

**RUSSIAN COUNTER-SANCTIONS REGULATIONS:  
LIABILITY FOR FAILURE TO TAKE DIRECT POSSESSION  
OF EQUITY IN ECONOMICALLY SIGNIFICANT COMPANIES**

26 June 2024

In one of our previous alerts, we advised that a draft law amending the Russian Code of Administrative Offences had been submitted to the State Duma to establish, among other things, sanctions for failure to comply with the requirements of Law No. 470-FZ On Peculiarities of Regulation of Corporate Relations in Business Entities that are Economically Significant Organisations<sup>1</sup>.

On 22 June 2024, that law was signed by the President of Russia, published and entered into force.

### UNDER THE LAW:

- if an Economically Significant Organisation fails to notify the government authority in charge of enforcing compliance with Law No. 470-FZ (namely, the Russian Federal Service for Financial Markets (the *FSFM*)) of non-performance by the Russian beneficiary concerned of its/his/her obligation to take steps aimed at taking direct possession of equity in such organisation, or fails to perform its other obligations under Law No. 470-FZ, individuals responsible may be fined between 200,000 and 500,000 roubles, and responsible legal entities - between 500,000 and 700,000 roubles; and
- similar fines may be imposed on Russian individuals and legal entities who/which indirectly hold equity in an Economically Significant Organisation, if such individuals or entities, having received an order from the FSFM requiring them to take direct possession of such equity, fail timely to comply with it.

<sup>1</sup> <https://www.stonebridgelegal.ru/en/analytics/ocherednyie-izmeneniya-v-zakon-470-fz-i-kodeks-ob->