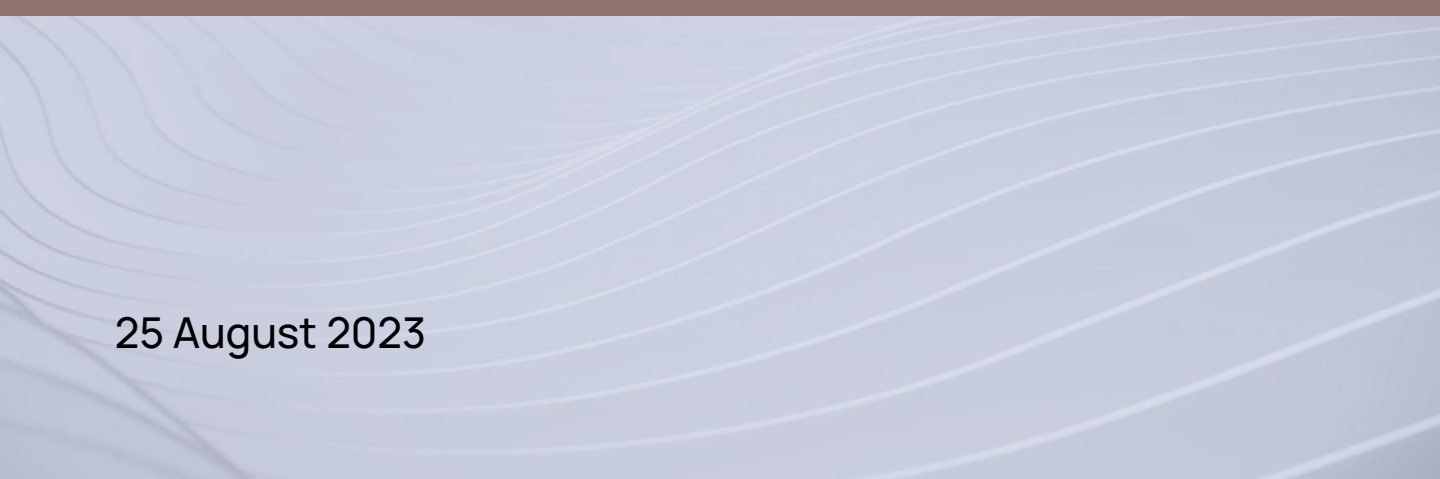




**RUSSIAN COUNTER-SANCTIONS REGULATIONS:  
SOFTENING THE RESTRICTIONS ON DIVIDEND  
PAYMENTS**



25 August 2023

On 23 August 2023, the Russian Ministry of Finance published an excerpt from the minutes of a meeting of the Sub-Commission of the Government Commission for Control over Foreign Investments (the ultimate decision maker in most matters concerning counter-sanctions), which softened the guidelines for granting approvals for the payment of dividends by Russian companies to their foreign shareholders associated with unfriendly states.

As we informed you in our client alert of 13 July, the guidelines that applied previously contained a number conditions and provided, in particular, that the dividend payments may not exceed 50% of the net profit earned in the previous year, that the views of the federal government authorities and the Central Bank of Russia as to the significance of the company's business should be taken into account and that the KPI-related undertakings should be met.

In its meeting of 9 August 2023, the Sub-Commission was informed by the Ministry of Finance and the Central Bank of Russia that approvals for dividend payment might be issued without meeting the above conditions if:

- the foreign shareholders made investments in the Russian economy after 1 April 2023, including investments in production levels and development of new technologies; and
- the amount of dividend payments does not exceed the amount of investments so made.

We will continue monitoring the situation.



The information contained in this document is intended for general guidance and should not be considered as legal advice or opinion.