out only on the basis of a licence issued by the Bank of Russia according to the procedure established by this Federal Law, except for the cases specified in Parts 9 and 10 of this Article and in the Federal Law ‘On the National Payment System’.

(Part 1 as amended by Federal Laws No. 410-FZ, dated 27 July 2006; No. 83-FZ, dated 17 May 2007; No. 8-FZ, dated 7 February 2011; No. 162-FZ, dated 27 June 2011)

The forms of banking licences for credit institutions shall be established by the Bank of Russia.

(Part 2 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

Licences issued by the Bank of Russia shall be recorded in the register of banking licences.

The register of licences issued to credit institutions shall be published by the Bank of Russia in its official publication (Bank of Russia Bulletin) at least once a year. Amendments and additions to this register shall be published by the Bank of Russia within a month after they have been recorded in the register.

A banking licence shall specify banking operations a particular credit institution is entitled to perform and the currency of such banking operations.

A banking licence shall be issued for an unlimited period of time.

Performance of banking operations by a legal entity without a licence, when such licence is mandatory, shall result in the recovery from such legal entity of the full amount earned as a result of such operations, as well as a fine of twice the said amount to be paid to the federal budget. Such recovery shall be performed through a court ruling under the lawsuit of a prosecutor, a federal executive body authorised by the federal legislation or the Bank of Russia.

(Part 7 as amended by Federal Law No. 140-FZ, dated 27 July 2006)

The Bank of Russia shall be entitled to file a lawsuit to an arbitration court for the liquidation of a legal entity which performs banking operations without a licence, if its receipt is mandatory.

(Part 8 as amended by Federal Law No. 140-FZ, dated 27 July 2006)

Individuals who unlawfully perform banking operations shall bear civil, administrative or criminal responsibility in accordance with the procedure established by law.

The State Development Corporation VEB.RF shall be entitled to perform banking operations the right to perform which has been granted to it under the Federal Law ‘On the State Development Corporation VEB.RF’.

(Part 10 as amended by Federal Law No. 452-FZ, dated 28 November 2018)

Part 11 is null and void in accordance with Federal Law No. 403-FZ, dated 29 December 2015.

A bank with a universal licence which has acquired the status of a bank with a basic licence shall be entitled to acquire the status of a bank with a universal licence not earlier than two years from the date of the state registration of amendments introduced to the charter of such bank and associated with the acquisition of the status of a bank with a basic licence. In the event of the merger of a bank with a universal licence with a bank with a basic licence, the requirement to comply with the said period of time shall not apply. In the event of the transformation of a bank with a basic licence, this period of time shall not be interrupted.

(Part 12 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

Article 13¹. *The Article is null and void in accordance with Federal Law No. 162-FZ, dated 27 June 2011.*

Article 14. Documents Required for the State Registration of a Credit Institution and Obtaining a Banking Licence

For the purpose of the state registration of a credit institution and obtaining a banking licence, the following documents shall be submitted to the Bank of Russia in accordance with the established procedure:

1) an application for the state registration of a credit institution and issue of a banking licence; the application shall also specify the address (location) of the credit institution's standing executive body which may be used to contact the credit institution;

2) articles of incorporation (an original or a notarised copy), if its signing is required by federal laws;

3) a charter (an original or a notarised copy);

4) a business plan approved by the meeting of the founders (members) of the credit institution, minutes of the meeting of the founders (members) which contain decisions on the approval of the credit institution's charter, as well as and candidates to the positions of the chief executive and chief accountant of the credit institution. The procedure for executing the credit institution's business plan and the criteria for its assessment shall be established by Bank of Russia regulations;

5) documents confirming the payment of a duty for the state registration of the credit institution and issue of the banking licence upon incorporation of the credit institution;

6) documents (according to the list established by a Bank of Russia regulation) for assessing the financial position of individuals or legal entities that are founders (members) of the credit institution, individuals or legal entities exercising control over the founders (members) of the credit institution that acquire more than ten per cent of shares (stakes) in the credit institution, or individuals or legal entities that exercise control over the

founders (members) of the credit institution that acquire ten per cent or less of shares (stakes) in the credit institution and that are members of a group of entities acquiring more than ten per cent of shares (stakes) in the credit institution, including auditor's reports on the accounting (financial) statements of corporate founders (members);

(Clause 6 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

7) documents (according to the list established by a Bank of Russia regulation) which confirm the sources of funds contributed by individual founders (members) to the authorised capital of the credit institution;

(Clause 7 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

8) the application forms of candidates to the positions of the chief executive of a credit institution, chief accountant and deputy chief accountants of a credit institution, and the chief executive and chief accountant of the branch of a credit institution (except for a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other associated banking operations). The said application forms shall be filled in by these candidates by hand or using technical means, shall bear their hand-written signatures and shall contain information required by Bank of Russia regulations, as well as the following information:

whether a candidate to the position of the chief executive of a credit institution or chief executive of the branch of a credit institution has higher education (bachelor's degree, specialist's degree, master's degree or key personnel training) (hereinafter, the higher education), with the submission of a copy of the education and qualification certificate, as well as whether the candidate has at least two-year experience of managing credit institutions or a division or other business unit of a credit institution related to carrying out banking operations, experience of managing entities

recognised as non-bank financial institutions (except for pawn shops) in accordance with Article 76¹ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, or work experience in executive positions in the state authorities of the Russian Federation, local authorities of Russian constituent territories or in the Bank of Russia, as well as work experience in executive positions in state corporations (if their official duties implied the management of business units related to carrying out banking operations);

(the Paragraph as amended by Federal Law No. 452-FZ, dated 28 November 2018)

whether a candidate to the position of the chief accountant or deputy chief accountant of a credit institution or the chief accountant of the branch of a credit institution has higher education (with the submission of a copy of the education and qualification certificate) and at least one-year work experience associated with the maintenance of accounting records, compilation of accounting (financial) statements or with auditing activity in a financial organisation;

conviction records (if any) (with the submission of the original certificate of (no) conviction records issued by the Ministry of Internal Affairs of the Russian Federation);

(Clause 8 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

9) the application forms of candidates to the positions of the sole executive body and chief accountant of a non-bank credit institution authorised to make funds transfers without opening bank accounts and other related banking operations. The said application forms shall be filled in by these candidates by hand or using technical means, shall bear their handwritten signatures and shall contain the details established by Bank of Russia regulations, as well as the following information:

(the Paragraph as amended by Federal Law No. 281-FZ, dated 29 July 2017)

whether these persons have higher education (with the submission of a copy of the education and qualification certificate);

conviction records (if any) (with the submission of the original certificate of (no) conviction records issued by the Ministry of Internal Affairs of the Russian Federation);

10) documents (according to the list established by Bank of Russia regulations) required for assessing the business reputation of the following persons:

persons specified in Parts 4, 7–9 of Article 11¹ and Part 2 of Article 11¹⁻² hereof;

individuals or legal entities that are founders (members) acquiring more than ten per cent of shares (stakes) in a credit institution and individuals or legal entities exercising control over the said legal entities;

individuals or legal entities that are founders (members) acquiring ten per cent or less of shares (stakes) in a credit institution and that are members of a group of entities acquiring more than ten per cent of shares (stakes) in the credit institution; and individuals or legal entities exercising control over the said legal entities;

persons performing the functions of the sole executive body of the said legal entities; and also

other persons/entities specified in Part 4 of Article 16 hereof.

(Clause 10 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

In addition to the documents specified in Part 1 of this Article, the Central Bank of the Russian Federation shall request information about the state registration of legal entities that are founders of a credit institution on its own initiative from the federal executive body in charge of the state registration of legal entities, individual entrepreneurs and farm enterprises,

and shall also request information from the tax body on the fulfilment by corporate founders of obligations to the federal, regional and local budgets for three previous years. The credit institution shall be entitled to submit documents containing such information on its own initiative.

Part 3 is null and void in accordance with Federal Law No. 281-FZ, dated 29 July 2017.

Article 15. Procedure for the State Registration of a Credit Institution and the Issue of a Banking Licence

Upon the receipt of documents listed in Article 14 of this Federal Law from the founders of a credit institution, the Bank of Russia shall provide them with a written acknowledgment of receipt of the documents for the state registration of a credit institution and obtaining a banking licence.

A decision on the state registration of a credit institution and the issue of a banking licence or on refusal thereof shall be made within no more than six months following the date of submitting all documents stipulated by this Federal Law, while a decision with regard to a non-bank credit institution authorised to make funds transfers without opening bank accounts and other related banking operations shall be made within no more than three months.

(Part 2 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

After making a decision on the state registration of a credit institution, the Bank of Russia shall send to the authorised registering body information and documents required for the latter to perform its functions of the maintenance of the Unified State Register of Legal Entities.

(Part 3 as amended by Federal Law No. 31-FZ, dated 21 March 2002)

Based on the said decision made by the Bank of Russia and on the required information and documents provided by it, the authorised registering body shall make a corresponding entry in the Unified State

Register of Legal Entities within no more than five business days following the receipt of the required information and documents and shall inform the Bank of Russia thereof not later than on the next business day after such entry is made.

(Part 4 was introduced by Federal Law No. 31-FZ, dated 21 March 2002)

Within no more than three business days after receiving information from the authorised registering body on making an entry about the credit institution in the Unified State Register of Legal Entities, the Bank of Russia shall notify the credit institution's founders thereof and demand payment of 100% of the declared authorised capital of the credit institution within one month; the Bank of Russia shall also issue a document to the founders confirming the entry about the credit institution made in the Unified State Register of Legal Entities.

(Part 5 was introduced by Federal Law No. 31-FZ, dated 21 March 2002)

The non-payment or partial payment of the authorised capital in due time shall constitute grounds for the Bank of Russia to file a claim in court for the liquidation of the credit institution.

(Part 6 as amended by Federal Law No. 31-FZ, dated 21 March 2002)

For the purpose of payment of the authorised capital, the Bank of Russia shall open a correspondent account for a registered bank and, when necessary, for a non-bank credit institution. The correspondent account details shall be specified in the Bank of Russia's notice on the state registration of a credit institution and issue of a banking licence.

Upon submitting documents which confirm the payment of 100% of the authorised capital of a credit institution, the Bank of Russia shall issue a banking licence to the credit institution within three days.

Part 7 was removed by Federal Law No. 82-FZ, dated 19 June 2001.

Article 16. Grounds for Refusing the State Registration of a Credit Institution and Issuing a Banking Licence thereto

The state registration of a credit institution and the issue of a banking licence thereto may be refused only on the following grounds:

1) non-conformity of a candidate to the position of the chief executive of a credit institution, chief accountant or deputy chief accountant of a credit institution, chief executive or chief accountant of the branch of a credit institution (except for a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations), sole executive body or chief accountant of a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations to the qualification requirements and (or) the non-conformity of a candidate to the position of the chief executive of a credit institution, chief accountant or deputy chief accountant of a credit institution, chief executive or chief accountant of the branch of a credit institution (including a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations), member of the board of directors (supervisory board) or a person appointed to the position of the head of the risk management service, head of the internal audit service, head of the internal control service of a credit institution, or a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction to the requirements for business reputation.

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

The non-conformity of a candidate to the position of the chief executive of a credit institution or chief executive of the branch of a credit institution (except for a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations) to the qualification requirements shall mean the candidate's lack of higher education and at least two-year experience of managing credit institutions or a section or other business unit of a credit institution associated with the performance of banking operations or experience of managing entities recognised as non-bank financial institutions (except for pawn shops) in accordance with Article 76¹ of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', or work experience in executive positions in the state authorities of the Russian Federation, local authorities of Russian constituent territories, the Bank of Russia, as well as work experience in executive positions in state corporations (if their official duties implied the management of business units related to carrying out banking operations). The non-conformity of a candidate to the position of the chief accountant or deputy chief accountant of a credit institution or the chief accountant of the branch of a credit institution (except for a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations) to the qualification requirements shall mean the candidate's lack of higher education and at least one-year work experience associated with the maintenance of accounting records, compilation of accounting (financial) statements or with auditing activity in a financial organisation.

(the Paragraph as amended by Federal Law No. 452-FZ, dated 28 November 2018)

The non-conformity of a candidate to the position of the sole executive body or chief accountant of a non-bank credit institution authorised to

perform funds transfers without opening bank accounts and other related banking operations to the qualification requirements shall mean the candidate's lack of higher education.

The non-conformity of a candidate to the position of the chief executive of a credit institution, chief accountant or deputy chief accountant of a credit institution, chief executive or chief accountant of the branch of a credit institution (including a non-bank credit institution authorised to perform funds transfers without opening bank accounts and other related banking operations), member of the board of directors (supervisory board), person appointed to the position of the head of the risk management service, head of the internal audit service, head of the internal control service of a credit institution or a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction to the requirements for business reputation shall mean:

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

a candidate (except for a candidate to the position of a special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction) has an unexpunged or outstanding conviction for a premeditated crime as of the day preceding the day of appointment (election) to the position or the day of receipt of the documents for the state registration of the credit institution by the Bank of Russia;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

a court conviction against a candidate (except for a candidate to the position of a special official in charge of the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction) for a premeditated crime without imposition of punishment due to the expiration of the period of limitation for criminal prosecution, if a ten-year period from the effective date of the court conviction has not expired as of the day preceding the day of the person's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of the credit institution;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

administrative sanctions imposed on the candidate in accordance with an effective court ruling for illegal actions during the bankruptcy of a legal entity or the intentional and (or) fictitious bankruptcy of a legal entity two or more times during three years preceding the day of his/her appointment (election) to the position or the day of the receipt of documents for the state registration of the credit institution by the Bank of Russia (except when such administrative offence entailed administrative punishment in the form of a warning);

criminal sanctions imposed on the candidate in accordance with an effective court ruling for illegal actions during the bankruptcy of a legal entity (excluding a credit institution) or intentional and (or) fictitious bankruptcy of a legal entity (excluding a credit institution), if as of the day preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a

credit institution a ten-year period from the effective date of the court ruling has not yet expired;

criminal sanctions imposed on the candidate in accordance with an effective court ruling for illegal actions during the bankruptcy of a credit institution or the intentional and (or) fictitious bankruptcy of a credit institution;

instances of the subsidiary liability of the candidate for the obligations of a financial institution in accordance with an effective court ruling or the liability in the form of recovery of loss in favour of a financial institution under the Federal Law 'On Insolvency (Bankruptcy)', if as of the day preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution a ten-year period from the effective date of the court ruling has not yet expired;

the candidate, during ten years preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, has had the right to give binding instructions or the ability to otherwise influence the operation of a financial institution (regardless of the length of time during which the candidate had such right or ability) which was declared bankrupt by an arbitration court (except when the candidate has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the financial institution being declared bankrupt by the arbitration court);

the candidate, during ten years preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, has had right to

give binding instructions or the ability to otherwise influence the operation of a credit institution (regardless of the length of time during which the candidate had such right or ability) whose banking licence was revoked on the grounds set forth in Clauses 1, 2 and 4 of Part 2 of Article 20 hereof, or of a non-bank financial institution whose licence was revoked (cancelled) for the violation of Russian laws, or which was stricken off from the corresponding register for its violation of Russian laws, if such right or ability of the candidate existed during twelve months preceding the day when the licence was revoked (cancelled) or the day when the institution was stricken off from the respective register, except for persons who submitted evidence of their non-involvement in the decision-making or in the performance of actions (inaction) which resulted in such revocation (cancellation) of the licence or striking off from the respective register. For a candidate acting as a member of the board of directors (supervisory board), such evidence shall be his/her voting against the decision of the financial institution's board of directors (supervisory board) or a good-faith non-participation in voting that could entail the said revocation (cancellation) of the licence or striking off from the register and furnishing of information thereon to the Bank of Russia. Such information shall be forwarded to the Bank of Russia according to the procedure prescribed by a Bank of Russia regulation within no more than 15 days from the day when the board of directors (supervisory board) of the financial institution makes the respective decision;

an individual candidate is declared bankrupt, if as of the day preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia receives documents for the state registration of the credit institution a ten-year period from the end-day of the asset disposal procedure

or the termination of bankruptcy proceedings under such procedure in respect of the said individual has not yet expired;

a candidate who conducted business activities without forming a legal entity is declared bankrupt, if as of the day preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia receives documents for the state registration of the credit institution a ten-year period from the end-day the asset disposal procedure or the termination of bankruptcy proceedings under such procedure in respect of the said individual has not yet expired;

a candidate who was the sole executive body or deputy sole executive body, member of the collective executive body, member of the board of directors (supervisory board) or founder (shareholder, member) of a financial institution failed, as ascertained by the Bank of Russia, to perform duties imposed on him/her by the Federal Law 'On Insolvency (Bankruptcy)' during ten-year period preceding the day of appointment (election) of the candidate to the position or the day when the Bank of Russia received documents for the state registration of the credit institution when grounds arose for implementing measures to prevent the bankruptcy of the financial institution and (or) when signs of the insolvency (bankruptcy) of the financial institution appeared;

the candidate acted (regardless of the length of time during which the candidate so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of

the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of the financial institution during twelve months preceding the day when the Bank of Russia made a decision to implement measures to prevent the bankruptcy of the financial institution (except when such measures are implemented in respect of the credit institution with the participation of the Bank of Russia or the state corporation Deposit Insurance Agency), if such decision was made by the Bank of Russia during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution (except when the candidate has submitted evidence to the Bank of Russia of his/her their non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the occurrence of the grounds for implementing those measures);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the candidate acted (regardless of the length of time during which the candidate so acted) as the chief executive of a credit institution, chief accountant or deputy chief accountant of a credit institution, chief executive or chief accountant of the branch of a credit institution, head of the risk management service, head of the internal audit service, head of the internal control service, special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction,

or member of the board of directors (supervisory board) of a credit institution during twelve months preceding the day when the Bank of Russia made a decision to implement measures to prevent the bankruptcy of the credit institution with the participation of the Bank of Russia based on a plan of participation of the Bank of Russia in the implementation of measures to prevent bankruptcy, approved by the Bank of Russia Board of Directors, or with the participation of the state corporation Deposit Insurance Agency on the basis of a plan of participation of the state corporation Deposit Insurance Agency in the implementation of bankruptcy prevention measures, approved by the Bank of Russia, if such decision was made by the Bank of Russia during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of the credit institution (except when the candidate has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the occurrence of the grounds for implementing those measures);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the candidate acted (regardless of the length of time during which the candidate so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, controller (head of the internal control service), internal auditor (head of the internal audit service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally

obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a financial institution during twelve months preceding the day of appointment of a provisional administration to manage the financial institution, in accordance with a Bank of Russia decision, and the suspension of powers of the executive bodies, if such decision was made by the Bank of Russia during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of the credit institution (except when the candidate has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which led to the appointment of the provisional administration);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the candidate acted (regardless of the length of time during which the candidate so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a financial institution during twelve months preceding the day of revocation (cancellation) of the licence of the financial institution for operations corresponding to the financial institution's

business profile for the violation of Russian laws or the day when the financial institution was stricken off from the respective register for the violation of Russian laws, if as of the day preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution a ten-year period from the day of the revocation (cancellation) of the licence for the operations corresponding to the financial institution's business profile or from the day when the financial institution was stricken off from the respective register has not yet expired (except when the candidate has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which led to the revocation (cancellation) of the licence or to striking off from the respective register);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

during ten years preceding the day of appointment (election) of the candidate to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, it was required that the financial institution in which the candidate acted as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of

the board of directors (supervisory board) of a financial institution, replace the said person on the basis of Part 4 of Article 60, Articles 74, 769-1 and 769-3 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the candidate committed an administrative offence in the field of business activity or in the field of finance, taxes and duties, insurance or securities market (except for a candidate to the position of a special official in charge of the implementation of internal control rules in the credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction) more than three times during one year preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, as established by an effective court ruling, authority or official authorised to review cases of administrative offences;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

disqualification of the candidate for a period which has not expired as of the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

termination of an employment agreement with the candidate at the employer’s initiative on the grounds set forth in Clause 7 or 7¹ of Part 1 of Article 81 of the Labour Code of the Russian Federation, if a three-year period from the termination day of such employment agreement has not expired as of the day preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

provision by the candidate for the state registration of a credit institution, and also during ten years preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, of knowingly false information on his/her conformity to qualification requirements and (or) to requirements for business reputation, as established by federal laws governing the activities of financial institutions, and (or) on compliance with the restrictions set by the said federal laws in respect of persons holding offices in financial institutions, if such information could have a significant influence on the Bank of Russia's decision made on the basis of the information submitted;

the application of measures by the Bank of Russia, in accordance with federal laws, to a financial institution in which the candidate prepared (compiled) and (or) submitted and (or) signed and (or) approved reports (when performing the duties of a member of the board of directors (supervisory board), sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of the financial institution, chief executive or chief accountant of the branch of the financial institution) for the provision of substantially false reports during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

establishment by the Bank of Russia of the fact that the candidate took actions (organised actions) categorised under Russian laws as the illegal use of insider information and market manipulation during ten years preceding the day of his/her appointment (election) to the position or the day when the

