



RUSSIAN COUNTER-SANCTIONS REGULATIONS: NEW DEVELOPMENTS

28 February 2024

On 26 February 2024, a new Presidential Decree (No. 143) was published and immediately came into effect (the **New Decree**). The New Decree amends Presidential Decree No. 520, dated 5 August 2022 (**Decree 520**), which introduced a requirement to obtain Presidential consent to transactions with shares in certain Russian companies held by persons associated with the designated unfriendly states.

The President has already granted his consent to a number of transactions under Decree 520, but, before the New Decree, there was no formal published procedure for obtaining such consent.

The New Decree sheds some light on this issue. In particular, the New Decree provides that:

- as a general rule, the President would decide on the basis of a recommendation by the Government Commission for Control over Foreign Investments in the Russian Federation;
- if the transaction concerns shares in regulated financial institutions (i.e. banks, insurers, investment managers, leasing companies, etc.) and/or involves an acquisition of control over shareholders of such institutions, such a recommendation would only be made with clearance by the Central Bank; and
- still, the President has discretion to clear any transaction without such a recommendation.

Also, the New Decree directs the federal government to enact a procedure for reviewing transactions falling within the scope of Decree 520 and issuing requisite recommendations.

This development brings some clarity to the Decree 520 process.

We will continue monitoring the situation.



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