

RECENT DATA ON THE CONDITIONS OF TRANSACTIONS WITH LLC SHARES

06.04.2023

Dear customers and partners!

On 27.03.2023 an extract from the minutes of the meeting of the sub-commission of the Government Commission for Control of Foreign Investment in the Russian Federation [No. 143/4 dated 02.03.2023](#) (hereinafter the "Extract from the minutes No. 143/4") was published on the official website of the Russian Ministry of Finance.

The aforementioned extract supplements the conditions for issuance of permissions for transactions with LLC shares, which were previously stated in the extract from the minutes of the meeting of the sub-commission of the Government Commission for Control of Foreign Investment in the Russian Federation No. 118/1 of 22.12.2022 (hereinafter the "Extract from the minutes No. 118/1"), about which we have written [earlier](#).

In particular, now when the sub-commission of the Government Commission for Control of Foreign Investment in the Russian Federation (hereinafter the "Sub-Commission") examines the possibility of issuance of a permission for transactions with LLC shares, the special attention will be paid to *the following conditions* of performance of such transactions:

- the obligation of the purchaser to make a voluntary contribution to the federal budget in the amount of at least 10% of half of the market value of the relevant assets as indicated in the asset assessment report;
- the obligation to make a voluntary contribution to the federal budget in the amount of at least 10% of the market value of the relevant assets specified in the asset assessment report, if the assets are sold at a discount of more than 90% of the market value of the relevant assets specified in the asset assessment report.

It is interesting to note that previously, in [the Extract from the minutes No. 118/1](#), one of the conditions was the availability of an instalment payment for 1-2 years *and/or* an obligation to make a voluntary contribution to the federal budget of at least 10% of the amount of the transaction.

Thus, there was an alternative. Now it seems that the possibility of choosing an instalment payment instead of the obligation to make a voluntary contribution to the federal budget has been eliminated. We will closely follow the Sub-Commission's practice in this regard and will wait for the further clarifications.

In addition, in the Extract from the minutes No. 143/4 the applicants are recommended to submit *the expert opinions prepared by an expert or by experts from an appraiser's self-regulatory organization* together with the report on the assessment of the market value of assets. The purpose of this is to exclude the possibility of the arbitrary assessment of the market value of assets by appraisers.

We would like to remind you that on 22.02.2023 [the List of appraisers](#) (appraisal companies) recommended to appraise the market value of assets was published on the official website of the Russian Ministry of Finance.

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We advise you to take the above information into account when drafting agreements on the sale and purchase of LLC shares and we will be happy to answer your questions!

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