Bank of Russia received documents for the state registration of a credit institution;

the candidate acted (regardless of the length of time during which the candidate so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, head of the risk management service, internal auditor (head of the internal audit service), special official in charge of the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, controller (head of the internal control service) or official (head of a structural business unit) in charge of internal control for the purpose of countering the illegal use of insider information and market manipulation in the financial institution during the period when such institution performed actions categorised under Russian laws as the illegal use of insider information and market manipulation, in the event of a repeated (within one year) application of measures against such institution for the performance of the said actions, if a ten-year period from the day of the last application of such measures has not expired as of the day preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the candidate has been found guilty by court, during ten years preceding the day of his/her appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution, of inflicting loss on any legal entity while performing the duties of a member of the board of directors (supervisory board), sole executive

body or deputy sole executive body, member of the collective executive body (management board, directorate), chief accountant or deputy chief accountant of a legal entity, chief executive or chief accountant of the branch of a legal entity, including the temporary performance of duties in the said positions, or in the course of exercising powers of the founder (member) of a legal entity;

a candidate, who was the chief executive of an auditing company, a person authorised by the latter or an individual auditor, signed an audit report which has been found by a court to be knowingly false during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

refusal of the state registration of a legal entity on the grounds established in Sub-clause 't' of Clause 1 of Article 23 of the Federal Law 'On the State Registration of Legal Entities and Individual Entrepreneurs' in respect of the candidate during ten years preceding the day of the candidate's appointment (election) to the position or the day when the Bank of Russia received documents for the state registration of a credit institution;

(Clause 1 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

2) the unsatisfactory financial position of the following persons:

individuals or legal entities that are founders (members) of a credit institution;

individuals or legal entities which exercise control over the founders (members) of a credit institution that acquire (own) more than ten per cent of shares (stakes) in the credit institution;

individuals or legal entities which exercise control over the founders (members) of a credit institution that acquire (own) ten per cent or less of

shares (stakes) in the credit institution and that are members of a group of entities acquiring (owning) more than ten per cent of shares (stakes) in the credit institution (on the grounds established by a Bank of Russia regulation);

(Clause 2 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

2¹) the failure of the persons specified in Clause 2 of this Part to fulfill their obligations to the federal budget, budgets of Russian constituent territories and local budgets during past three years;

(Clause 2¹ was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

3) the non-compliance of documents submitted to the Bank of Russia for the state registration of a credit institution and obtaining of a banking licence with the requirements of federal laws and Bank of Russia regulations adopted in pursuance thereof;

4) *the Clause is null and void in accordance with Federal Law No. 281-FZ, dated 29 July 2017*

5) the unsatisfactory business reputation of the founder (member) of a credit institution that acquires more than ten per cent of shares (stakes) in the credit institution. The unsatisfactory business reputation of a founder (member) of the credit institution shall mean:

the founder (member) has an unexpunged or outstanding conviction for a premeditated crime as of the day preceding the day when the Bank of Russia receives documents for the state registration of the credit institution;

a court conviction against the founder (member) for a premeditated crime without imposition of punishment due to the expiration of the period of limitation for criminal prosecution, if a ten-year period from the effective date of the court conviction has not expired as of the day when the Bank of Russia receives documents for the state registration of the credit institution;

administrative sanctions imposed on the founder (member) in accordance with an effective court ruling for illegal actions during the

bankruptcy of a legal entity or the intentional and (or) fictitious bankruptcy of a legal entity two or more times within three years preceding the day of receipt of the documents for the state registration of the credit institution by the Bank of Russia (except when such administrative offence entailed administrative punishment in the form of a warning);

criminal sanctions imposed on the founder (member) in accordance with an effective court ruling for illegal actions during the bankruptcy of a legal entity (excluding a credit institution) or intentional and (or) fictitious bankruptcy of a legal entity (excluding a credit institution), if as of the day preceding the day when the Bank of Russia receives documents for the state registration of a credit institution a ten-year period from the effective date of the court ruling has not yet expired;

criminal sanctions imposed on the founder (member) in accordance with an effective court ruling for illegal actions during the bankruptcy of a credit institution or the intentional and (or) fictitious bankruptcy of a credit institution;

instances of the subsidiary liability of the founder (member) for the obligations of a financial institution in accordance with an effective court ruling or the liability in the form of recovery of loss in favour of a financial institution under the Federal Law ‘On Insolvency (Bankruptcy)’, if as of the day when the Bank of Russia receives documents for the state registration of a credit institution a ten-year period from the effective date of the court ruling has not yet expired;

the founder (member), during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution, has had the right to give binding instructions or the ability to otherwise influence the operation of a financial institution (regardless of the

length of time during which the founder (member) had such right or ability) which was declared bankrupt by an arbitration court (except when the founder (member) has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the financial institution being declared bankrupt by the arbitration court);

the founder (member), within ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution, has had right to give binding instructions or the ability to otherwise influence the operation of a credit institution (regardless of the length of time during which the founder (member) had such right or ability) whose banking licence was cancelled on the grounds set forth in Clauses 1, 2 and 4 of Part 2 of Article 20 hereof, or of a non-bank financial institution whose licence was revoked (cancelled) for the violation of Russian laws or which was stricken off from the corresponding register for its violation of Russian laws, if such right or ability of the founder (member) existed during twelve months preceding the day the licence was revoked (cancelled) or the day the institution was stricken off from the respective register, except for persons who submitted evidence of their non-involvement in the decision-making or in the performance of actions (inaction) which resulted in such revocation (cancellation) of the licence or striking off from the respective register. For a founder (member) acting as a member of the board of directors (supervisory board), such evidence shall be his/her voting against the decision of the financial institution's board of directors (supervisory board) or good-faith non-participation in voting that could entail the said revocation (cancellation) of the licence or striking off from the register and furnishing of information thereon to the Bank of Russia. Such information

shall be forwarded to the Bank of Russia according to the procedure prescribed by a Bank of Russia regulation within no more than 15 days from the day when the board of directors (supervisory board) of the financial institution makes the respective decision;

an individual founder (member) is declared bankrupt, if as of the day preceding the day when the Bank of Russia receives documents for the state registration of the credit institution a ten-year period from the end-day of the asset disposal procedure or the termination of bankruptcy proceedings under such procedure in respect of the said individual has not yet expired;

a founder (member) who conducted business activity without forming a legal entity is declared bankrupt, if as of the day when the Bank of Russia receives documents for the state registration of the credit institution a ten-year period from the end-day of the asset disposal procedure or the termination of bankruptcy proceedings under such procedure in respect of the said founder (member) has not yet expired;

an individual founder (member) of the credit institution is undergoing the debt restructuring procedure under the Federal Law ‘On Insolvency (Bankruptcy)’ as of the day preceding the day when the Bank of Russia receives documents for the state registration of the credit institution;

a founder (member), who was the sole executive body or deputy sole executive body, member of the collective executive body, member of the board of directors (supervisory board) or a founder (shareholder, member) of a financial institution, failed, as ascertained by the Bank of Russia, to perform duties imposed on him/her by the Federal Law ‘On Insolvency (Bankruptcy)’ during ten years preceding the day when the Bank of Russia receives documents for the state registration of the credit institution when grounds arose for implementing measures to prevent the bankruptcy of the

financial institution and (or) when signs of the insolvency (bankruptcy) of the financial institution appeared;

the founder (member) acted (regardless of the length of time during which he/she so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of the financial institution during twelve months preceding the day when the Bank of Russia made a decision to implement measures to prevent the bankruptcy of the financial institution (except when such measures are implemented in respect of the credit institution with the participation of the Bank of Russia or the state corporation Deposit Insurance Agency), if such decision was made by the Bank of Russia during ten years preceding the day when the Bank of Russia received documents for the state registration of a credit institution (except when the founder (member) has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the occurrence of the grounds for implementing those measures);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the founder (member) acted (regardless of the length of time during which he/she so acted) as the chief executive of a credit institution, chief accountant or deputy chief accountant of a credit institution, chief executive or chief accountant of the branch of a credit institution, head of the risk management service, head of the internal audit service, head of the internal control service, special official in charge of the implementation of internal control rules in a credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a credit institution during twelve months preceding the day when the Bank of Russia made a decision to implement measures to prevent the bankruptcy of the credit institution with the participation of the Bank of Russia based on a plan of participation of the Bank of Russia in the implementation of measures to prevent bankruptcy, approved by the Bank of Russia Board of Directors, or with the participation of the state corporation Deposit Insurance Agency on the basis of a plan of participation of the state corporation Deposit Insurance Agency in the implementation of bankruptcy prevention measures, approved by the Bank of Russia, if such decision was made by the Bank of Russia during ten years preceding the day when the Bank of Russia received documents for the state registration of a credit institution (except when the founder (member) has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which resulted in the occurrence of the grounds for implementing those measures);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the founder (member) acted (regardless of the length of time during which he/she so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, controller (head of the internal control service), internal auditor (head of the internal audit service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a financial institution during twelve months preceding the day of the appointment of a provisional administration to manage the financial institution, in accordance with a Bank of Russia decision, and the suspension of powers of the executive bodies, if such decision was made by the Bank of Russia during ten years preceding the day when the Bank of Russia received documents for the state registration of a credit institution (except when the founder (member) has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which led to the appointment of the provisional administration);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the founder (member) acted (regardless of the length of time during which he/she so acted) as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial institution, chief executive or chief accountant of the branch of a financial institution, head of the risk

management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a financial institution during twelve months preceding the day of the revocation (cancellation) of the licence of the financial institution for operations corresponding to the financial institution's business profile for the violation of Russian laws or the day when the financial institution was stricken off from the respective register for the violation of Russian laws, if as of the day preceding the day when the Bank of Russia received documents for the state registration of a credit institution a ten-year period from the day of the revocation (cancellation) of the licence for the operations corresponding to the financial institution's business profile or from the day when the financial institution was stricken off from the respective register has not yet expired (except when the founder (member) has submitted evidence to the Bank of Russia of his/her non-involvement in the decision-making or in the performance of actions (inaction) which led to the revocation (cancellation) of the licence or to striking off from the respective register);

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

during ten years preceding the day when the Bank of Russia received documents for the state registration of the credit institution, it was required that the financial institution in which the founder (member) acted as the sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of a financial

institution, chief executive or chief accountant of the branch of a financial institution, head of the risk management service, internal auditor (head of the internal audit service), controller (head of the internal control service), special official in charge of the implementation of internal control rules in the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, or member of the board of directors (supervisory board) of a financial institution, replace the said person on the basis of Part 4 of Article 60, Articles 74, 76⁹⁻¹ and 76⁹⁻³ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

an administrative offence in the field of business activity or in the field of finance, taxes and duties, insurance or securities market committed by the founder (member) more than three times within one year preceding the day when the Bank of Russia received documents for the state registration of a credit institution, as established by an effective court ruling, authority or official authorised to review cases of administrative offences;

disqualification of the founder (member) for a period which has not expired as of the date preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

termination of an employment agreement with the founder (member) at the employer’s initiative on the grounds set forth in Clauses 7 or 7¹ of Part 1 of Article 81 of the Labour Code of the Russian Federation, if a three-year period from the termination day of such employment agreement has not expired as of the day preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

provision by the founder (member) for the state registration of a credit institution or during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution of knowingly false information on the conformity to qualification requirements and (or) to requirements for business reputation, as established by federal laws governing the activities of financial institutions, and (or) on compliance with the restrictions set by the said federal laws in respect of persons holding offices in financial institutions, if such information could have a significant impact on the Bank of Russia's decision made on the basis of the information submitted;

the application of measures by the Bank of Russia, in accordance with federal laws, to a financial institution in which the founder (member) prepared (compiled) and (or) submitted and (or) signed and (or) approved reports (when performing the duties of a member of the board of directors (supervisory board), sole executive body or deputy sole executive body, member of the collective executive body, chief accountant or deputy chief accountant of the financial institution, chief executive or chief accountant of the branch of the financial institution) for the provision of substantially false reports during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

establishment by the Bank of Russia of the fact that the founder (member) took actions (organised actions) categorised under Russian laws as illegal use of insider information and market manipulation during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

the founder (member) acted (regardless of the length of time during which he/she so acted) as the sole executive body or deputy sole executive

body, member of the collective executive body, head of the risk management service, internal auditor (head of the internal audit service), special official in charge of the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and the financing of proliferation of weapons of mass destruction, controller (head of the internal control service) or official (head of a structural business unit) in charge of internal control for the purpose of countering the illegal use of insider information and market manipulation in the financial institution during the period of time when such institution performed actions categorised under Russian laws as illegal use of insider information and market manipulation, in the event of repeated (within one year) application of measures against such institution for the performance of the said actions, if a ten-year period from the day of the last application of such measures has not expired as of the day preceding the day when the Bank of Russia received documents for the state registration of a credit institution;

(the Paragraph as amended by Federal Law No. 394-FZ, dated 2 December 2019)

the founder (member) has been found guilty by court, during ten years preceding the day when the Bank of Russia received documents for the state registration of a credit institution, of inflicting loss on any legal entity while performing the duties of a member of the board of directors (supervisory board), sole executive body or deputy sole executive body, member of the collective executive body (management board, directorate), chief accountant or deputy chief accountant of a legal entity, chief executive or chief accountant of the branch of a legal entity, including the temporary performance of duties in the said positions, or in the course of exercising powers of the founder (member) of a legal entity;

during two years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution, the founder (member) of the credit institution failed to comply with the Bank of Russia's instruction stipulated by Article 61 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' in connection with the identification of the unsatisfactory financial position of the founder (member), if such founder (member) had not submitted documentary evidence of objective reasons for the non-fulfilment of such instruction of the Bank of Russia, and (or) during ten years preceding the day when the Bank of Russia received documents for the state registration of the credit institution, the founder (member) of the credit institution failed to comply with the Bank of Russia's instruction stipulated by Article 61 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' in connection with the identification of the unsatisfactory business reputation of the founder (member);

the founder (member) who was the chief executive of an auditing company, a person authorised by the latter or an individual auditor, signed an audit report which has been found by a court to be knowingly false during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

refusal of the state registration of a legal entity on the grounds stipulated by Sub-clause 't' of Clause 1 of Article 23 of the Federal Law 'On the State Registration of Legal Entities and Individual Entrepreneurs' in respect of the founder (member) during ten years preceding the day when the Bank of Russia receives documents for the state registration of a credit institution;

(Clause 5 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

6) the failure by a person performing the functions of the sole executive body of the corporate founder (member) of the credit institution acquiring more than ten per cent of shares (stakes) in the credit institution to comply with the requirements for business reputation stipulated Clause 5 of this Part;

(Clause 6 was introduced by Federal Law No. 146-FZ, dated 2 July 2013)

7) the grounds stipulated by Article 18 hereof.

(Clause 7 was introduced by Federal Law No. 372-FZ, dated 14 December 2015)

A decision to refuse to grant the state registration to a credit institution and to issue a banking licence thereto shall be communicated to the founders of the credit institution in writing and shall be duly substantiated.

The refusal to grant the state registration of the credit institution and to issue the banking licence thereto or the Bank of Russia's failure to make a respective decision on this matter in due time may be appealed in the arbitration court. Individuals mentioned in this Article shall be entitled to appeal in court the recognition by the Bank of Russia of their business reputation as not complying with the requirements established in this Article.

(Part 3 as amended by Federal Law No. 146-FZ, dated 2 July 2013)

The requirements for business reputation established by Clause 5 of Part 1 of this Article shall be also applicable to:

1) individuals or legal entities exercising control over founders (members) that acquire more than ten per cent of shares (stakes) in a credit institution;

2) founders (members) of a credit institution that are individuals or legal entities, acquiring ten per cent or less of shares (stakes) in a credit institution, and that are members of a group of entities acquiring more than ten per cent

of shares (stakes) in the credit institution, as well as individuals or legal entities which exercise control over the said legal entities;

3) individuals or legal entities performing a transaction (transactions) aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution as well as individuals or legal entities which exercise control over the said legal entities;

4) individuals or legal entities that perform a transaction (transactions) aimed at the acquisition of ten per cent or less of shares (stakes) in a credit institution and that are members of a group of persons acquiring more than ten per cent of shares (stakes) in a credit institution as well as individuals or legal entities that exercise control over the said legal entities;

5) individuals or legal entities performing a transaction (transactions) to establish control over the shareholders (members) of the credit institution;

6) individuals or legal entities performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in the credit institution and these shareholders (members), if as a result of such transaction (transactions) the said shareholders (members) will become part of a group of persons owning more than ten per cent of shares (stakes) in the credit institution;

7) individuals or legal entities performing a transaction (transactions) aimed at the establishment of control over shareholders (members) that own ten per cent or less of shares (stakes) in a credit institution and are part of a group of persons owning more than ten per cent of shares (stakes) in the credit institution;

8) individuals or legal entities which own and (or) exercise trust management of more than ten per cent of shares (stakes) in the credit institution;

9) individuals or legal entities which own and (or) exercise trust management of ten per cent or less of shares (stakes) in the credit institution and are members of a group of persons owning and (or) exercising trust management of more than ten per cent of shares (stakes) in the credit institution;

10) individuals or legal entities which exercise control over the shareholders (members) of the credit institution that own more than ten per cent of shares (stakes) in the credit institution;

11) individuals or legal entities which exercise control over shareholders (members) that own ten per cent or less of shares (stakes) in the credit institution and are members of a group of persons owning more than ten per cent of shares (stakes) in the credit institution;

12) persons acting as the sole executive body of the legal entities specified in this Part or of the corporate shareholders (members) specified in Clause 6 of this Part owning ten per cent or less of shares (stakes) in the credit institution over which such control is established.

(Part 4 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

If the assessment of the business reputation of persons specified in this Article is carried out for purposes other than the state registration of a credit institution and issue of a banking licence thereto, the timeframe established in Clause 1 of Part 1 of this Article shall be counted in respect of the day preceding the day when the Bank of Russia receives documents for the assessment of business reputation or the day of the candidate's appointment (election) to the positions listed in Paragraph 4 of Clause 1 of Part 1 of this Article (including the temporary performance of duties in those positions and (or) the performance of individual duties which provide for the right to manage monetary funds kept in the credit institution's accounts opened with

the Bank of Russia); the timeframe set by Clause 5 of Part 1 of this Article shall be counted in respect of the day preceding the day when the Bank of Russia receives documents for the assessment of business reputation of persons specified in Clauses 5 and 6 of Part 1 and in Part 4 of this Article.

(Part 5 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Clauses 1, 5, and 6 of Part 1 and in Part 4 of this Article shall not be entitled to hold positions listed in Paragraph 4 of Clause 1 of Part 1 of this Article in credit institutions, to be founders (members) of a credit institution that acquire (own) more than ten per cent of shares (stakes) in the credit institution, to be founders (members) of a credit institution that acquire (own) less than ten per cent of shares (stakes) in the credit institution and are members of a group of persons acquiring (owning) more than ten per cent of shares (stakes) in the credit institution, to exercise control over such founders (members) of the credit institution, to act as the sole executive body of the said entities, to perform transactions specified in Part 4 of this Article for ten years after the grounds for recognising their business reputation as unsatisfactory appeared, except when the grounds for recognising their business reputation as unsatisfactory under this Federal Law or other federal laws or under an effective court ruling provide for other timeframe and except for cases when evidence has been submitted to the Bank of Russia to prove the absence of the grounds for recognising their business reputation as unsatisfactory.

(Part 6 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Clauses 1, 5, and 6 of Part 1 and in Part 4 of this Article, when their business reputation does not comply with the requirements established by Paragraph 9 of Clause 1 and Paragraph 6 of Clause 5 of Part 1 of this Article, or if they have repeatedly violated the requirements for business reputation established by Clause 1 and (or) Clause

5 of Part 1 of this Article, shall not be entitled to hold the positions specified in Paragraph 4 of Clause 1 of Part 1 of this Article in a credit institution, to be founders (members) of a credit institution that acquire (own) more than ten per cent of shares (stakes) in the credit institution, to be founders (members) of a credit institution that acquire (own) less than ten per cent of shares (stakes) in the credit institution and are members of the group of persons acquiring (owning) more than ten per cent of shares (stakes) in the credit institution, to exercise control over such founders (members) of the credit institution, to act as the sole executive body of the said entities or to perform transactions specified in Part 4 of this Article.

