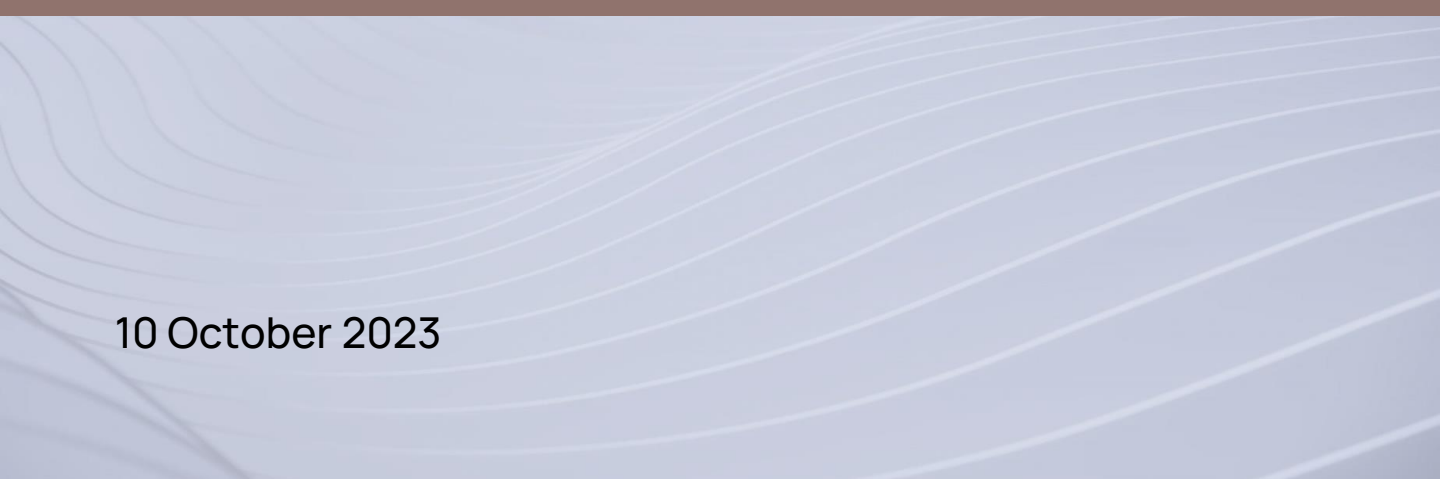




**RUSSIAN COUNTER-SANCTIONS REGULATIONS:
VOLUNTARY CONTRIBUTION INCREASED**



10 October 2023

The Sub-Commission of the Government Commission for Control over Foreign Investments in the Russian Federation, which is the ultimate decision maker in many matters concerning the counter-sanctions regime, has decided to increase the amount of the voluntary contribution, payment of which is often a condition for the approval by the Government Commission of a qualified transaction.

Previously, as we informed you in our client alert in March, the following rules applied:

- as a general rule, the contribution was to be not less than 10% of half the fair market value as set out in a valuation report prepared by an independent appraiser;
- if, however, the agreed purchase price was less than 10% of the fair market value of the asset, the contribution was to be not less than 10% of 100% of the fair market value.

The new rules are more stringent: now, the contribution may not be less than 15% of the fair market value of the asset.

Also, the new rules provide that the contribution must be paid within one month after the transaction concerned is closed.

The rules are still silent on which party – the purchaser or the seller – must pay the contribution. In our experience, it is usually the purchaser who must pay.



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