(Part 7 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Parts 4, 7, and 8 of Article 11¹ and in Part 2 of Article 11¹⁻² hereof, within 30 days after they have learned of their recognition as non-complying with the qualification requirements and (or) requirements for business reputation established by this Federal Law, shall have the right to appeal their recognition as non-complying with the qualification requirements and (or) requirements for business reputation with the Bank of Russia's complaint review commission (hereinafter in this Article, the Bank of Russia's commission) in accordance with Article 60¹ of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'. Persons specified in Part 9 of Article 11¹ of this Federal Law, within 30 days after they have learned of their recognition as non-complying with the requirements for business reputation, shall have the right to file a complaint about their recognition as non-complying with the requirements for business reputation with the Bank of Russia's commission in accordance with Article 60¹ of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'.

(Part 8 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Within five business days after the Bank of Russia's commission makes a decision to satisfy the complaint specified in Part 8 of this Article, the Bank of Russia shall make a decision to cancel its instruction to replace the person specified in Part 8 of this Article or to cancel its decision to refuse the approval of such person for one of the positions specified in Part 8 of Article 11¹ of this Federal Law (to refuse the appointment of such person for the temporary performance of duties in the said position and (or) the performance of individual duties which involve the right to manage monetary funds kept in the credit institution's accounts opened with the Bank of Russia), if such instruction or decision are based solely on the recognition of the person as non-complying with the qualification requirements and (or) to the requirements for business reputation in regard of which the person filed a complaint. The Bank of Russia shall notify the aforesaid person and the respective credit institution in writing of the decisions made under this Part no later than on the business day following the day they were made.

(Part 9 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Parts 4, 7, and 8 of Article 11¹ and in Part 2 of Article 11¹⁻² of this Federal Law shall be entitled to appeal their recognition as non-complying with the qualification requirements and (or) the requirements for business reputation in court as well as all subsequent instructions and decisions of the Bank of Russia associated therewith only after appealing according to the procedure stipulated by Parts 8 and 9 of this Article. Persons specified in Part 9 of Article 11¹ hereof shall be entitled to appeal their recognition as non-complying with the requirements for business reputation in court as well as all subsequent instructions and

decisions of the Bank of Russia associated therewith only after appealing according to the procedure stipulated by Parts 8 and 9 of this Article.

(Part 10 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Paragraph 1 of Clause 5, in Clause 6 of Part 1 and in Part 4 of this Article, within 30 days after they have learned of their recognition as non-complying with the requirements for business reputation stipulated by this Federal Law, shall be entitled to file in a complaint about their recognition as non-complying with the requirements for business reputation with the Bank of Russia's commission in accordance with Article 60¹ of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'.

(Part 11 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Within five business days after the Bank of Russia's commission makes a decision to satisfy a complaint specified in Part 11 of this Article, the Bank of Russia shall make a decision to cancel its decision to refuse to grant the state registration to the credit institution and to issue a banking licence thereto or the Bank of Russia's decision to refuse to approve a transaction aimed at the acquisition of more than ten per cent of shares (stakes) in a credit institution and (or) a transaction aimed at the establishment of control over the shareholders (members) of the credit institution, if those decisions were made solely based on the recognition of the person as non-complying with the requirements for business reputation in regard of which the person filed the complaint. The Bank of Russia shall communicate the decisions made under this Part no later than on the business day following the day they were made in a written notice to the person who filed the complaint, and in the case of the cancellation of the Bank of Russia's decision to refuse to grant the state registration of a credit institution and to issue a banking licence thereto such written notice shall also be forwarded to the person that

filed an application for the state registration of the credit institution and the issue of a banking licence thereto.

(Part 12 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Persons specified in Paragraph 1 of Clause 5, in Clause 6 of Part 1 and in Part 4 of this Article shall be entitled to appeal their recognition as non-complying with the requirements for business reputation in court as well as all subsequent decisions of the Bank of Russia associated therewith only after appealing according to the procedure stipulated by Parts 11 and 12 of this Article.

(Part 13 was introduced by Federal Law No. 281-FZ, dated 29 July 2017)

Article 17. The State Registration of a Credit Institution with Foreign Investments and Issue of a Banking Licence Thereto

(as amended by Federal Law No. 29-FZ, dated 14 March 2013)

For the state registration of a credit institution with foreign investments and the receipt of a banking licence thereby, the following duly executed documents, as listed below, shall be submitted in addition to the documents specified in Article 14 of this Federal Law.

(Part 1 as amended by Federal Law No. 29-FZ, dated 14 March 2013)

A foreign legal entity shall submit:

1) a decision on its participation in the establishment of a credit institution in the Russian Federation;

(Clause 1 as amended by Federal Law No. 29-FZ, dated 14 March 2013)

2) a document confirming the registration of the legal entity and accounting (financial) statements along with the auditor's report thereon for three previous years;

(Clause 2 as amended by Federal Law No. 344-FZ, dated 4 November 2014)

3) the written consent of the respective control body of the host country to the participation in the establishment of a credit institution in the Russian Federation, where such permission is required according to the legislation of the host country.

(Clause 3 as amended by Federal Law No. 29-FZ, dated 14 March 2013)

A foreign individual shall provide a confirmation of his/her solvency issued by a first-rate foreign bank (according to international practice).

Article 18. Additional Requirements for the Establishment and Operation of Credit Institutions with Foreign Investments (Non-residents' Investments)

(as amended by Federal Law No. 372-FZ, dated 14 December 2015)

The amount of foreign participation in the aggregate authorised capital of credit institutions which hold a banking licence shall be calculated as the ratio of foreign investments of non-residents in the authorised capitals of credit institutions which hold a banking licence to the aggregate authorised capital of the said credit institutions.

The calculation of foreign investments in the authorised capitals of credit institutions which hold a banking licence shall not include the following foreign investments:

1) made in the authorised capitals of credit institutions with a banking licence which are financed from the profit of the said credit institutions earned in the Russian Federation or repatriated to the Russian Federation from abroad;

2) made by the subsidiary credit institutions of foreign banks with a banking licence in the authorised capitals of credit institutions with a

banking licence, as well as all subsequent investments of the said institutions in the authorised capitals of credit institutions with a banking licence;

3) made before 1 January 2017 in the authorised capitals of credit institutions with a banking licence;

4) made in the authorised capitals of credit institutions with a banking licence which had been privatised after 22 August 2012;

5) comprising 51 per cent plus shares (stakes) in the authorised capital of a credit institution with a banking licence which were made after 1 January 2007, provided that the said shares (stakes) have been owned by the investor for twelve years or more, unless the Bank of Russia, following the expiry of that period, made a decision to continue including those investments in calculation and published it. The procedure for making the said decision by the Bank of Russia and for publishing it shall be established by the Bank of Russia.

The amount of foreign participation in the aggregate authorised capital of credit institutions with a banking licence shall be calculated by the Bank of Russia as of 1 January of each year according to the duly established procedure.

Information on the amount of participation of foreign capital in the aggregate authorised capital of credit institutions with a banking licence and on the indicators used for its calculation shall be published in the Bank of Russia's official publication Bank of Russia Bulletin and on the Bank of Russia website by 15 February of the current year.

For the purposes of this Federal Law, a quota shall mean the threshold amount of participation of foreign capital in the aggregate authorised capital of credit institutions with a banking licence equal to 50 per cent.

When the quota is reached, the Bank of Russia shall implement the following measures with regard to foreign investments:

1) refuse to grant registration to a credit institution with foreign investments and to issue a banking licence to it;

2) prohibit any increase in the authorised capital of a credit institution with a banking licence at the expense of non-residents' funds and alienation of shares (stakes) in the credit institution in favour of non-residents, if as a result of these actions the quota is exceeded.

Shares (stakes) in the credit institution alienated (sold) in violation of the said prohibition shall not be voting shares and shall not be counted for the purpose of determining the quorum of the general meeting of shareholders (members) of the credit institution during the period of such prohibition. If a transaction (transactions) is (are) performed to alienate (acquire) shares (stakes) in the credit institution in violation of the aforesaid prohibition, the Bank of Russia shall file a suit for the invalidation of such transaction (transactions).

Measures stipulated by Part 6 of this Article shall not apply to foreign investments listed in Clauses 1 and 2 of Part 2 of this Article. Measures stipulated by Clause 2 of Part 6 of this Article shall not apply to foreign investments allocated to the authorised capitals of credit institutions with a banking licence as determined in accordance with Bank of Russia regulations on the basis of international treaties of the Russian Federation.

The Bank of Russia shall discontinue the application of measures stipulated by Part 6 of this Article, if the amount of participation of foreign capital in the aggregate authorised capital of credit institutions with a banking licence totals less than 50 per cent.

The Bank of Russia shall publish information on the application of the measures stipulated by Part 6 of this Article, grounds for the application of such measures and their discontinuation in the Bank of Russia Bulletin and shall place this information on the Bank of Russia website.

The procedure for the application and discontinuation of measures stipulated by Part 6 of this Article and the procedure for disclosing information on the application, grounds behind the application and discontinuation of these measures shall be established by Bank of Russia regulations.

Unless otherwise stipulated by the international treaties of the Russian Federation, the Bank of Russia shall be entitled, in coordination with the Government of the Russian Federation, to impose restrictions on banking operations of credit institutions with foreign investments, if the respective foreign states apply restrictions on the establishment and operations of banks with Russian investments and branches of Russian banks.

The Bank of Russia shall be entitled to establish additional requirements for credit institutions with foreign investments regarding the procedure for submitting statements and approving top management and the list of banking operations in accordance with the procedure established by the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’.

Article 19. Supervisory Measures Applied by the Bank of Russia in Case of Violation by a Credit Institution of Federal Laws and Bank of Russia Regulations, as well as Violation in the Activities of a Banking Group

(as amended by Federal Law No. 146-FZ, dated 2 July 2013)

In case a credit institution violates federal laws, Bank of Russia regulations or instructions and established required ratios, fails to provide information, provides incomplete or inaccurate information, fails to perform a statutory audit, fails to disclose statements and the auditor's report thereon, fails to provide information to a credit history bureau, or commits actions that pose a real threat to the interests of depositors and creditors, the Bank of Russia shall be entitled to apply supervisory measures against such credit institution as stipulated by the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'.

(Part 1 as amended by Federal Law No. 189-FZ, dated 28 June 2014)

In case the parent credit institution of a banking group violates federal laws, Bank of Russia regulations or instructions, fails to provide information, provides incomplete or inaccurate information, fails to perform a statutory audit, fails to disclose statements of a banking group and the auditor's report thereon or commits actions that pose a real threat to the interests of depositors and creditors, the Bank of Russia shall be entitled to apply supervisory measures against the parent credit institution of the banking group, as stipulated by the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'. In the event of the violation of any required ratios established for banking groups by the Bank of Russia under the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', the Bank of Russia shall have the right to apply measures stipulated by the said Federal Law to the parent credit institution of the banking group.

Article 20. Grounds for the Revocation of a Credit Institution's Banking Licence

The Bank of Russia may revoke a credit institution's banking licence in the following cases:

1) the information used when issuing the licence has been found to be unreliable;

2) delay in the beginning of banking operations stipulated by the licence by more than one year from the day of its issue;

3) discovery of instances of substantial unreliability of reporting data;

4) delay in the submission of monthly statements (reports) by more than 15 days;

5) performance, including one-time performance, of banking operations that are not provided for by the said licence;

6) failure to comply with federal banking laws and Bank of Russia regulations, if the measures stipulated by the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' have been taken with regard to the credit institution more than once over the course of one year;

(Clause 6 as amended by Federal Law No. 484-FZ, dated 29 December 2014)

6¹) repeated (over the course of one year) violation of the requirements set forth in Articles 6 and 7 (except for Clause 3 of Article 7), 7², 7³ and 7⁵ of the Federal Law 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism' and (or) repeated (over the course of one year) violation of the requirements of Bank of Russia regulations issued in pursuance of the above Federal Law;

(Clause 6¹ was introduced by Federal Law No. 484-FZ, dated 29 December 2014, as amended by Federal Law No. 90-FZ, dated 23 April 2018)

7) repeated (over the course of one year) culpable failure to satisfy the writs of execution of courts and arbitration courts to recover cash funds from the accounts (deposit accounts) of the credit institution's customers, provided the funds were available in the accounts (deposit accounts) of the said persons;

8) subject to a petition of the provisional administration, if by the moment of expiry of its operation, as established in Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)', there are grounds for its appointment, as provided for by the said Federal Law;

(Clause 8 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

9) repeated non-presentation of updated data by the credit institution to the Bank of Russia within the established timeframe as may be necessary to introduce amendments to the Unified State Register of Legal Entities, except for the information on licences obtained;

(Clause 9 was introduced by Federal Law No. 31-FZ, dated 21 March 2002)

10) failure by the credit institution that is a manager of mortgage coverage to comply with the requirements of the Federal Law 'On Mortgage Securities' and legal acts of the Russian Federation issued in pursuance thereof, as well as its failure to eliminate violations within the prescribed timeframe, if measures stipulated by the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' have been repeatedly applied to the credit institution over the course of one year;

(Clause 10 was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

11) repeated violation (over the course of one year) of the requirements of the Federal Law 'On Countering the Misuse of Insider Information and Market Manipulation and Amending Certain Laws of the Russian Federation' and legal acts adopted in pursuance thereof with due regard to the specifics established by the said Federal Law.

(Clause 11 was introduced by Federal Law No. 224-FZ, dated 27 July 2010)

Except as otherwise established by federal laws, the Bank of Russia shall revoke a banking licence in the following cases:

(the Paragraph as amended by Federal Law No. 84-FZ, dated 1 May 2017)

1) if the value of all equity capital adequacy ratios of the credit institution becomes less than two per cent.

(the Paragraph as amended by Federal Law No. 432-FZ, dated 22 December 2014)

If within the past twelve months preceding the moment when the said licence of the credit institution is to be revoked in accordance with this Article the Bank of Russia changed the methodology for calculating the capital adequacy of credit institutions, the methodology under which the capital adequacy value of the credit institution reaches its maximum value shall apply for the purpose of this Article;

2) if the credit institution's equity capital is below the minimum value of the authorised capital established as of the date of the state registration of the credit institution. The said grounds for banking licence revocation shall not apply to credit institutions during the first two years from the date of banking licence issue;

(Clause 2 as amended by Federal Laws No. 31-FZ, dated 21 March 2002; No. 192-FZ, dated 29 December 2004; and No. 60-FZ, dated 3 May 2006)

3) if the credit institution fails to comply with the requirement of the Bank of Russia to bring in line the amount of its authorised capital and equity capital within the timeframe established by Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)';

(Clause 3 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

4) if the credit institution is not able to satisfy creditors' claims on money obligations and (or) to effect its compulsory payments within 14 days following their due date. Such claims in aggregate shall be no less than 100,000 rubles;

(Clause 4 as amended by Federal Laws No. 192-FZ, dated 29 December 2004; and No. 105-FZ, dated 29 May 2019)

5) if the equity capital of a bank with a universal licence as of 1 January 2018 does not comply with the requirements established in Part 1 of Article 11² hereof as of the respective date; there are no grounds, as established in Part 4 of Article 11² hereof, for the bank to continue its operations as a bank with a universal licence; and such bank failed to obtain the status of a bank with a basic licence or change its status to that of a non-bank credit institution or failed to obtain the status of a microfinance company along with the termination of the status of a credit institution and cancellation of its banking licence by 1 January 2019 according to the procedure established by the Bank of Russia;

(Clause 5 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

6) if the equity capital of a bank with a universal licence fell below the minimum equity capital stipulated by Part 1 of Article 11² hereof after 1 January 2019 for four consecutive months, except when such reduction resulted from the revision of the Bank of Russia's methodology for calculating equity capital of a bank with a universal licence, and such bank failed to obtain the status of a bank with a basic licence or to change its status to that of a non-bank credit institution, or to obtain the status of a microfinance company according to the procedure established by the Bank of Russia within six months after the expiry of this period with the simultaneous termination of its status of a credit institution and cancellation of its banking licence;

(Clause 6 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

7) if the equity capital of a bank with a basic licence fell below the minimum equity capital stipulated by Part 1 of Article 11² hereof after 1 January 2018 for four consecutive months, except when such reduction

resulted from the revision of the Bank of Russia's methodology for calculating equity capital of a bank with a basic licence, and such bank failed to change its status to that of a non-bank credit institution or to obtain the status of a microfinance company according to the procedure established by the Bank of Russia within six months after the expiry of this period with the simultaneous termination of its status of a credit institution and cancellation of its banking licence;

(Clause 7 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

8) if a bank with a universal licence failed to comply with the requirement stipulated in Part 7 of Article 11² hereof and failed to obtain the status of a bank with a basic licence or to change its status to that of a non-bank credit institution or to obtain the status of a microfinance company according to the procedure established by the Bank of Russia along with the termination of the status of a credit institution and cancellation of its banking licence within the timeframe established in Part 9 of Article 11² hereof;

(Clause 8 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

9) if a bank with a basic licence failed to comply with the requirement stipulated in Part 8 of Article 11² hereof and failed to change its status to that of a non-bank credit institution or to obtain the status of a microfinance company according to the procedure established by the Bank of Russia along with the termination of the status of a credit institution and cancellation of its banking licence within the timeframe established in Part 10 of Article 11² hereof;

(Clause 9 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

10) if a non-bank credit institution with the equity capital of 90 million rubles or more as of 1 July 2016 or a non-bank credit institution established after 1 July 2016 has its equity capital reduced below the minimum equity capital stipulated in Part 13 of Article 11² hereof for four consecutive

months, except for its reduction following the revision of the methodology for calculating equity capital established by the Bank of Russia;

(Clause 10 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

11) if a non-bank credit institution with the equity capital below 90 million rubles as of 1 July 2016 has its equity capital reduced below the amount of equity capital it had as of 1 July 2016 for four consecutive months (except for its reduction following the application of the revised methodology for calculating equity capital established by the Bank of Russia);

(Clause 11 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

12) if a non-bank credit institution fails to comply with the requirements stipulated in Parts 15 and 16 of Article 11² hereof;

(Clause 12 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

13) *the Clause is null and void in accordance with Federal Law No. 92-FZ, dated 1 May 2017.*

14) if a non-bank credit institution – central counterparty terminates or loses the status of a central counterparty.

(Clause 14 was introduced by Federal Law No. 176-FZ, dated 18 July 2017)

In the cases set forth by Part 2 of this Article, the Bank of Russia shall revoke the banking licence of the credit institution within 15 days after the Bank of Russia's bodies in charge of the revocation of that licence receive reliable information on the grounds for revoking this licence of the credit institution.

A banking licence shall not be revoked on grounds other than those specified by this Federal Law.

A decision by the Bank of Russia to revoke the banking licence of a credit institution shall come into force as of the day when the respective regulation of the Bank of Russia is adopted and may be appealed within 30 days after the announcement about banking licence revocation is published

in the Bank of Russia Bulletin. Appealing the Bank of Russia's decision and any provisional measures in relation to actions taken against the credit institution shall not suspend the above decision of the Bank of Russia.

The announcement of the revocation of the banking licence of a credit institution shall be published by the Bank of Russia in its official publication Bank of Russia Bulletin within one week following the date of its respective decision.

After the credit institution's banking licence is revoked, the credit institution shall be liquidated in compliance with the requirements of Article 23¹ hereof, and if it is declared bankrupt, in compliance with the requirements of the Federal Law 'On Insolvency (Bankruptcy)'.

(Part 7 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

After the banking licence of the credit institution is revoked, the Bank of Russia shall:

appoint a provisional administration to the credit institution no later than on the next business day following the revocation of the licence in accordance with the requirements of Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)';

(the Paragraph as amended by Federal Law No. 432-FZ, dated 22 December 2014)

take the actions stipulated by Article 23¹ hereof.

After the revocation of the credit institution's banking licence:

1) the credit institution's obligations which have arisen prior to the day of the banking licence revocation shall be considered due unless otherwise provided for by the federal legislation. The amount of money obligations and compulsory payments of the credit institution denominated in foreign currency shall be determined in rubles at the exchange rate established by the Bank of Russia as of the day of the revocation of the credit institution's

banking licence or as of the day stipulated by the federal legislation or in accordance with the procedure established by the federal legislation;

(Clause 1 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

2) the accrual of interest provided for by federal laws or contract and financial penalties on all kinds of debt of the credit institution shall be terminated, except for the financial penalties for the non-fulfilment or improper fulfilment of current obligations by the credit institution;

3) fulfilment of writs of execution on asset seizures shall be suspended, and enforcement of other documents which provide for uncontested recovery shall not be allowed, except for writs of execution on debt recovery under the current obligations of the credit institution;

4) unless otherwise provided for by federal laws, until the effective day of the ruling of the arbitration court on declaring the credit institution insolvent (bankrupt) or on the liquidation of the credit institution it shall be prohibited:

(the Paragraph as amended by Federal Law No. 282-FZ, dated 29 December 2012)

to perform transactions with the assets of the credit institution, including fulfilment of obligations by the credit institution, except for transactions associated with the current obligations of the credit institution, as determined in accordance with this Article;

to fulfill the duty to effect compulsory payments which had arisen prior to the day when the banking licence of the credit institution was revoked;

to terminate obligations to the credit institution by means of offsetting similar counter claims, except for cases when obligations under financial agreements are terminated, and net obligations are determined and executed according to the procedure stipulated by Article 41 of the Federal Law ‘On Insolvency (Bankruptcy)’;

(the Paragraph as amended by Federal Laws No. 507-FZ, dated 27 December 2019; and No. 353-FZ, dated 2 July 2021)

5) acceptance and effecting of payments across the credit institution's correspondent accounts to the accounts of its customers (individuals and legal entities) shall be terminated. Credit institutions and Bank of Russia establishments shall return payments in favour of the credit institution's customers, received after the day the banking licence revocation, to the payers' accounts with sending banks;

6) the credit institution shall return to its customers their securities and other assets accepted and (or) acquired by the credit institution at their cost under custody agreements, trust management agreements, depository agreements and brokerage agreements.

(Clause 6 was introduced by Federal Law No. 144-FZ, dated 28 July 2012)

(Part 9 as amended by Federal Law No. 192-FZ, dated 29 December 2004)

The current obligations of the credit institution shall mean:

1) obligations to cover expenses related to the ongoing operation of the credit institution (including utility, lease and maintenance payments, as well as expenses on communications services and property safety), expenses on the performance of the functions of the provisional administration appointed by the Bank of Russia for the management of the credit institution, remuneration for persons working under a labour contract, payment of severance allowances to these persons in the event of their dismissal, with due regard to the specific aspects established by the Federal Law 'On Insolvency (Bankruptcy)' and by this Article, as well as other expenses related to the liquidation of the credit institution after the revocation of its banking licence;

(Clause 1 as amended by Federal Laws No. 144-FZ, dated 28 July 2012; No. 432-FZ, dated 22 December 2014)

2) duties to effect compulsory payments arising after the day the banking licence revocation;

3) obligations to transfer the amounts withheld from wages (alimony, personal income tax, trade-union fees, insurance premiums and other payments the employer is obliged to pay under federal laws) paid to the employees of the credit institution under federal laws.

(Part 10 was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

The claims of the credit institution's employees for the payment of severance allowances, compensations and other payments, the size of which is established by corresponding labour contracts, in the event of their termination insomuch as this size exceeds the minimum amount of corresponding payments established by the labour legislation, shall not be included in the current obligations.

(Part 11 was introduced by Federal Law No. 432-FZ, dated 22 December 2014)

The payment of expenses associated with the fulfilment of current obligations of the credit institution shall be made by the provisional administration appointed by the Bank of Russia for the management of the credit institution based on the budget estimate approved by the Bank of Russia. If the provisional administration's functions to manage the credit institution are vested with the State Corporation Deposit Insurance Agency, the mentioned corporation shall approve the budget estimate in accordance with the procedure agreed upon with the Bank of Russia.

(this Part was introduced by Federal Law No. 192-FZ, dated 29 December 2004, as amended by Federal Law No. 92-FZ, dated 20 April 2021)

During the period of time from the day of the banking licence revocation to the day of the entry into force of the arbitration court's ruling on declaring the credit institution insolvent (bankrupt) or on its liquidation, the credit institution shall have the right:

1) to recover and receive debt, including debt on loans issued earlier, to return advance payments made previously by the credit institution, to

receive funds from the redemption of securities and yields on securities owned by the credit institution;

2) to return the property of the credit institution held by third parties;

3) to receive income from bank operations and transactions performed previously, and also from operations associated with the professional activity of this credit institution in the securities market;

4) to return, by agreement with the Bank of Russia, funds credited to the correspondent account or correspondent sub-account of the credit institution by mistake. The procedure for coordinating the return of funds credited by mistake shall be established by Bank of Russia regulations;

5) *has become null and void in accordance with Federal Law No. 144-FZ, dated 28 July 2012*

6) to carry out activities related to the performance of the functions of the provisional administration appointed by the Bank of Russia for managing the credit institution as stipulated by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’ and by Bank of Russia regulations adopted in pursuance thereof;

(Clause 6 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

7) to extinguish obligations arising out of financial contracts and determine the net obligation in accordance with the procedure stipulated by Article 41 of the Federal Law ‘On Insolvency (Bankruptcy)’;

(Clause 7 as amended by Federal Law No. 507-FZ, dated 27 December 2019)

8) to assign rights (claims) and (or) to transfer debts on obligations admitted to clearing and arising out of contracts concluded by the credit institution at the expense of the customer (customers), and also to transfer assets that secure the performance of such obligations in cases and according to the procedure stipulated by the Federal Law ‘On Clearing, Clearing Activities and the Central Counterparty’ and by the clearing rules.

(Clause 8 was introduced by Federal Law No. 432-FZ, dated 22 December 2014, as amended by Federal Law No. 403-FZ, dated 29 December 2015)

(Part 13 was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

Article 21. Consideration of Disputes with the Participation of a Credit Institution

Decisions and actions (inaction) of the Bank of Russia or its officials may be appealed by a credit institution in a court or arbitration court in accordance with the procedure established by federal laws.

A credit institution shall be entitled to file inquiries and applications with the Bank of Russia in connection with the decisions and actions (inaction) of the Bank of Russia, and the Bank of Russia shall provide a reply on the essence of the issues raised within one month.

Disputes between the credit institution and its customers (individuals and legal entities) shall be resolved in accordance with the procedure established by federal laws.

Article 22. Branches, Representative Offices and Internal Structural Divisions of a Credit Institution

(as amended by Federal Law No. 20-FZ, dated 3 March 2008)

The branch of a credit institution is its separate unit located outside the place of location of the credit institution which performs on its behalf all or a part of banking operations specified by the licence issued by the Bank of Russia to the credit institution.

The representative office of a credit institution is its separate unit located outside the place of location of the credit institution which represents its interests and protects them. The representative office of a credit institution is not entitled to conduct banking operations.

The branches and representative offices of a credit institution are not legal entities; they operate on the basis of regulations approved by the credit institution that created them.

The chief executives of branches and representative offices shall be appointed by the chief executive of the credit institution that created them and shall act on the basis of a power of attorney issued to them in accordance with the established procedure.

A credit institution shall open branches and representative offices in the Russian Federation from the moment of notifying the Bank of Russia. The notification shall indicate the postal address of the branch (representative office), its powers and functions, information about chief executives, the scale and nature of operations planned, its seal imprint and sample signatures of its chief executives. Information about the address and location of branches and representative offices shall be published by the credit institution and by the Bank of Russia on their official websites in accordance with the procedure established by the Bank of Russia.

(Part 5 as amended by Federal Law No. 41-FZ, dated 28 March 2017)

Part 6 is null and void in accordance with Federal Law No. 106-FZ, dated 21 July 2005.

The branches of a credit institution with foreign investments in the Russian Federation shall be registered by the Bank of Russia in accordance with the procedure established by the latter.

The internal structural division of a credit institution (its branch) is its division located outside the place of location of the credit institution (its branch) and conducting on its behalf banking operations, the list of which is

established by Bank of Russia regulations, under the licence issued by the Bank of Russia to the credit institution (the regulation on the branch of the credit institution).

(Part 8 was introduced by Federal Law No. 20-FZ, dated 3 March 2008)

Credit institutions (their branches) are entitled to open internal structural subdivisions outside the locations of credit institutions (their branches) in the forms and according to the procedure established by Bank of Russia regulations.

(Part 9 was introduced by Federal Law No. 20-FZ, dated 3 March 2008)

The authority of the branch of a credit institution to make a decision to open an internal structural division shall be stipulated by the regulation on the branch of the credit institution.

(Part 10 was introduced by Federal Law No. 20-FZ, dated 3 March 2008)

The representative offices of foreign credit institutions which are opened in the Russian Federation shall be subject to the accreditation by the Bank of Russia in accordance with the procedure established by the latter. The representative office of a foreign credit institution shall be entitled to operate in the Russian Federation from the moment of its accreditation by the Bank of Russia.

(Part 11 was introduced by Federal Law No. 12-FZ, dated 3 February 2014)

In accordance with the established procedure, the Bank of Russia shall perform actions stipulated by the Federal Law ‘On Personal Data’ for processing the personal data of the chief executive and deputy chief executive of the representative office of a foreign credit institution opened in the Russian Federation and of the candidates to these positions.

(Part 12 was introduced by Federal Law No. 12-FZ, dated 3 February 2014)

In accordance with its procedure, the Bank of Russia shall perform actions for the accreditation of foreign citizens who will work in the

representative office of a foreign credit institution (hereinafter, the personal accreditation).

(Part 13 was introduced by Federal Law No. 106-FZ, dated 5 May 2014)

The forms of documents confirming the accreditation by the Bank of Russia of the representative office of a foreign credit institution and the personal accreditation of a foreign citizen, as well as the procedure of the Bank of Russia's control over the operation of the representative office of a foreign credit institution shall be established by the Bank of Russia.

(Part 14 was introduced by Federal Law No. 106-FZ, dated 5 May 2014)

In accordance with its procedure, the Bank of Russia shall be entitled to assist foreign citizens who are the employees of the representative offices of foreign credit institutions and their family members in obtaining documents for entering the Russian Federation and staying there.

(Part 15 was introduced by Federal Law No. 106-FZ, dated 5 May 2014)

Article 23. Liquidation or Reorganisation of a Credit Institution

(as amended by Federal Law No. 192-FZ, dated 29 December 2004)

Liquidation or reorganisation of a credit institution shall be carried out in compliance with federal laws taking into account the requirements of this Federal Law. The state registration of a credit institution due to its liquidation and the state registration of a credit institution incorporated by way of reorganisation shall be carried out in line with the procedure prescribed by the Federal Law 'On the State Registration of Legal Entities and Individual Entrepreneurs' with due regard to the specifics established by this Federal Law and Bank of Russia regulations adopted in pursuance hereof. Information and documents required for the state registration of a credit institution following its liquidation and for the state registration of a

credit institution incorporated by way of reorganisation shall be submitted to the Bank of Russia. The list of the mentioned information and documents and the procedure for their submission shall be determined by the Bank of Russia.

After making a decision on the state registration of a credit institution in connection with its liquidation or on the state registration of a credit institution incorporated by way of reorganisation, the Bank of Russia shall send the information and documents to the authorised registering body, as required by this body for the maintenance of the Unified State Register of Legal Entities.

Based on the said decision made by the Bank of Russia and the necessary information and documents submitted by it, the authorised registering body shall make a corresponding entry in the Unified State Register of Legal Entities within five business days following the receipt of the necessary information and documents and shall inform the Bank of Russia thereof no later than on the next business day after such entry is made.

The interaction between the Bank of Russia and the authorised registering body on the state registration of a credit institution in connection with its liquidation or the state registration of a credit institution incorporated by way of reorganisation shall be exercised according to the procedure agreed upon by the Bank of Russia with the authorised registering body.

A written notification on the start of the reorganisation of the credit institution, with the enclosed decision on the credit institution's reorganisation, shall be sent by the credit institution to the Bank of Russia within three business days from the date of such decision. If two or more

credit institutions are involved in the reorganisation, the notification shall be sent by the credit institution which is the last to make a decision on the reorganisation of the credit institution or which is designated by the decision. The Bank of Russia shall post this notification on its website and shall send information on the initiation of the reorganisation of the credit institution (credit institutions), with the attachment of the relevant decision, to the authorised registering body within no more than one business day following the receipt of this notification from the credit institution. Based on that decision, the said body shall make an entry in the Unified State Register of Legal Entities on the credit institution(s) being in the process of reorganisation. The Government of the Russian Federation shall be entitled to determine cases where the Bank of Russia is not required to post the notification specified in this Part on its website.

(Part 5 was introduced by Federal Law No. 315-FZ, dated 30 December 2008; as amended by Federal Laws No. 200-FZ, dated 11 July 2011; and No. 514-FZ, dated 27 December 2018)

The state registration of a credit institution in connection with its liquidation shall be carried out within 45 business days after all documents drawn up according to the established procedure are submitted to the Bank of Russia.

The state registration of a credit institution incorporated by way of reorganisation, unless it has been decided to refuse such registration, shall be carried out within six months from the day when all documents drawn up according to the established procedure are submitted to the Bank of Russia.

The Bank of Russia shall have the right to prohibit the reorganisation of a credit institution if such reorganisation may give rise to grounds for the application of insolvency (bankruptcy) prevention measures stipulated by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’.

(Part 8 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

A credit institution shall obtain the status of a microfinance company by way of amending its charter and entering information about such microfinance company in the State Register of Microfinance Organisations in accordance with the procedure established by Articles 5 and 6 of Federal Law No. 151-FZ, dated 2 July 2010, ‘On Microfinance Activities and Microfinance Organisations’, provided that such credit institution does not have grounds denying the entry of information in the State Register of Microfinance Organisations, as established by Parts 1 and 1¹ of Article 6 of Federal Law No. 151-FZ, dated 2 July 2010, ‘On Microfinance Activities and Microfinance Organisations’.

(Part 9 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

A credit institution may acquire the status of a microfinance company only after it delivers on all its obligations to depositors and after its registration in the system of compulsory insurance of deposits with Russian banks is cancelled.

(Part 10 was introduced by Federal Law No. 92-FZ, dated 1 May 2017; as amended by Federal Law No. 322-FZ, dated 3 August 2018)

Such credit institution shall send an application to the Bank of Russia to cancel its banking licence, in accordance with its procedure, no later than on the next day after it acquires the status of a microfinance company. Upon cancellation of the licence the provisions of Parts 13 and 15 of this Article shall not apply.

(Part 11 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

The procedure for obtaining the status of a microfinance company by a credit institution shall be terminated, if the Bank of Russia revokes the banking licence of the said credit institution.

(Part 12 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

If the activities of the credit institution are terminated based on the decision of its founders (members) and in the cases stipulated by federal laws, the Bank of Russia, based on the application of the credit institution, shall make a decision to cancel its banking licence. The procedure for submitting such application by the credit institution shall be governed by Bank of Russia regulations.

(Part 13 as amended by Federal Law No. 156-FZ, dated 29 June 2015)

If after the adoption of a decision by the founders (members) of a credit institution on its liquidation the Bank of Russia, based on Article 20 hereof, makes a decision to revoke its banking licence, the decision of the founders (members) of the credit institution on its liquidation and other decisions associated therewith or the decisions of the liquidation commission (liquidator) appointed by the founders (members) of the credit institution shall become null and void. The credit institution shall be liquidated in accordance with the procedure stipulated by Article 23¹ hereof.

Upon the cancellation or revocation of the banking licence, the credit institution shall return this licence to the Bank of Russia within 15 days after such decision is made.

The founders (members) of the credit institution who have made a decision on its liquidation shall appoint a liquidation commission (liquidator) and approve the interim liquidation balance sheet and liquidation balance sheet of the credit institution agreed upon by the Bank of Russia. The liquidation commission shall transfer the documents of the credit institution executed in the course of its activities for safekeeping in line with the procedure established by federal laws and other regulatory legal acts of the Russian Federation, in accordance with the list of documents executed in the course of activities of credit institutions which

shall be approved by an authorised federal executive body operating in the field of archiving and records management together with the Bank of Russia, stating the storage period for these documents.

(Part 16 as amended by Federal Law No. 127-FZ, dated 18 June 2017)

The liquidation of the credit institution shall be deemed completed and the credit institution shall be considered liquidated after the authorised registering body makes a respective entry in the Unified State Register of Legal Entities.

Article 23¹. Liquidation of a Credit Institution at the Initiative of the Bank of Russia (Involuntary Liquidation)

(as amended by Federal Law No. 192-FZ, dated 29 December 2004)

Within 15 business days after the banking licence revocation from a credit institution, the Bank of Russia shall file an application for the liquidation of the credit institution with an arbitration court (hereinafter, the Bank of Russia's application for involuntary liquidation of a credit institution), unless by the day of the licence revocation the credit institution has signs of insolvency (bankruptcy) stipulated by Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)'.

(Part 1 as amended by Federal Laws No. 144-FZ, dated 28 July 2012; and No. 432-FZ, dated 22 December 2014)

If by the day of the banking licence revocation the credit institution has any signs of insolvency (bankruptcy) stipulated by Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)', or if these signs have been identified by the provisional administration to manage the credit institution appointed by the Bank of Russia after the day of the licence revocation, the Bank of Russia shall file an application with an arbitration

court for declaring the credit institution insolvent (bankrupt) according to the procedure established by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’.

(Part 2 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The arbitration court shall consider the Bank of Russia’s application for the involuntary liquidation of the credit institution in accordance with the rules established by the Code of Arbitration Procedure of the Russian Federation taking into account the specifics established by this Federal Law. The Bank of Russia’s application for the involuntary liquidation of the credit institution shall be considered by the arbitration court within a period not exceeding one month from the day of the application submission.

The arbitration court shall make a decision on the liquidation of the credit institution and appointment of its liquidator, unless signs of the insolvency (bankruptcy) of the credit institution are discovered as of the day of the revocation of its banking licence. The review of the Bank of Russia’s application for involuntary liquidation of the credit institution shall not require a preliminary judicial session stipulated by the Code of Arbitration Procedure of the Russian Federation.

The arbitration court shall send its decision on the liquidation of the credit institution to the Bank of Russia and to the authorised registering body, which shall make an entry in the Unified State Register of Legal Entities to the effect that the credit institution is in the process of liquidation.

Article 23². The Liquidator of a Credit Institution

(the Article was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

A candidate for the liquidator of a credit institution shall be proposed to the arbitration court and approved by it in accordance with the procedure established by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’ for the proposal and approval of the receiver of a credit institution.

(Part 1 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The Deposit Insurance Agency shall be the liquidator of a credit institution that held a Bank of Russia licence for taking household funds on deposit.

The arbitration court shall appoint an arbitration receiver that complies with the requirements of the Federal Law ‘On Insolvency (Bankruptcy)’ and is accredited with the Bank of Russia as a receiver in bankruptcy of credit institutions to be the liquidator of a credit institution that did not hold a Bank of Russia licence for taking household funds on deposit.

The liquidator of a credit institution shall start exercising its authority from the effective date of the decision of the arbitration court on the liquidation of the credit institution and on the appointment of the liquidator of the credit institution and shall act until an entry on the credit institution’s liquidation is made in the Unified State Register of Legal Entities.

During the liquidation process, the liquidator of the credit institution shall act in good faith and in a reasonable manner and shall assert the rights and legitimate interests of the creditors of the credit institution, society and the state. The liquidator of the credit institution, in the course of liquidating the credit institution, shall have the rights and perform the duties stipulated by this Federal Law, and with regard to issues not covered by this law, by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’, for the receiver of a credit institution.

(Part 5 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The release or dismissal of the credit institution's liquidator from office shall be carried out following the procedure stipulated by Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)' for bankruptcy proceedings.

(Part 6 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Article 23³. Consequences of a Decision Made by Arbitration Court on the Liquidation of a Credit Institution

(the Article was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

A decision made by an arbitration court on the liquidation of a credit institution shall enter into force from the day of its adoption. An appeal of the decision of the arbitration court on the liquidation of the credit institution shall not suspend its execution.

From the effective date of the arbitration court's decision on the liquidation of the credit institution, the consequences stipulated by Paragraph 4¹ of Chapter IX of the Federal Law 'On Insolvency (Bankruptcy)' shall ensue for the case of declaring the credit institution insolvent (bankrupt).

(Part 2 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Article 23⁴. The Regulation of Credit Institution Liquidation Procedures

(the Article was introduced by Federal Law No. 192-FZ, dated 29 December 2004)

The liquidation of a credit institution shall be carried out in the manner and according to the procedures stipulated by Paragraph 4¹ of Chapter IX of

the Federal Law ‘On Insolvency (Bankruptcy)’ for bankruptcy proceedings, with the specifics established by this Federal Law.

(Part 1 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The creditors of the credit institution to be liquidated shall have the rights stipulated by this Federal Law, and with regard to issues not covered by this Law, by the Federal Law ‘On Insolvency (Bankruptcy)’. The liquidator of the credit institution shall hold the first meeting of creditors of the credit institution to be liquidated within no more than 60 days after the expiry of the period established for creditors to file their claims.

(Part 2 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Control over the activities of the liquidator of a credit institution and the procedure for the submission of reports by the liquidator to the Bank of Russia, as well as the verification of the activities of the liquidator of a credit institution by the Bank of Russia shall be carried out according to the procedure stipulated by Paragraph 4¹ of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’ for bankruptcy proceedings.

(Part 3 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Upon the expiry of the period of time established for the creditors of the credit institution to file their claims, the liquidator of the credit institution shall compile an interim liquidation balance sheet which shall contain detailed information on the assets of the credit institution to be liquidated, the list of claims of its creditors and the results of their review. The interim liquidation balance sheet shall be reviewed at the meeting of creditors and (or) at the session of the committee of the credit institution’s creditors and, after such review, shall be agreed upon with the Bank of Russia.

The claims of the credit institution’s creditors shall be satisfied in accordance with the register of creditors’ claims in the order of priority

stipulated by Paragraph 41 of Chapter IX of the Federal Law ‘On Insolvency (Bankruptcy)’.

(Part 5 as amended Federal Laws No. 432-FZ, dated 22 December 2014; and No. 92-FZ, dated 20 April 2021)

The procedure for performing operations with the assets of the credit institution not included in the bankruptcy assets as per the Federal Law ‘On Insolvency (Bankruptcy)’ in case of the insolvency (bankruptcy) of the credit institution shall be determined by the said Federal Law.

(Part 6 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

If the credit institution’s funds are not sufficient to satisfy the claims of its creditors, the liquidator of the credit institution shall sell its assets in accordance with the procedure established by the Federal Law ‘On Insolvency (Bankruptcy)’.

(Part 7 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The period of the liquidation of the credit institution shall not exceed twelve months from the effective day of the decision of the arbitration court on its liquidation. This period may be prolonged by the arbitration court upon the substantiated request of the liquidator of the credit institution.

If in the course of the liquidation of the credit institution it is discovered that the value of the assets of the credit institution subject to liquidation is not sufficient to satisfy the claims of its creditors, the liquidator of the credit institution shall send an application to the arbitration court for declaring the credit institution insolvent (bankrupt).

The report on the results of credit institution’s liquidation with an enclosed liquidation balance sheet shall be heard at the meeting of creditors or at the session of the committee of the credit institution’s creditors and shall be approved by the arbitration court according to the procedure stipulated by the Federal Law ‘On Insolvency (Bankruptcy)’.

The liquidator of the credit institution shall submit the ruling of the arbitration court on the approval of the report of the credit institution's liquidator on the results of liquidation and on the completion of the liquidation of the credit institution to the Bank of Russia with enclosed documents stipulated by Bank of Russia regulations for the state registration of the credit institution in connection with its liquidation, within ten days after the date of the ruling.

Article 23⁵. The Specifics of the Reorganisation of a Credit Institution through Merger, Acquisition or Transformation

(the Article was introduced by Federal Law No. 315-FZ, dated 30 December 2008)

Within 30 days from the date of a decision on the reorganisation of a credit institution, the latter shall publish this information on its website and shall notify its creditors of this decision in one of the following methods:

(the Paragraph as amended by Federal Law No. 200-FZ, dated 11 July 2011)

1) by sending a written notice to each creditor (by post, with return receipt requested) and publishing the notice of the decision made in the printed publication designated for information about the state registration of legal entities;

2) by publishing the message on the adopted decision in the printed publication designated for the information about the state registration of legal entities and in one of the printed publications intended for regulatory legal acts of the government authorities of the Russian constituent territory where the branch (branches) of this credit institution is (are) located.

This notice (announcement) shall contain the following information:

1) the form of reorganisation, its procedure and timeframes;

2) in the event of reorganisation through merger and transformation, the expected form of incorporation, the expected location of the credit institution incorporated as a result of reorganisation and the list of banking operations this credit institution is going to conduct;

3) in the event of reorganisation through acquisition, the form of incorporation, location of the credit institution which makes acquisition and the list of banking operations this credit institution conducts or is going to conduct;

4) the printed publication where information on material facts (events, actions) affecting the financial and economic activities of the credit institution will be published.

The procedure for notifying creditors about the decision on the reorganisation of the credit institution shall be determined by the general meeting of shareholders (members) or by the board of directors (supervisory board) of the credit institution, if these issues fall within its powers under the charter of the credit institution, and shall be communicated to creditors by publishing relevant information in places accessible to them at the credit institution and in all its divisions. Upon demand of a person concerned, the credit institution shall provide him/her with a copy of the said decision. A fee charged by the credit institution for the provision of this copy shall not exceed the cost of making it.

(Part 3 as amended by Federal Law No. 146-FZ, dated 2 July 2013)

The state registration of the credit institution created as a result of reorganisation and entries in the Unified State Register of Legal Entities on the termination of activities of reorganised credit institutions shall be made if there is evidence that the creditors were duly notified in accordance with the procedure established by this Article.

In connection with the reorganisation of the credit institution its individual creditor shall have the right to demand an early performance of the respective obligation, and when it is impossible, the creditor may demand the termination of the obligation and compensation for losses, if such obligation emerged before the date:

1) when the creditor received a written notice (when using the method for notifying creditors specified by Clause 1 of Part 1 of this Article);

2) when the credit institution published an announcement of the decision on the reorganisation of the credit institution in the printed media intended for publishing information on the state registration of legal entities (when using the method for notifying creditors specified by Clause 2 of Part 1 of this Article).

In connection with the reorganisation of the credit institution its corporate creditor shall have the right to demand an early performance or termination of the respective obligation and compensation for losses, if such right has been granted to the corporate creditor in accordance with the terms of the contract concluded with the credit institution.

The aforesaid demands shall be sent by the credit institution's creditors in writing within 30 days after the creditor receives the notice or within 30 days after the credit institution publishes the information about the decision on the reorganisation of the credit institution in the printed media intended for publishing information on the state registration of legal entities.

From the date of the decision on the reorganisation of the credit institution to the date of its completion, the credit institution shall disclose information on the material facts (events, actions) that affect its financial and economic activities. Such facts (events, actions), for the purposes of this Federal Law, shall mean the following:

1) reorganisation of the credit institution, its subsidiaries and affiliates;

2) facts that have caused a one-off increase or decrease in the value of the credit institution's assets by more than ten per cent; facts that have caused a one-off increase in the net profit or net losses of the credit institution by more than ten per cent; performance of one-off transactions by the credit institution, the value of which or the value of property in which is ten per cent or more of the credit institution's assets as of the date of the transaction;

3) acquisition by a person of no less than five per cent of ordinary shares of the credit institution (no less than five per cent of stakes in the authorised capital of the credit institution), as well as any change as a result of which the amount of such shares (stakes) belonging to this person has become more or less than 5, 10, 15, 20, 25, 30, 50 or 75 per cent of the outstanding ordinary shares of the credit institution (stakes in the authorised capital of the credit institution);

4) information on decisions made by the general meetings of shareholders (members) of the credit institution;

5) data on income accrued and (or) paid out on the issue-grade securities of the credit institution incorporated in the form of a joint-stock company (on the part of the net profit of the credit institution incorporated in the form of a limited liability company or an additional liability company which is to be distributed among its members);

6) sending the owners of securities of the credit institution incorporated in the form of an open joint-stock company, in accordance with Chapter XI¹ of Federal Law No. 208-FZ, dated 26 December 1995, 'On Joint-stock Companies', a voluntary or a compulsory offer (including a competitive offer) for the acquisition of shares and other issue-grade securities

convertible into shares, a notice of the right to demand redemption of securities or a demand to redeem securities.

Information on material facts (events, actions) affecting the financial and economic activities of the credit institution shall be disclosed by way of publication in the printed media specified in the credit institution's announcement about the decision on its reorganisation. Such publication shall be made within no more than five days following the occurrence of the said facts (events, actions). The credit institution shall also post information on material facts (events, actions) on its official website within no more than three days following the occurrence of the said facts (events, actions).

(Part 9 as amended by Federal Law No. 200-FZ, dated 11 July 2011)

The provisions of this Article shall also apply upon the reorganisation of the credit institution on the demand of the Bank of Russia in cases specified by federal laws.

Article 23⁶. Acquisition of the Status of a Bank with a Basic Licence or a Non-bank Credit Institution by a Microfinance Company

(the Article was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

A microfinance company shall have the right to obtain the status of a bank with a basic licence according to the procedure and within the timeframe established by Articles 14, 15 and 16 of this Federal Law and Bank of Russia regulations adopted in pursuance hereof. The right to take household funds on deposit may be granted to such bank with a basic licence no earlier than two years after the date of the state registration of amendments introduced to the charter of the microfinance company following the assignment of the status of a bank with a basic licence.

A microfinance company shall have the right to obtain the status of a non-bank credit institution according to the procedure and within the timeframe established by Articles 14, 15 and 16 of this Federal Law and Bank of Russia regulations adopted in pursuance hereof.

In order to obtain the status of a bank with a basic licence or a non-bank credit institution, a microfinance company shall fully comply with the requirements established by federal laws and related Bank of Russia regulations for a bank with a basic licence or a non-bank credit institution. Before the Bank of Russia makes a decision on the state registration of amendments introduced to the charter of a microfinance company for the latter to obtain the status of a bank with a basic licence or the status of a non-bank credit institution, such microfinance company shall be inspected to ascertain its compliance with requirements for banks with a basic licence or non-bank credit institutions stipulated by federal laws and related Bank of Russia regulations. A failure of a microfinance company to comply with these requirements, inter alia, if the microfinance company has any obligations under contracts which may not be concluded by credit institutions, shall constitute grounds for the Bank of Russia to refuse the state registration of amendments introduced to the charter of the microfinance company for the latter to obtain the status of a bank with a basic licence or the status of a non-bank credit institution.

A microfinance company which has decided to obtain the status of a bank with a basic licence or the status of a non-bank credit institution shall post this information on its official website.

Chapter III. ENSURING BANKING SYSTEM STABILITY,

**PROTECTION OF THE RIGHTS AND INTERESTS OF CREDIT
INSTITUTIONS' DEPOSITORS
AND CREDITORS**

Article 24. Ensuring the Financial Reliability of a Credit Institution

(as amended by Federal Law No. 432-FZ, dated 22 December 2014)

To ensure the financial reliability, a credit institution (the parent credit institution of a banking group) shall create provisions (funds), inter alia, for the impairment of securities; the procedure governing the formation and utilisation of such provisions shall be established by the Bank of Russia. The minimum amounts of provisions (funds) shall be set by the Bank of Russia.

The credit institution (the parent credit institution of a banking group) shall classify assets with the segregation of doubtful and bad debts, and shall create provisions (funds) for possible losses in accordance with the procedure established by the Bank of Russia.

The credit institution (the parent credit institution of a banking group) shall comply with required ratios, including individual maximum values of required ratios set in accordance with the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)'. The numerical values of required ratios shall be established by the Bank of Russia in compliance with the said Federal Law.

The credit institution (the parent credit institution of a banking group) shall create the systems of risk and capital management and internal control corresponding to the nature and scale of operations performed, and the level and combination of risks assumed with due regard to the requirements

established by the Bank of Russia for the systems of risk and capital management and internal control of a credit institution or a banking group.

A bank with a basic licence, when operating in the securities market (including professional activities in the securities market), shall be entitled to perform operations and transactions only with securities included in the first (top) tier quotation list of a trade organiser, in the equity of which the Bank of Russia participates, and with other securities that meet the requirements of the Bank of Russia for the performance of operations and transactions with them by a bank with a basic licence, in the event that such requirements are established by a Bank of Russia regulation. A bank with a basic licence shall observe the restrictions on the volume of operations and transactions with securities established by the Bank of Russia.

(Part 5 was introduced by Federal Law No. 92-FZ, dated 1 May 2017)

At the request of the Bank of Russia, credit institutions shall develop and submit plans for the recovery of financial sustainability which provide, among other things, for measures to ensure compliance with the requirements of Bank of Russia regulations and amend the plans of the recovery of their financial sustainability to ensure compliance with the requirements for their substance.

Credit institutions defined as systemically important institutions based on the methodology established by a Bank of Russia regulation in accordance with the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ shall develop and submit plans for the recovery of their financial sustainability to the Bank of Russia and introduce amendments thereto.

Credit institutions registered in the Russian Federation which are parent organisations of banking groups shall have the right to develop plans for the

recovery of the financial sustainability of banking groups and amendments introduced thereto.

Credit institutions registered in the Russian Federation which are members of banking groups whose parent credit institutions develop and submit plans for the recovery of the financial sustainability of banking groups to the Bank of Russia need not develop plans for the recovery of financial sustainability on an individual basis (except for systemically important credit institutions), by agreement with the Bank of Russia, if the measures for the recovery of financial sustainability of credit institutions are stipulated in full in the plans for the recovery of financial sustainability of banking groups.

Credit institutions registered in the Russian Federation which are the members of banking groups (bank holding companies) or other associations involving credit institutions whose parent organisations are registered in the territory of a foreign state shall develop plans for the recovery of their financial sustainability with due regard to measures for the recovery of the financial sustainability of banking groups, if the drafting and submission of plans for the recovery of the financial sustainability of banking groups (bank holding companies) and other associations involving credit institutions are required by the legislation of the foreign state in which they are registered.

Requirements for the content, procedure and timeframe for the submission of plans for the recovery of financial sustainability, amendments thereto, to the Bank of Russia and their assessment shall be established by a Bank of Russia regulation.

Credit institutions shall inform the Bank of Russia about the occurrence of events in their activity envisaged by their plans for the recovery of financial sustainability and about decisions triggering the start of their

implementation in accordance with the procedure established by a Bank of Russia regulation.

The sole executive body of the credit institution, when released from office, shall transfer the property, databases on electronic media and documents of the credit institution to a person from among its chief executives. If there is no such person at the time of release of the sole executive body from office, the latter shall ensure the safekeeping of the property, databases on electronic media and documents of the credit institution and shall notify the Bank of Russia of the measures taken.

(Part 13 as amended by Federal Law No. 88-FZ, dated 5 April 2016)

The credit institution shall develop a general remuneration system and a remuneration system for persons referred to in Article 60 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, head of the risk management service, head of the internal audit service, head of the internal control service of the credit institution and other executives (employees) who make decisions on the performance by the credit institution of operations and other transactions the results of which may affect the compliance with required ratios by the credit institution or the occurrence of other situations threatening the interests of depositors and creditors, including the grounds for the implementation of measures to prevent the insolvency (bankruptcy) of the credit institution and the possibility of reducing or canceling payments in case of a negative financial result of the credit institution as a whole or a respective line of its activities.

The credit institution (the parent credit institution of a banking group, credit institution participating in a banking group) shall comply with capital charges set by the Bank of Russia for capital adequacy ratios, the

methodology established by the Bank of Russia for calculating such charges and the procedure for compliance with them and the recovery of capital.

The credit institution (the parent credit institution of a banking group, credit institution participating in a banking group) may distribute profit (a part of profit) among the shareholders (members) of the credit institution (the parent credit institution of the banking group, credit institution participating in a banking group), allocate it for dividends payment, for buying out and (or) acquiring shares of the credit institution (the parent credit institution of the banking group, credit institution participating in the banking group), for satisfying requests of the participants in the credit institution (the parent credit institution of the banking group, credit institution participating in the banking group) on apportioning them a share (a part of the share) or paying its actual value, as well as for spending it on compensatory and incentive payments to the persons specified in Article 57³ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, if it does not lead to the failure by the credit institution (the banking group) to comply with the capital charge(s) set by the Bank of Russia for capital adequacy ratios.

Article 24¹. Banking Activities Standards

(the Article was introduced by Federal Law No. 192-FZ, dated 11 June 2021 (effective from 10 September 2021))

Relations between credit institutions, as well as between credit institutions and their customers, may be regulated in addition to the norms of federal laws and Bank of Russia regulations adopted in accordance with them, by banking activities standards developed, agreed upon and approved in accordance with the requirements of Federal Law No. 223-FZ, dated 13

July 2015, ‘On Self-regulatory Organisations in the Financial Market’ (hereinafter, banking activities standards). Banking activities standards include standards for the protection of the rights and legitimate interests of recipients of banking services, including the rules for the provision (disclosure) of information to consumers of banking services about the service and the person which provides it, and notifications about the risks associated with this service, standards of transactions in the financial market and corporate governance standard.

Banking activities standards shall not contradict the legislation of the Russian Federation and Bank of Russia regulations and operate inasmuch as they do not contradict the legislation of the Russian Federation and Bank of Russia regulations as of the date of their application.

Article 25. Mandatory Reserve Requirements

(as amended by Federal Law No. 218-FZ, dated 21 July 2014)

A credit institution shall comply with mandatory reserve requirements established by the Bank of Russia in accordance with the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’.

The credit institution shall have an account (accounts) opened with the Bank of Russia for required reserves. The procedure for opening such account (accounts) and for performing operations across it (them) shall be established by the Bank of Russia.

Article 25¹. Subordinated Credits (Deposits, Loans, Bonded Loans) of a Credit Institution

(the Article was introduced by Federal Law No. 432-FZ, dated 22 December 2014)

A subordinated credit (deposit, loan, bonded loan) shall mean a credit (deposit, loan, bonded loan) that simultaneously meets the following criteria:

if the maturity of a credit (deposit, loan) and the redemption term of a bond are no less than five years or a credit (deposit, loan) is provided without specifying its maturity and the redemption term of a bond is not stipulated;

if a credit (deposit, loan) agreement or the registered bond issuance terms contain provisions requiring the Bank of Russia's approval for the following:

the early repayment of the credit (deposit, loan) or a part thereof, the early payment of interest on the credit (deposit, loan, bonded loan) or the early redemption of bonds or, where the credit (deposit, loan) is provided without specifying its maturity and the bond redemption term is not established, the repayment of the credit (deposit, loan) or a part thereof, or the redemption of bonds, the early payment of interest on the credit (deposit, loan, bonded loan);

the cancellation of the credit (deposit, loan) agreement and (or) introduction of amendments thereto;

if the terms of a credit (deposit, loan), including the interest rate and the terms of its revision, at the time of the concluding the agreements (making amendments thereto) do not differ materially from the market terms of similar credits (deposits, loans), and bond interest payments and the terms of their revision do not differ materially from the average level of interest

on similar bonds at the time of their placement or making amendments to the decision on bonds issuance;

if a credit (deposit, loan) agreement or the terms of bonds issuance stipulated by the registered decision on the bond issuance contain a provision under which, in the event of the insolvency (bankruptcy) of the credit institution, the claims under such credit (deposit, loan, bonded loan) and under financial sanctions for the default on a subordinated credit (deposit, loan, bonded loan) shall be satisfied after the claims of all other creditors are satisfied.

A creditor under a subordinated credit (deposit, loan, bonded loan) may not file a claim for the repayment of the credit (deposit, loan) or a part thereof, or redemption of bonds, or early payment of interest on the credit (deposit, loan, bonded loan), or the cancellation of the credit (deposit, loan) agreement, unless the maturity period for the credit (deposit, loan) repayment or the bond redemption term stipulated in Paragraph 2 of Part 1 of this Article fall due.

The subordinated credit (deposit, loan) agreement or the subordinated bonded loan terms may contain a provision on the right of the credit institution to unilaterally refuse to pay interest under the subordinated credit (deposit, loan, bonded loan) agreement. The exercise of the said right by the credit institution shall not entail any financial sanctions for its failure to fulfil obligations on interest payments under the subordinated credit (deposit, loan, bonded loan) agreement.

Unless otherwise specified in Part 6 of this Article, if the capital adequacy ratio of a credit institution goes below the level determined by a Bank of Russia regulation for the termination (swap, conversion) of the subordinated credit (deposit, loan, bonded loan), and if the Bank of Russia

Board of Directors approves the plan of the Bank of Russia's participation in the implementation of measures to prevent bankruptcy of the bank, or the Bank of Russia Banking Supervision Committee (and in the case stipulated by Paragraph 2 of Clause 3 of Article 189⁴⁹ of the Federal Law 'On Insolvency (Bankruptcy)', also the Bank of Russia Board of Directors) approves a plan for the participation of the state corporation Deposit Insurance Agency (hereinafter, the Agency) in the implementation of measures to prevent the bankruptcy of the bank, which provide for financial assistance by the Bank of Russia or by the Agency, as stipulated by Clause 8 of Article 189⁴⁹ of the Federal Law 'On Insolvency (Bankruptcy)', the obligations of the credit institution to repay the principal under the subordinated credit (deposit, loan) agreement or under the bonded loan terms and the obligations under financial sanctions for failure to comply with its commitments under subordinated credits (deposits, loans, bonded loans) shall be extinguished to the extent required to achieve the said level of the capital adequacy ratio or the capital adequacy ratios established by the Bank of Russia in accordance with the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', and, therefore, the outstanding interest on such credits (deposits, loans, bonded loans) shall not be repaid and shall not accrue.

(Part 4 as amended by Federal Laws No. 229-FZ, dated 13 July 2015; and No. 84-FZ, dated 1 May 2017)

Information on the decline of the capital adequacy ratio of the credit institution below the level established by the Bank of Russia regulation for the termination (swap, conversion) of the subordinated credit (deposit, loan, bonded loan) shall be posted by the credit institution on the Bank of Russia website in accordance with the procedure established by a Bank of Russia regulation. Information on the approval by the Bank of Russia Board of

Directors of the plan for the Bank of Russia's participation in the implementation of measures to prevent the bankruptcy of the bank or on the approval by the Bank of Russia Banking Supervision Committee (and in the case stipulated by Paragraph 2 of Clause 3 of Article 189⁴⁹ of the Federal Law 'On Insolvency (Bankruptcy)', also by the Bank of Russia Board of Directors) of the plan for the Agency's participation in the implementation of measures to prevent the bankruptcy of the bank, which provide for financial assistance by the Bank of Russia or by the Agency, as stipulated by Clause 8 of Article 189⁴⁹ of the Federal Law 'On Insolvency (Bankruptcy)', shall be posted by the Bank of Russia on its website.

(Part 5 as amended by Federal Laws No. 229-FZ, dated 13 July 2015; and No. 84-FZ, dated 1 May 2017)

The subordinated credit (deposit, loan, bonded loan) agreement or the decision on the issue of bonds, in cases established by Part 4 of this Article, may provide for the exchange or conversion of creditors' claims on subordinated credits (deposits, loans, bonded loans), including claims on outstanding interest on such credits (deposits, loans, bonded loans) and financial sanctions for unfulfilled obligations under subordinated credits (deposits, loans, bonded loans) on ordinary shares (stakes in the authorised capital) of the credit institution, including conversion of the bonds of the credit institution (bonded loan) into ordinary shares (stakes in the authorised capital) of the credit institution. If the decision on the bond issue provides for a possibility of their conversion into ordinary shares of the credit institution, the provisions of Article 40 of Federal Law No. 208-FZ, dated 26 December 1995, 'On Joint-stock Companies' on the pre-emptive right of shareholders to purchase issue-grade securities convertible into shares shall not apply to such bonds.

(Part 6 as amended by Federal Law No. 98-FZ, dated 20 April 2015)

The Bank of Russia may demand that a credit institution swap or convert the above claims of the creditors and also the claims arising from financial sanctions for the credit institution's failure to fulfil its obligations, namely for the non-compliance with the aforesaid provision on the swap or conversion established by the credit (deposit, loan) agreement or by the terms of bonds issuance. If the Bank of Russia demands that the credit institution swap or convert the claims of creditors under subordinated credits (deposits, loans, bonded loans), the credit institution shall notify its creditors without delay of such demand made by the Bank of Russia, after which the credit institution's creditors will have the right to make a decision on debt forgiveness. The decision on debt forgiveness shall be made within the timeframe established by the Bank of Russia to fulfil this demand, about which the credit institution shall notify the Bank of Russia. If the creditors forgive the debt on subordinated credits (deposits, loans, bonded loans), the Bank of Russia's demand to swap or convert the claims of the creditors under subordinated credits (deposits, loans, bonded loans) shall be deemed cancelled.

The procedure for the exchange or conversion of creditors' claims under subordinated credits (deposits, loans, bonded loans), specifics of registration of respective procedures, procedure for sending and cancelling the Bank of Russia's demands for the exchange or conversion of creditors' claims under subordinated credits (deposits, loans, bonded loans) shall be determined by Bank of Russia regulations. If a subordinated loan (bond loan) agreement or a decision on bonds issue provides for the exchange or conversion of creditors' claims under the subordinated loans (bonded loans) into ordinary shares of the credit institution, such subordinated loan (bonded loan) agreement or decision to issue bonds shall also contain a provision on the

exchange or conversion ratio calculated based on the ratio of the market value of ordinary shares of the credit institution (which shall be no less than their par value) and the amount of creditors' claims under the subordinated loans (bonded loans).

(Part 8 as amended by Federal Law No. 98-FZ, dated 20 April 2015)

Should the creditors' claims under subordinated credits (deposits, loans, bonded loans) be swapped or converted into ordinary shares (stakes in the authorised capital), as provided for by Part 6 of this Article, the number of declared shares (stakes) shall be no less than the number required for swapping or converting such subordinated credits (deposits, loans, bonded loans).

(Part 9 as amended by Federal Law No. 229-FZ, dated 13 July 2015)

A swap or conversion of creditors' claims under subordinated credits (deposits, loans, bonded loans) into ordinary shares (stakes in the authorised capital of a credit institution) shall not be covered by the provisions of federal laws regulating the procedure for the following:

obtaining the Bank of Russia's preliminary (subsequent) approval for the acquisition of shares (stakes) of a borrower credit institution;

obtaining the approval for a transaction with shares (stakes) of a borrower credit institution from the federal anti-monopoly authority (sending a notice to the federal anti-monopoly authority);

acquiring 30 per cent or more of ordinary shares of a borrower credit institution that is a joint-stock company;

requesting a state financial control authority to determine the offer price of shares;

the exercise of the pre-emptive right by entities vested with the pre-emptive right to purchase additional ordinary shares of a borrower credit institution that is a joint-stock company.

The provisions of the Civil Code of the Russian Federation on loans, credits, bank deposits and donations shall apply to subordinated credit (deposit, loan) agreement or to the terms of bonded loans with due regard to the specifics established by this Article.

The terms stipulated by Article 17¹ of Federal Law No. 39-FZ, dated 22 April 1996, ‘On the Securities Market’, under which the issuer shall repay bonds placed for early redemption, shall not apply when bonded loans are issued by credit institutions as subordinated loans in accordance with this Article.

The provisions of Parts 1 and 2 of this Article regarding the provision of a subordinated credit (deposit, loan, bonded loan) without specifying its maturity or establishing the term of bond redemption, the provisions of Parts 3 and 4 of this Article and the provisions of Part 7 of this Article on debt forgiveness when a credit institution refuses to fulfil the Bank of Russia’s demand on a swap or conversion, as stipulated by the said Part, shall not apply to subordinated credits (deposits, loans, bonded loans) issued at the cost of the National Wealth Fund, inter alia, in compliance with Federal Law No. 173-FZ, dated 13 October 2008, ‘On Additional Measures to Support the Financial System of the Russian Federation’.

Bonds of a subordinated bonded loan shall be securities meant for qualified investors. The par value of one bond of a subordinated bonded loan shall be no less than 10 million rubles.

(Part 14 was introduced by Federal Law No. 514-FZ, dated 27 December 2018)

Article 25². Loan Participation Agreements

(the Article was introduced by Federal Law No. 447-FZ, dated 22 December 2020)

A credit institution, the State Development Corporation VEB.RF shall be entitled to enter into loan participation agreements according to the procedure stipulated by Federal Law No. 486-FZ, dated 31 December 2017, ‘On Syndicated Loans and on Amending Certain Laws of the Russian Federation’.

According to Federal Law No. 486-FZ, dated 31 December 2017, ‘On Syndicated Loans and on Amending Certain Laws of the Russian Federation’, the rules governing loan participation agreements shall also apply to loan participation agreements under a loan agreement which is not a syndicated loan agreement.

Article 26. Bank Secrecy

(as amended by Federal Law No. 97-FZ, dated 29 June 2012)

A credit institution, the Bank of Russia, an organisation performing the functions of compulsory deposit insurance shall guarantee the secrecy of operations, accounts and deposits of their customers and correspondents. All employees of the credit institution shall keep the operations, accounts and deposits of its customers and correspondents secret, as well as any other information specified by the credit institution, unless it is in conflict with the federal legislation.

The statements of the operations and accounts of legal entities and unincorporated entrepreneurs shall be issued by the credit institution to them, courts and arbitration courts (judges), Accounts Chamber of the Russian Federation, tax authorities, Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, agencies in charge of the

enforcement of judicial acts and acts of other agencies and officials in the cases stipulated by legal acts on their activities, and, subject to the approval of the head of an investigation agency, to the bodies of preliminary investigation with regard to the cases they investigate. The statements of the operations and accounts of legal entities and unincorporated entrepreneurs, which are depositors as determined by Federal Law No. 177-FZ, dated 23 December 2003, ‘On the Insurance of Deposits with Russian Banks’ (hereinafter, the Federal Law ‘On the Insurance of Deposits with Russian Banks’), shall be issued by the credit institution to an organisation performing the functions of compulsory deposit insurance upon the occurrence of insured events, as provided for by the Federal Law ‘On the Insurance of Deposits with Russian Banks’.

(Part 2 as amended by Federal Laws No. 251-FZ, dated 23 July 2013; and No. 322-FZ, dated 3 August 2018)

Part 3 is null and void in accordance with Federal Law No. 134-FZ, dated 28 June 2013.

The statements of the accounts and deposits of individuals shall be issued by the credit institution to such individuals, courts, agencies in charge of the enforcement of judicial acts and acts of other agencies and officials, organisation performing the functions of compulsory deposit insurance upon the occurrence of insured events, as provided for by the Federal Law ‘On the Insurance of Deposits with Russian Banks’ and, subject to the approval of the head of the investigation agency, to the bodies of preliminary investigation with regard to the cases they investigate.

(Part 4 as amended by Federal Law No. 322-FZ, dated 3 August 2018)

The statements of the operations and accounts of legal entities and individual entrepreneurs, statements of operations, accounts and deposits of individuals shall be issued by a credit institution based on a court decision to the officials of investigation agencies authorised to perform the functions of identification, prevention and control of crimes, upon their requests sent

to the court according to the procedure prescribed by Article 9 of Federal Law No. 144-FZ, dated 12 August 1995, ‘On Investigation Activities’, provided there is information on the signs of crimes that are being prepared, being committed or have been committed, as well as on individuals who are preparing, committing or have committed them, if there is insufficient evidence for initiating a criminal prosecution. The lists of the said officials shall be established by the legal acts of respective federal executive bodies.

(Part 5 was introduced by Federal Law No. 134-FZ, dated 28 June 2013)

The statements of operations, accounts and deposits of individuals and legal entities shall be issued by the credit institution to the chief executives (officials) of federal government bodies the list of which shall be determined by the President of the Russian Federation, to the Governor of the Central Bank of the Russian Federation, senior officials of Russian constituent territories (the heads of regional governments of the Russian Federation), heads of the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, Federal Compulsory Medical Insurance Fund, the statements of operations, accounts and deposits of individuals shall be also issued to the chief executives of state corporations, public not-for-profit companies based on a request sent according to the procedure determined by the President of the Russian Federation, during the verification of information veracity and completeness, conducted under the Russian federal legislation on countering corruption, on revenues, expenses, assets and liabilities, compliance with prohibitions and restrictions, and performance of duties set forth by Federal Law No. 273-FZ, dated 25 December 2008, ‘On Countering Corruption’ with regard to:

(the Paragraph as amended by Federal Law No. 307-FZ, dated 3 August 2018)

1) citizens applying for public positions in the Russian Federation, unless a different procedure for the verification of the said data is established by the federal constitutional law or federal laws;

2) citizens applying for the position of a judge;

3) citizens applying for public positions in constituent territories of the Russian Federation, the positions of heads of municipalities, and municipal positions;

(Clause 3 as amended by Federal Law No. 469-FZ, dated 27 December 2019)

4) citizens applying for positions in the federal civil service, regional civil service and municipal service;

4¹) citizens applying for the positions of the members of the Bank of Russia Board of Directors, positions at the Central Bank of the Russian Federation;

(Clause 4¹ was introduced by Federal Law No. 231-FZ, dated 3 December 2012)

4²) citizens applying for the positions of the ombudsman of financial services (hereinafter, the financial ombudsman) and the head of the financial ombudsman administration;

(Clause 4² was introduced by Federal Law No. 471-FZ, dated 30 December 2021)

5) citizens applying for the positions of a chief executive (sole executive body), deputy chiefs, board members (of collective executive body), where duties are performed on a permanent basis, at the state corporation, Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, Federal Compulsory Medical Insurance Fund and in other organisations set up in the Russian Federation by federal laws;

5¹) citizens applying for the positions of the heads of state (municipal) institutions;

(Clause 5¹ was introduced by Federal Law No. 280-FZ, dated 29 December 2012)

6) citizens applying for certain positions on the basis of a labour contract at organisations established to perform tasks assigned to federal executive bodies;

7) persons filling the positions specified in Clauses 1–6 of this Part;

8) the spouses and underage children of the citizens and persons referred to in Clauses 1–7 of this Part.

Part 7 is null and void in accordance with Federal Law No. 134-FZ, dated 28 June 2013.

The statements of accounts and deposits in the event of the death of their holders shall be issued by the credit institution to the persons specified by an account or deposit holder in a testamentary disposition to the credit institution, to notary offices with regard to inheritance cases of deceased depositors and, insofar as it concerns the accounts of foreign citizens, to foreign consular offices.

Information on the operations, accounts and deposits of legal entities, unincorporated entrepreneurs and individuals shall be provided by credit institutions to the authorised body in charge of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and proliferation of weapons of mass destruction in the cases, according to the procedure and to the extent stipulated by the Federal Law ‘On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism’.

(Part 9 as amended by Federal Law No. 251-FZ, dated 2 December 2019)

Credit institutions shall submit information on the operations and accounts of non-profit organisations, except for non-profit organisations listed in Clause 4 of Article 1 of Federal Law No. 7-FZ, dated 12 January 1996, ‘On Non-profit Organisations’, to the federal executive body performing the functions of federal state supervision over activities of non-profit organisations at the request received from the head (deputy head) of

the federal executive authority performing the functions of federal state supervision over activities of non-profit organisations in accordance with Federal Law No. 7-FZ, dated 12 January 1996, ‘On Non-profit Organisations’ and Federal Law No. 82-FZ, dated 19 May 1995, ‘On Public Associations’.

(Part 10 was introduced by Federal Law No. 323-FZ, dated 2 July 2021)

The chief executives (officials) of federal government authorities, the list of which is determined by the President of the Russian Federation, senior officials in Russian regions (heads of regional governments), the organisation performing the functions of compulsory deposit insurance shall not disclose information on operations, accounts and deposits, as well as data on specific transactions and operations from credit institutions’ statements received by them as a result of performing licensing, supervisory and control functions, except for the cases stipulated by federal laws.

(Part 11 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Audit companies shall not be entitled to disclose information to third parties on operations, accounts and deposits of credit institutions, their customers and correspondents obtained by such audit companies in the course of providing audit services and (or) received from the Bank of Russia according to Federal Law No. 307-FZ, dated 30 December 2008, ‘On Auditing’, except for the following:

- 1) information, constituting bank secrets and received from the Bank of Russia, upon obtaining a prior written consent from the Bank of Russia and an audited entity as established by Federal Law No. 307-FZ, dated 30 December 2008, ‘On Auditing’;

- 2) other cases specified by federal laws.

(Part 12 as amended by Federal Law No. 263-FZ, dated 29 July 2018)

The authorised body in charge of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and proliferation of weapons of mass destruction shall not be entitled to disclose to third parties information received from credit institutions under the Federal Law ‘On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism’, except for the cases specified by this Federal Law.

(Part 13 as amended by Federal Law No. 394-FZ, dated 2 December 2019)

Part 14 has been null and void since 1 September 2013 in accordance with Federal Law No. 251-FZ, dated 23 July 2013.

The federal executive body performing the functions of federal state supervision of non-profit organisations shall not be entitled to disclose to third parties information received from credit institutions in accordance with Federal Law No. 7-FZ, dated 12 January 1996, ‘On Non-profit Organisations’ and Federal Law No. 82-FZ, dated 19 May 1995, ‘On Public Associations’, except for cases stipulated by federal laws.

(Part 15 was introduced by Federal Law No. 323-FZ, dated 2 July 2021)

For disclosing bank secrets, the Bank of Russia, chief executives (officials) of federal government authorities, the list of which is determined by the President of the Russian Federation, senior officials in Russian regions (the heads of regional governments), heads of state corporations and public not-for-profit companies, heads of the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, Federal Compulsory Medical Insurance Fund, organisation performing the functions of compulsory deposit insurance, credit institutions, audit companies and other organisations, authorised body in charge of countering the legalisation (laundering) of criminally obtained incomes, the financing of terrorism and proliferation of weapons of mass destruction, federal executive body

performing the functions of federal state supervision over activities of non-profit organisations, foreign exchange control body authorised by the Government of the Russian Federation, foreign exchange control agents, as well as the officials and employees of these bodies and organisations shall be held liable, including the indemnification of incurred damage, in accordance with the procedure established by federal laws.

(as amended by Federal Laws No. 307-FZ, dated 3 August 2018; No. 394-FZ, dated 2 December 2019; and No. 323-FZ, dated 2 July 2021)

Payment system operators shall not disclose information to third parties on the operations and accounts of payment system participants and their customers, except for the cases stipulated by federal laws.

Information on the operations of legal entities, unincorporated entrepreneurs and individuals shall be provided by credit institutions to credit history bureaus to compile credit histories in accordance with the procedure and on conditions set forth in the agreement concluded with the credit history bureau as per the Federal Law ‘On Credit Histories’.

(Part 18 as amended by Federal Law No. 189-FZ, dated 28 June 2014)

The chief executives (officials) of federal government authorities, the list of which shall be determined by the President of the Russian Federation, and senior officials in Russian regions (the heads of regional governments), heads of state corporations and public not-for-profit companies, heads of the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, Federal Compulsory Medical Insurance Fund shall not disclose to third parties information on the operations, accounts and deposits of individuals and legal entities obtained in accordance with the legal acts of the Russian Federation on countering corruption and this Federal Law in the Bank of Russia, credit institutions and in the representative offices of foreign banks. Information on the operations, accounts and deposits of

individuals and legal entities obtained in accordance with Part 6 hereof in the course of the verification of the veracity and completeness of information on revenues, expenses, assets and liabilities, compliance with prohibitions and restrictions, and performance of duties set forth by Federal Law No. 273-FZ, dated 25 December 2008, ‘On Countering Corruption’ and other federal laws shall only be used in line with the legislation of the Russian Federation on countering corruption.

(Part 19 as amended by Federal Law No. 307-FZ, dated 3 August 2018)

Documents and information on foreign exchange operations, opening and keeping accounts stipulated by the Federal Law ‘On Foreign Exchange Regulation and Foreign Exchange Control’ shall be submitted by credit institutions to the foreign exchange control body authorised by the Government of the Russian Federation, tax and customs authorities as foreign exchange control agents in the cases, according to the procedure and to the extent stipulated by this Federal Law.

Foreign exchange control authorities and foreign exchange control agents shall not disclose to third parties information received from credit institutions under the Federal Law ‘On Foreign Exchange Regulation and Foreign Exchange Control’, except for the cases stipulated by federal laws.

Parts 20–21 have been null and void since 1 September 2013 in accordance with Federal Law No. 251-FZ, dated 23 July 2013.

Operations centres and payment clearing centres shall not disclose information to third parties on the operations and accounts of payment system participants and their customers obtained when providing operational and clearing services to payment system participants, except for the transfer of information within the payment system and the cases stipulated by federal laws.

The provisions of this Article shall apply to data on the operations of bank customers made by bank payment agents (sub-agents).

The provisions of this Article shall also apply to information on the electronic money balances of bank customers and information on electronic money transfers by credit institutions at the instruction of their customers.

Documents and information containing the bank secrets of legal entities and unincorporated entrepreneurs shall be provided by credit institutions to the customs authorities of the Russian Federation in the cases, according to the procedure and to the extent prescribed by the Customs Code of the Customs Union and by Federal Law No. 311-FZ, dated 27 November 2010, 'On Customs Regulation in the Russian Federation'.

The customs authorities of the Russian Federation and their officials shall not disclose information containing bank secrets that they have received from credit institutions, except for the cases stipulated by federal laws. The customs authorities of the Russian Federation and their officials shall be held liable for the disclosure of bank secrets in accordance with the procedure stipulated by federal laws, including the reimbursement of damage.

Information on the opened or closed accounts and deposits, changed details of the accounts, deposits of organisations, unincorporated entrepreneurs and individuals, on granting (cancelling) the right to use by organisations and unincorporated entrepreneurs corporate electronic means of payment for electronic money transfers, on the changed details of the corporate electronic means of payment shall be communicated in the electronic form by the credit institution to tax authorities in accordance with the procedure established by the legislation of the Russian Federation on taxes and fees.

(Part 29 was introduced by Federal Law No. 134-FZ, dated 28 June 2013)

Information on the availability of accounts, deposits and (or) on the balances of accounts, deposits, as well as information across operations on the accounts or deposits of organisations, unincorporated entrepreneurs and individuals shall be provided by the credit institution to tax authorities in accordance with the procedure established by the legislation of the Russian Federation on taxes and fees.

(Part 30 was introduced by Federal Law No. 134-FZ, dated 28 June 2013)

Credit institutions that are members of a banking group, a bank holding company or other associations with the participation of credit institutions, for the purpose of compiling the statements of the banking group, bank holding company or other associations with the participation of credit institutions, inter alia, to identify risks assumed on a consolidated basis and to develop and update plans for the recovery of financial sustainability, shall submit information on their operations and operations of their customers and correspondents to the parent credit institution of the banking group or parent organisation (management company) of the bank holding company or other association with the participation of credit institutions, respectively.

(Part 31 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The data specified in Part 29 of this Article, except for information that constitutes state secrets, shall be provided to the parent credit institutions of banking groups or parent organisations (management companies) of bank holding companies located in foreign countries, provided that the latter endure the level of protection (confidentiality) of information, which shall be no less than the one stipulated by the legislation of the Russian Federation.

(Part 32 was introduced by Federal Law No. 146-FZ, dated 2 July 2013)

The Bank of Russia shall have the right to provide information on the specific transactions and operations of credit institutions, as well as the transactions and operations of their customers and correspondents received from the statements of credit institutions, banking groups and bank holding companies, except for data with state secrets, to central banks and (or) other supervisory authorities of foreign countries, whose functions include banking supervision, as well as information contained in plans submitted to the Bank of Russia for the recovery of the financial sustainability of credit institutions that are members of banking groups (bank holding companies) or other associations with the participation of credit institutions, except for data with state secrets, to central banks and (or) other authorities of foreign countries whose functions include resolving the insolvency of organisations that are parent organisations of a banking group (a bank holding company) or another association with the participation of credit institutions.

(Part 33 as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Information specified in Part 31 of this Article shall be provided on condition that the central banks and (or) other supervisory authorities of foreign countries, whose functions include banking supervision, and (or) other authorities of foreign countries, whose functions include resolving the insolvency of organisations, set the level of protection (confidentiality) of information submitted which shall be no less than the level of protection (confidentiality) stipulated by the legislation of the Russian Federation, and non-provision of this information to third parties, including law enforcement agencies, without the prior written consent of the Bank of Russia, except where such information is provided to courts under criminal litigation.

(Part 34 introduced by Federal Law No. 432-FZ, dated 22 December 2014)

Documents and information on operations, accounts and deposits, as well as information on the specific transactions of individuals,

unincorporated entrepreneurs and legal entities shall be submitted by credit institutions to the Bank of Russia in the course of the Bank of Russia performing its functions defined by federal laws, as well as in the cases stipulated by federal laws.

(Part 35 was introduced by Federal Law No. 251-FZ, dated 23 July 2013)

The Bank of Russia shall not disclose or provide to third parties information obtained in the course of performing its functions defined by federal laws and, in the cases stipulated by federal laws, on operations, accounts and deposits, as well as information on the specific transactions of individuals, unincorporated entrepreneurs and legal entities, except for the cases specified by federal laws.

(Part 36 was introduced by Federal Law No. 251-FZ, dated 23 July 2013)

A credit institution that provides documents and information as per Part 33 of this Article and the employees of such credit institution shall not be entitled to inform the customers of this credit institution or other persons thereof.

(Part 37 was introduced by Federal Law No. 251-FZ, dated 23 July 2013, as amended by Federal Law No. 432-FZ, dated 22 December 2014)

The statements of nominal, security and escrow accounts may be issued to third parties in the cases and according to the procedure stipulated by the Civil Code of the Russian Federation.

(Part 38 was introduced by Federal Law No. 379-FZ, dated 21 December 2013)

Information on operations across certain accounts of legal entities, unincorporated entrepreneurs and individuals incorporated in the main contractor for the supply of products under a state defence order opened according to the procedure and for the purposes established by Federal Law No. 275-FZ, dated 29 December 2012, 'On State Defence Order', shall be submitted by credit institutions in accordance with the said Federal Law to the state customer of the state defence order, to the federal executive body

in charge of elaboration and implementation of the state policy or legal regulation in the field of defence, to the main contractor for the supply of products under the state defence order, to a contractor involved in the supply of products under the state defence order and to a bank authorised to service this transaction in the cases and to the extent stipulated by Federal Law No. 275-FZ, dated 29 December 2012, ‘On State Defence Order’.

(Part 39 was introduced by Federal Law No. 159-FZ, dated 29 June 2015; as amended by Federal Law No. 263-FZ, dated 29 July 2018)

Information on accounts, deposits and account/deposit balances belonging to candidates to deputies and other elective positions and, in cases stipulated by the federal legislation, information on accounts, deposits and account/deposit balances belonging to the spouses and underage children of candidates to deputies or for other elective positions, shall be provided by credit institutions to the Central Election Commission of the Russian Federation or election commissions of Russian constituent territories during the verification of information provided by candidates to deputies or other elective positions to the election commissions, as stipulated by Russian election legislation.

(Part 40 was introduced by Federal Law No. 231-FZ, dated 13 July 2015)

The Central Election Commission of the Russian Federation and election commissions of Russian constituent territories shall not disclose to third parties information containing bank secrecy which they received from credit institutions during the verification of information on accounts and deposits, as stipulated by Russian laws on elections, which was submitted by candidates to deputies or other elective positions to the election commissions, except as otherwise established by Russian election legislation.

(Part 41 was introduced by Federal Law No. 231-FZ, dated 13 July 2015)

The Central Election Commission of the Russian Federation, election commissions of Russian constituent territories and their officials shall bear responsibility for the disclosure of bank secrets in accordance with the procedure established by federal laws, including the indemnification of incurred damage.

(Part 42 was introduced by Federal Law No. 231-FZ, dated 13 July 2015)

Information on cases and (or) attempts to transfer funds without the customer's authorisation (including data on operations, accounts and deposits with respect to which cases and (or) attempts to transfer funds without the customer's authorisation were registered) shall be provided to the Bank of Russia by credit institutions, payment system operators and payment infrastructure operators in cases stipulated by the Federal Law 'On the National Payment System'. The Bank of Russia shall be entitled to provide information received under this part to credit institutions, payment system operators and payment infrastructure operators in cases stipulated by the Federal Law 'On the National Payment System'.

(Part 43 was introduced by Federal Law No. 167-FZ, dated 27 June 2018)

Limited liability company Fund of Banking Sector Consolidation Asset Management Company shall not disclose to third parties information constituting bank secret that it receives while implementing measures to prevent the bankruptcy of credit institutions in accordance with the legislation of the Russian Federation on insolvency (bankruptcy).

(Part 44 was introduced by Federal Law No. 84-FZ, dated 1 May 2017)

Limited liability company Fund of Banking Sector Consolidation Asset Management Company and its employees shall be liable for the disclosure of bank secret in accordance with the procedure established by federal laws, including the indemnification of incurred damage.

(Part 45 was introduced by Federal Law No. 84-FZ, dated 1 May 2017)

The financial consumer ombudsman shall not disclose to third parties information containing bank secrets that he has received in cases stipulated by the Federal Law ‘On Financial Consumer Ombudsman’.

(the Part was introduced by Federal Law No. 133-FZ, dated 4 June 2018; as amended by Federal Law No. 471-FZ, dated 30 December 2021)

For disclosing bank secrets, the financial consumer ombudsman shall be held liable, including the indemnification of incurred damage, in accordance with the procedure established by federal laws.

(the Part was introduced by Federal Law No. 133-FZ, dated 4 June 2018; as amended by Federal Law No. 471-FZ, dated 30 December 2021)

The Bank of Russia, the state corporation Deposit Insurance Agency shall provide to investigation agencies available information constituting bank secrets, including information about specific operations and transactions, as well as customers, whenever the Bank of Russia or the state corporation Deposit Insurance Agency sends to investigation agencies applications and materials in order to initiate a criminal prosecution.

(Part 48 was introduced by Federal Law No. 263-FZ, dated 29 July 2018)

Upon receiving from the central bank and (or) another supervisory authority of a foreign state in charge of banking supervision, in accordance with Article 51² of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, data constituting bank secrecy, the Bank of Russia shall not be entitled to disclose such data to third parties, except for the cases where the said data were requested in order to verify compliance with the requirements of Federal Law No. 79-FZ, dated 7 May 2013, ‘On Prohibiting Certain Categories of Individuals from Opening and Maintaining Accounts (Deposits) and Holding Cash Funds and Valuables with Foreign Banks Outside the Russian Federation, and Owning and (or) Using Foreign Financial Instruments’. The disclosure of data received for the aforementioned purposes shall be made subject to requirements for the

disclosure of information and provision of documents established by the legislation of the foreign state.

(Part 49 was introduced by Federal Law No. 5-FZ, dated 6 February 2019)

Upon receiving from a foreign financial market regulator, in accordance with Article 51³ of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, data constituting bank secrecy, the Bank of Russia shall not be entitled to disclose such data to third parties, except for the cases where the said data were requested in order to verify compliance with the requirements of Federal Law No. 79-FZ, dated 7 May 2013, ‘On Prohibiting Certain Categories of Individuals from Opening and Maintaining Accounts (Deposits) and Holding Cash Funds and Valuables with Foreign Banks Outside the Russian Federation, and Owning and (or) Using Foreign Financial Instruments’. The disclosure of data received for the aforementioned purposes shall be made subject to requirements for the disclosure of information and provision of documents established by the legislation of the foreign state.

(Part 50 was introduced by Federal Law No. 5-FZ, dated 6 February 2019)

The statements of operations, accounts and deposits of individuals and legal entities shall be issued by the credit institution to the Prosecutor General of the Russian Federation, deputies of the Prosecutor General of the Russian Federation, prosecutors of Russian constituent territories, military and other specialised prosecutors equivalent to prosecutors of Russian constituent territories upon their requests, when exercising control, in accordance with Parts 1 and 2 of Article 12 of Federal Law No. 230-FZ, dated 3 December 2012, ‘On Control over Conformity of Expenses of Persons Applying for Public Positions and of Other Persons to Their Income’, over the conformity of expenses of a person who is applying for (holding) / or who applied for (held) one of the positions stipulated by

Clause 1 of Part 1 of Article 2 of the specified Federal Law, and also expenses of his (her) spouse and underage children to this person's income and the income of his (her) spouse.

(the Part was introduced by Federal Law No. 471-FZ, dated 30 December 2021)

Article 27. The Attachment and Exacting of Funds and Other Valuables of a Credit Institution

Funds and other valuables of legal entities and individuals which are kept in accounts and deposits, or kept by a credit institution, as well as the balances of electronic money may not be attached other than by a court, an arbitration court or a judge, as well as by the order of the bodies of preliminary investigation subject to a court ruling.

(Part 1 as amended by Federal Laws No. 214-FZ, dated 24 July 2007; and No. 162-FZ, dated 27 June 2011)

When funds (precious metals) in accounts and deposits or the balance of electronic money are attached, the credit institution shall stop debit operations on the given account (deposit) immediately upon receipt of the attachment order within the attached amount of funds (precious metals), and shall also stop the transfer of electronic funds within the attached balance.

(Part 2 as amended by Federal Law No. 212-FZ, dated 27 July 2017)

The exaction of funds and other valuables of individuals and legal entities placed on accounts and deposits, or kept in a credit institution, as well as the balance of electronic funds may be effected only on the basis of writs of execution in accordance with the legislation of the Russian Federation.

(Part 3 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

A credit institution and the Bank of Russia shall not be held liable for the damage incurred as a result of the attachment or exaction of funds and other valuables of their customers, except for the cases stipulated by law.

Confiscation of funds and other valuables may be carried out on the basis of an effective court ruling.

Chapter IV. INTERBANK RELATIONS AND CUSTOMER SERVICE

Article 28. Interbank Operations

Credit institutions may attract and place funds with each other on a contractual basis in the form of deposits and loans, effect settlements through correspondent accounts opened with each other and perform other mutual operations, as provided for by licences issued by the Bank of Russia.

(Part 1 as amended by Federal Law No. 162-FZ, dated 27 June 2011)

A credit institution shall inform the Bank of Russia on a monthly basis of new correspondent accounts opened in the Russian Federation and abroad.

Credit institutions shall establish correspondent relations with foreign banks registered in the off-shore zones of foreign states in accordance with the procedure specified by the Bank of Russia.

(Part 3 was introduced by Federal Law No. 126-FZ, dated 5 July 1999)

Correspondent relations between a credit institution and the Bank of Russia shall be maintained on a contractual basis.

Accounts of a credit institution shall be debited by its instruction or with its consent, except for the cases stipulated by federal laws.

If it has insufficient funds for lending to customers and fulfilling its assumed obligations, a credit institution may apply for loans to the Bank of Russia on terms determined by the latter.

Credit institutions shall have the right to make funds transfers within payment systems which meet the requirements of the Federal Law ‘On the National Payment System’.

(Part 7 was introduced by Federal Law No. 162-FZ, dated 27 June 2011)

Article 29. Interest Rates on Loans, Deposits and Fees on the Operations of a Credit Institution

Interest rates on loans and (or) the procedure for determining them, including the calculation of interest rates on a loan depending on changes in the terms stipulated by a loan agreement, as well as interest rates on deposits and fees on operations shall be established by a credit institution as agreed with customers, unless otherwise stipulated by federal laws.

(Part 1 as amended by Federal Law No. 11-FZ, dated 15 February 2010)

The size of the fee charged by a credit institution when effecting funds transfers between individuals’ bank accounts with this credit institution may not be conditioned on the opening of the mentioned bank accounts in different separate units (internal structural units) of the credit institution.

(Part 2 was introduced by Federal Law No. 434-FZ, dated 16 December 2019 – effective from 14 June 2020)

A credit institution shall not unilaterally change interest rates on loans and (or) the procedure for determining them, interest rates on deposits, fees and the effective periods of these agreements with customers that are individual entrepreneurs or legal entities, except for the cases stipulated by federal laws or by agreements with customers.

(Part 3 as amended by Federal Law No. 11-FZ, dated 15 February 2010)

Under a bank deposit agreement concluded with an individual on the condition of its repayment upon the expiry of a definite period of time or the occurrence of circumstances stipulated by the agreement, the bank may not unilaterally reduce the validity period of this agreement, cut the interest rate, increase or set a fee for operations, except for the cases specified by federal laws.

(Part 4 was introduced by Federal Law No. 248-FZ, dated 2 November 2007)

Under a loan agreement concluded with an individual borrower, a credit institution may not unilaterally reduce the validity period of this agreement, raise the interest rate and (or) change the procedure for determining it, increase or set a fee for operations, except for the cases specified by federal laws.

(Part 5 was introduced by Federal Law No. 11-FZ, dated 15 February 2010)

A credit institution that owns an ATM shall inform a payment card holder before he/she makes a settlement using a payment card, sends an instruction to the credit institution to effect settlements across his/her bank accounts using ATMs belonging to such credit institution, by means of a warning message displayed on the ATM screen about the size of a fee established by the credit institution that owns the ATM and charged by the latter for these operations in addition to the fee set by the agreement between the credit institution that issued the payment card and the holder of this card or of the absence of such fee, and shall also display information on its fee (if any) charged by the credit institution that owns the ATM following the performance of such operations on the ATM receipt slip or on the absence of the fee.

(Part 6 was introduced by Federal Law No. 148-FZ, dated 1 July 2010, as amended by Federal Law No. 162-FZ, dated 27 June 2011)

Article 30. Relations between the Bank of Russia, Credit Institutions, their Customers and Credit History Bureaus

(as amended by Federal Law No. 219-FZ, dated 30 December 2004)

Relations between the Bank of Russia, credit institutions and their customers shall be based on agreements, unless otherwise provided for by federal laws. An agreement between a credit institution and an individual customer, as well as an agreement on electronic document workflow and other documents required for the purpose of their interaction after the identification of an individual customer according to the procedure established by Clause 5⁸ of Article 7 of Federal Law No. 115-FZ, dated 7 August 2001, ‘On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism’, may be signed with the customer’s simple electronic signature, the key for which was received during his/her personal visit in accordance with the rules of using a simple electronic signature in the process of requesting and getting state and municipal services in the electronic form established by the Government of the Russian Federation. The aforesaid documents signed with a simple electronic signature shall be recognised as electronic documents equivalent to documents in hard copy signed with the handwritten signature of this individual.

(Part 1 as amended by Federal Law No. 482-FZ, dated 31 December 2017)

The agreement shall specify interest rates on loans and deposits, cost of banking services, timeframes for their provision, including timeframes for payment document processing, the parties’ liability for the violation of the

agreement, including liability for the violation of payment dates, as well as the procedure for its cancellation and other essential terms of the agreement.

Customers shall be entitled to open the necessary number of settlement, deposit and other accounts in rubles, foreign currency and precious metals with banks upon obtaining their consent, unless otherwise established by federal laws.

(Part 3 as amended by Federal Law No. 212-FZ, dated 26 July 2017)

The procedure for opening, maintaining and closing customer accounts in rubles, foreign currency and in precious metals by a bank shall be established by the Bank of Russia in accordance with federal laws.

(Part 4 as amended by Federal Law No. 212-FZ, dated 26 July 2017)

Credit institution members shall not enjoy any privileges when an issue of providing loans or other banking services to them is being considered, unless otherwise established by federal laws.

The credit institution shall provide all available information on all borrowers as required for the compilation of credit histories to at least one credit history bureau included in the State Register of Credit History Bureaus according to the procedure stipulated by the Federal Law ‘On Credit Histories’.

(Part 6 was introduced by Federal Law No. 219-FZ, dated 30 December 2004, as amended by Federal Law No. 189-FZ, dated 28 June 2014)

Parts 7–12 have been null and void since 1 July 2014 in accordance with Federal Law No. 363-FZ, dated 21 December 2013.

Part 13 is null and void in accordance with Federal Law No. 173-FZ, dated 28 June 2014.

When the credit institution needs information from the Unified State Register of Real Estate in order to conduct banking operations and other transactions, it shall not be entitled to request its customers to provide such information. In the said cases, the credit institution shall be guided by the procedure and methods set forth by Federal Law No. 218-FZ, dated 13 July

2015, ‘On the State Registration of Real Estate’. In doing so, within three business days from the date of application of an individual, his/her representative or the representative of a legal entity, the credit institution shall request and receive information contained in the Unified State Register of Real Estate, including information that makes it possible to unambiguously identify such customer as a person whose rights to a particular real estate item are registered in the Unified State Register of Real Estate, from the federal executive body authorised by the Government of the Russian Federation to conduct state cadastral registration and state registration of rights, to maintain the Unified State Register of Real Estate and to provide information contained in the Unified State Register of Real Estate, its regional bodies or a subordinated public sector organisation duly authorised by such body, only in electronic form, within the timeframe established by the said Federal Law.

(Part 14 as amended by Federal Law No. 361-FZ, dated 3 July 2016)

It shall be prohibited to place in information and telecommunication networks, including on the Internet, information that gives, for the purpose of misappropriation or creation of conditions for misappropriation of customers’ property, access to credit organisations’ information systems, electronic means of payment or software used by customers via technical devices connected to the Internet in the course of providing (receiving) services of credit institutions, as well as access to databases containing information received using various networks, including the Internet, about credit institutions’ customers.

(Part 15 was introduced by Federal Law No. 250-FZ, dated 1 July 2021)

Article 31. Settlements Made by a Credit Institution

A credit institution shall effect settlements according to the rules, forms and standards set by the Bank of Russia; in the absence of rules for specific kinds of settlements, by mutual agreement; and in the case of international settlements, in accordance with the procedure established by federal laws and rules adopted in the international banking practice.

The credit institution and the Bank of Russia shall transfer the funds of a customer and credit his/her account no later than the next business day following the receipt of the respective payment document, unless otherwise established by federal laws, an agreement or a payment document.

In the event of delayed or incorrect crediting or debiting a customer account, the credit institution or the Bank of Russia shall pay interest on the amount of such funds at the Bank of Russia's refinancing rate.

Article 32. Anti-monopoly Requirements

(as amended by Federal Law No. 205-FZ, dated 26 July 2017)

Credit institutions shall be prohibited to engage in monopolistic practices and unfair competition.

Credit institutions' compliance with the anti-monopoly laws of the Russian Federation in the banking services market shall be controlled jointly by the anti-monopoly authority and the Bank of Russia.

Article 33. Ensuring Loan Repayment

Loans issued by a bank may be secured with immovable and movable assets, including government and other securities, bank guarantees and by other means, as stipulated by federal laws or an agreement.

If a borrower violates contractual obligations, the bank shall be entitled to accelerate the disbursed loans and accrued interest, if this is provided for in the agreement, as well as to foreclose on pledged property in accordance with the procedure established by federal laws.

A credit institution shall:

envisage in its internal documents ways to assist the authorised representatives (employees) of the Bank of Russia in obtaining documents and information on a collateral accepted by the credit institution to secure a loan, provisions for which are created in accordance with Article 69 of the Federal Law ‘On the Central Bank of Russian Federation (Bank of Russia)’, and on the activities of a borrower (legal entity or individual entrepreneur) of the inspected credit institution and (or) the collateral provider (a legal entity or individual entrepreneur), not being a borrower under such loan, which documents/information are required to examine such collateral at the place of its storage (location) or to familiarise with the activities of the borrower (legal entity or individual entrepreneur) of the inspected credit institution and (or) the collateral provider (legal entity or individual entrepreneur), not being the borrower under such loan, directly during the on-site inspection of the collateral or familiarisation with the activities of the borrower (legal entity or individual entrepreneur) of the inspected credit institution and (or) the collateral provider (legal entity or individual entrepreneur), not being a borrower under such loan;

to include in credit agreements and agreements of pledge, except for the agreements of pledge of residential premises, garage, indoor parking space, car parking space owned by/provided to an individual, passenger cars, motorcycles and motor scooters owned by an individual and not used by him/her for business purposes, and agreements of pledge of a land plot granted to an individual for individual housing construction, private farming, gardening, stockbreeding or vegetable gardening, as well as buildings, structures and facilities located on such land plot, the obligations of the borrower of the inspected credit institution and (or) the collateral provider, not being the borrower under such loan, to submit to the credit institution respective documents (information) and perform other actions deemed necessary for a direct on-site inspection by authorised Bank of Russia representatives (employees) of the pledged assets at the place of their storage (location) and familiarisation with the activities of the borrower (legal entity or individual entrepreneur) of the inspected credit institution and (or) the collateral provider (legal entity or individual entrepreneur), not being the borrower under such loan.

(as amended by Federal Laws No. 138-FZ, dated 6 June 2019; and No. 79-FZ, dated 5 April 2021 (effective from 1 September 2021))

(Part 3 was introduced by Federal Law No. 362-FZ, dated 3 July 2016)

Article 34. Declaring Debtors Insolvent (Bankrupt) and Debt Repayment

A credit institution shall take all measures stipulated by the legislation of the Russian Federation for debt recovery.

A credit institution shall be entitled to apply to an arbitration court for initiating insolvency (bankruptcy) proceedings against debtors who fail to fulfil their obligations to repay debt, in accordance with the procedure established by federal laws.

Article 34¹. The Obligation to Open Public Deposit Accounts

(the Article was introduced by Federal Law No. 119-FZ, dated 23 May 2018)

Russian credit institutions whose equity capital is not less than 20 billion rubles shall not refuse to enter into a public deposit account agreement with a notary public or other persons entitled to take funds on deposit according to federal laws.

(as amended by Federal Law No. 495-FZ, dated 30 December 2020)

Chapter V. BRANCHES, REPRESENTATIVE OFFICES AND SUBSIDIARIES OF A CREDIT INSTITUTION IN A FOREIGN STATE

Article 35. Branches, Representative Offices and Subsidiaries of a Credit Institution in a Foreign State

A bank with a universal licence that meets the requirements of the Bank of Russia may set up branches in a foreign state, if approved by the Bank of Russia, and may also set up representative offices after giving a notice to the Bank of Russia.

(Part 1 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

A bank with a universal licence that meets the requirements of the Bank of Russia may have subsidiaries in a foreign state, if approved by the Bank of Russia.

(Part 2 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

Within three months following the receipt of a respective request, the Bank of Russia shall inform the applicant in writing of its decision (approval or refusal). The refusal shall be duly substantiated. If the Bank of Russia fails to inform of its decision within the specified timeframe, the respective permission of the Bank of Russia shall be deemed received.

Chapter VI. SAVINGS INDUSTRY

Article 36. Household Bank Deposits in Rubles and Foreign Currency

(as amended by Federal Law No. 212-FZ, dated 26 July 2017)

A deposit shall mean funds in the currency of the Russian Federation or foreign currency placed by individuals for safekeeping and earning income. Income on the deposit shall be paid out as interest in money. The deposit shall be returned to the depositor on first demand according to the procedure established by federal laws and by a respective agreement for the given type of a deposit.

Deposits shall be taken only by banks that are entitled to do so in accordance with a licence issued by the Bank of Russia and that take part in the system of compulsory insurance of deposits with banks and are registered with the organisation performing the functions of compulsory deposit insurance. Banks shall ensure the safekeeping of deposits and timely fulfilment of their obligations to depositors. The taking of funds on deposit

shall be formalised by a written agreement made in two copies, with one of the copies handed out to the depositor.

(Part 2 as amended by Federal Laws No. 181-FZ, dated 23 December 2003, and No. 322-FZ, dated 3 August 2018)

The right to take household funds on deposit may be granted to banks with at least two-year history of operation from the date of their state registration. In the event of a bank merger, this period of time shall be calculated for the bank with the earlier date of state registration. In the event of a bank reorganisation, this period of time shall not be interrupted.

(Part 3 as amended by Federal Law No. 325-FZ, dated 4 December 2007)

Part 4 is null and void in accordance with Federal Law No. 181-FZ, dated 23 December 2003.

The right to take household funds on deposit may be granted to a newly registered bank with a universal licence or to a bank with a universal licence with less than two years passing from the date of its state registration, if:

(the Paragraph as amended by Federal Law No. 92-FZ, dated 1 May 2017)

1) the amount of the authorised capital of the newly registered bank with a universal licence or the amount of equity capital of an operating bank with a universal licence is no less than 3,600,000,000 rubles;

(Clause 1 as amended by Federal Laws No. 28-FZ, dated 28 February 2009; and No. 92-FZ, dated 1 May 2017)

2) a bank with a universal licence complies with the obligation established by a Bank of Russia regulation to disclose information to the general public on the persons who exercise control or exert material influence on it.

(Clause 2 as amended by Federal Laws No. 146-FZ, dated 2 July 2013; and No. 92-FZ, dated 1 May 2017)

(Part 5 was introduced by Federal Law No. 325-FZ, dated 4 December 2007)

Article 36¹. Savings and Deposit Certificates

(the Article was introduced by Federal Law No. 106-FZ, dated 23 April 2018)

Savings and deposit certificates shall mean registered certified securities verifying the fact that a depositor has placed a deposit with a credit institution on terms set forth in a respective certificate and the right of such certificate's holder to receive the amount of deposit and interest specified by the certificate at the credit institution which has issued this certificate upon the expiration of the period of time set by the certificate. Savings and deposit certificates shall be issued by a credit institution and transferred to the first holder of a respective certificate, excluding savings and deposit certificates issued as locked-in securities.

The terms of issue of savings and deposit certificates (hereinafter, the terms of issue) shall be approved by a credit institution's collective executive body if not otherwise provided for by its charter. The terms of issue shall comply with the requirements established by federal laws and Bank of Russia regulations. After the terms of issue are approved, the credit institution shall forward them to the Bank of Russia for registration. It shall also disclose information about them according to the procedure established by the Bank of Russia. The procedure and period of registration of the terms of issue by the Bank of Russia, grounds for the Bank of Russia's refusal to register them, the list of documents to be submitted by the credit institution to the Bank of Russia to have the terms of issue registered, as well as the requirements for the specified documents and procedure for the submission shall be established by a Bank of Russia's regulation.

A credit institution shall not be entitled to issue savings and deposit certificates until the Bank of Russia has entered information on the registered terms of issue of such certificates in the register maintained by the Bank of Russia according to the procedure established by it.

Savings certificates shall be issued by credit institutions only to individuals, including individual entrepreneurs. Savings certificates shall be circulated among individuals, including individual entrepreneurs.

Certificates of deposit shall be issued by credit institutions only to legal entities. Certificates of deposit shall be circulated among legal entities.

A credit institution entitled to take individuals' and legal entities' funds on deposit according to the Bank of Russia's licence shall be entitled to issue savings and deposit certificates. A credit institution entitled to take legal entities' funds on deposit (and not entitled to take individuals' funds on deposit) according to the Bank of Russia's licence shall be entitled to issue only certificates of deposit.

The rights to savings and deposit certificates shall only be transferred subject to the observance of restrictions on the circulation of a respective certificate as set forth hereby.

After having issued a savings certificate or a certificate of deposit, a credit institution shall record such issued savings or deposit certificates and rights thereto.

The rights of a savings or deposit certificate's holder shall be verified by entries in the record-keeping system of an issuing credit institution. Information about entries made in the record-keeping system to verify the rights of a savings or deposit certificate's holder shall be reflected in a respective certificate, excluding savings and deposit certificates issued on lock-in terms. The rights verified by a savings or deposit certificate shall be transferred in line with the procedure established for the assignment of claim (cession), and also on the grounds stipulated by the Russian legislation. The rights to a savings or deposit certificate shall be transferred to an acquirer

from the moment a respective entry is made in the record-keeping system of the credit institution issuing such savings or deposit certificate.

At the request of a savings or deposit certificate's holder, the issuing credit institution shall provide him/her with an extract or any other document confirming the entry on his/her right to the savings or deposit certificate made in the record-keeping system.

A credit institution shall submit to the Bank of Russia, at the latter's request, the list of savings and deposit certificates' holders as of the date specified in such request within six days from the receipt of this request.

A credit institution shall be entitled to issue savings and deposit certificates providing for the waiver of the right of a respective certificate's holder to receive deposit upon his/her demand.

The wording of the savings or deposit certificate confirming the placement of deposit on condition of the waiver of the right of a respective certificate's holder to receive deposit upon his/her demand shall specify the waiver of the right of the respective certificate's holder to receive deposit upon his/her demand.

If a savings or deposit certificate stipulates the right of the respective certificate's holder to receive deposit upon his/her demand, then, in case of an early redemption of the savings or deposit certificate, the credit institution shall pay the amount of deposit and interest at the rate paid by the credit institution for on demand deposits, unless the conditions of the savings or deposit certificate establish other interest rate.

The list of mandatory details of savings or deposit certificates shall be established by a Bank of Russia regulation.

Article 37. Bank Depositors

The citizens of the Russian Federation, foreign citizens and stateless persons may be bank depositors.

Depositors shall be free to choose a bank for placing their funds on deposit and may have deposit accounts with one or several banks.

Depositors may dispose of their deposits, earn income on their deposits and make non-cash settlements in compliance with an agreement.

Article 38. System of Compulsory Insurance of Bank Deposits

(as amended by Federal Laws No. 181-FZ, dated 23 December 2003; and No. 322-FZ, dated 3 August 2018)

To guarantee the return of household funds taken by banks and compensate for the loss of income on invested funds, a system of compulsory insurance of banks deposits is being created.

(Part 1 as amended by Federal Laws No. 181-FZ, dated 23 December 2003; and No. 322-FZ, dated 3 August 2018)

Participants in the system of compulsory insurance of bank deposits shall be organisations performing the functions of compulsory deposit insurance and banks taking household funds on deposit.

(Part 2 as amended by Federal Laws No. 181-FZ, dated 23 December 2003; and No. 322-FZ, dated 3 August 2018)

The procedure for creating, forming and using funds of the system of compulsory insurance of bank deposits shall be determined by federal laws.

(Part 3 as amended by Federal Laws No. 181-FZ, dated 23 December 2003; and No. 322-FZ, dated 3 August 2018)

Article 39. Voluntary Deposit Insurance Funds

Banks shall be entitled to create voluntary deposit insurance funds to ensure the return of deposits and payment of income on them. Voluntary deposit insurance funds shall be set up as non-profit organisations.

The number of founder banks of a voluntary deposit insurance fund shall be no less than five, with the aggregate authorised capital being no less than 20 times the minimum authorised capital established by this Federal Law for banks as of the date of fund establishment.

(Part 2 as amended by Federal Law No. 60-FZ, dated 3 May 2006)

The procedure for the creation, management and operation of voluntary deposit insurance funds shall be determined by their charters and federal laws.

A bank shall make its customers aware of its participation or non-participation in voluntary deposit insurance funds. In the event of its participation in a voluntary deposit insurance fund, the bank shall inform customers of insurance terms.

Chapter VII. ACCOUNTING IN CREDIT INSTITUTIONS AND SUPERVISION OF THEIR ACTIVITIES

Article 40. Requirements for Accounting in a Credit Institution

(as amended by Federal Law No. 344-FZ, dated 4 November 2014)

The Bank of Russia shall approve sectoral accounting standards for credit institutions, chart of accounts and the procedure for its application, and also establish requirements for presenting accounting (financial) statements, compiling and presenting statistical reports by credit institutions

in accordance with the legislation of the Russian Federation and with due regard to international banking practices.

(Part 1 as amended by Federal Law No. 344-FZ, dated 4 November 2014)

The Bank of Russia shall establish the specifics of accounting by the State Development Corporation VEB.RF.

(Part 2 was introduced by Federal Law No. 83-FZ, dated 17 May 2007, as amended by Federal Law No. 452-FZ, dated 28 November 2018)

Article 40¹. Storing Information on the Activities of a Credit Institution

(as amended by Federal Law No. 88-FZ, dated 5 April 2016)

For the purpose of storing information about the assets and liabilities of a credit institution and their movement, a credit institution shall record all its operations and other transactions in electronic databases that ensure the storage of information contained therein for no less than five years from the date when the information is included in the databases and shall allow access to such information as of each business day. The procedure for the creation, maintenance and storage of databases containing such information shall be established by the Bank of Russia.

The information included in the databases whose maintenance is stipulated by this Article shall also be subject to backup copying for the purposes of ensuring the safekeeping thereof.

If there are grounds for the revocation of the licence of a credit institution under the provisions of this Federal Law, the Bank of Russia shall demand that the credit institution make and transfer for storage to the Bank

of Russia backup copies of the databases that shall be maintained pursuant to this Article.

The Bank of Russia shall also be entitled to require the credit institution to make and transfer for storage to the Bank of Russia backup copies of the databases in the following cases:

1) imposing of a restriction on the performance of certain operations by the credit institution and (or) a ban on the performance of certain banking operations in accordance with Article 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’;

2) imposing of a ban on taking household funds on deposit and opening and maintaining household bank accounts in accordance with Article 48 of the Federal Law ‘On the Insurance of Deposits with Russian Banks’;

(Clause 2 as amended by Federal Law No. 322-FZ, dated 3 August 2018)

3) emergence of grounds for taking measures to prevent the bankruptcy of the credit institution established by Article 189¹⁰ of the Federal Law ‘On Insolvency (Bankruptcy)’;

4) making a decision to send representatives of the Bank of Russia and of the Agency to the credit institution to analyse its financial position in order to decide on the expediency of sending the Agency an offer of the Bank of Russia to take part in the implementation of measures to prevent bankruptcy or to settle the obligations of the credit institution in accordance with the procedure established by Article 189⁴⁷ of the Federal Law ‘On Insolvency (Bankruptcy)’.

If the credit institution fails to take measures to ensure the security of the information kept in the databases maintained pursuant to this Article, inter alia, by way of creating backup copies thereof, the chief executive of the credit institution shall be held liable in accordance with federal laws.

The credit institution shall record monetary claims in respect of which, not being a creditor, it receives and transfers funds obtained from debtors and (or) exercises other rights of creditors thereunder (servicing monetary claims) under an agreement. Such record keeping shall be carried out in accordance with Bank of Russia regulations.

Article 41. Supervision over Bank Activities

The supervision of a credit institution's activities shall be performed by the Bank of Russia in compliance with federal laws.

Article 42. The Audit of Statements of Credit Institutions, Banking Groups and or Bank Holding Companies

(as amended by Federal Law No. 403-FZ, dated 1 December 2014)

The annual accounting (financial) statements of a credit institution, annual consolidated financial statements of a banking group and annual consolidated financial statements of a bank holding company are subject to mandatory audit.

Apart from the information stipulated by Federal Law No. 307-FZ, dated 30 December 2008, 'On Auditing', the auditor's report on the annual accounting (financial) statements of a credit institution and annual consolidated financial statements of a banking group shall contain the findings of auditing by an audit company as follows:

1) compliance by a credit institution or banking group as of the reporting date with required ratios set by the Bank of Russia. The risk management

methodologies and quantitative risk assessment models used for the calculation of the aforesaid required ratios by a credit institution, parent credit institution of a banking group based on a permit issued by the Bank of Russia shall not be subject to assessment by an audit company;

2) compliance of internal controls and risk management systems in a credit institution, banking group with the requirements set by the Bank of Russia on such systems with regard to the following:

subordination of risk management divisions;

methodologies of credit institutions approved by their authorised management bodies and used for identifying and managing material risks, stress testing, and also existing systems of reporting on material risks and capital;

consistent application of the methodologies for managing material risks and assessing their efficiency at credit institutions;

control by the board of directors and management of a credit institution over the compliance by the credit institution with risk thresholds and equity capital adequacy ratios established by the credit institution's internal documents, the effectiveness of risk management procedures and their consistent application at the credit institution.

The credit institution, parent credit institution of a banking group or parent organisation of a bank holding company shall disclose the auditor's report in accordance with Article 8 of this Federal Law and submit it to the Bank of Russia along with the annual accounting (financial) statements of the credit institution, annual consolidated financial statements of the banking group and annual consolidated financial statements of a bank holding company.

Article 43. The Statements of a Credit Institution, Banking Groups and Bank Holding Companies

(as amended by Federal Law No. 146-FZ, dated 2 July 2013)

A credit institution shall compile statements on its activity and submit them to the Bank of Russia using the forms, according to the procedure and within the timeframe established by the Bank of Russia. The parent credit institution of a banking group shall compile statements required for the supervision of credit institutions on a consolidated basis and submit them to the Bank of Russia, as well as other information on the banking group's activities according to the list established by the Bank of Russia Board of Directors using the forms, according to the procedure and within the timeframe established by the Bank of Russia. The parent credit institution of a banking group shall submit consolidated financial and other statements to the Bank of Russia according to the list established by the Bank of Russia Board of Directors, as well as information to be disclosed according to Article 8 of this Federal Law, in line with the procedure established by the Bank of Russia.

The parent organisation of a bank holding company shall compile statements and other information on the bank holding company's risks and submit them to the Bank of Russia according to the list established by the Bank of Russia Board of Directors, as may be necessary for the supervision of the bank holding company's member credit institutions, using the forms, according to the procedure and within the timeframe established by the Bank of Russia. The parent organisation of a bank holding company shall submit consolidated financial statements that are subject to disclosure in accordance

with Article 8 of this Federal Law to the Bank of Russia according to the procedure established by the Bank of Russia.

The parent credit institution of a banking group shall compile consolidated financial and other statements according to the list established by the Bank of Russia Board of Directors based on information provided by the members of the banking group on their activities, including data constituting bank secrets. The parent organisation of a bank holding company shall compile consolidated financial statements and information on the bank holding company's risks, as may be necessary for the supervision of the credit institutions that are members of the bank holding company, based on information provided by the bank holding company's members on their activities, including data constituting bank secrets.

Information referred to in Part 3 of this Article shall be provided to the parent credit institution of a banking group and to the parent organisation of a bank holding company located in foreign states, provided that these foreign states ensure the level of information protection (confidentiality) which shall be no less than the level of information protection (confidentiality) stipulated by the legislation of the Russian Federation.

Boris Yeltsin,
Chairman
of the RSFSR Supreme Soviet

The House of RSFSR Soviets, Moscow
2 December 1990
No. 395-1