

Federal Law No. 57-FZ of April 29, 2008

On the procedure for making foreign investments in economic companies which are of strategic importance for ensuring the country's defence capacity and state security

Adopted by the State Duma on April 2, 2008

Endorsed by the Federation Council on April 16, 2008

Article 1. Aims of the Present Law

For the purpose of ensuring the country's defence capacity and state security this Federal Law establishes withdrawals of restrictive nature for foreign investors and for groups of persons which include a foreign investor (hereinafter referred to as a group of persons) when they participate in authorized capitals of economic companies which are of strategic importance for ensuring the country's defence capacity and state security and/or when they make transactions entailing institution of control over the said economic companies.

Article 2. Relations Regulated by This Federal Law and Its Scope

1. This Federal Law shall regulate relations connected with making investments by foreign investors or a group of persons in the authorised capital of economic companies which are of strategic importance for ensuring the country's defence capacity and state security, as well as connected with making other transactions resulting in institution of control by foreign investors or a group of persons over such economic companies.
2. Foreign states, international organisations, as well as organisations controlled by them, including those established in the territory of the Russian Federation, are not entitled to make transactions entailing institution of control over economic companies which are of strategic importance for ensuring the country's defence capacity and state security.
3. Transactions made by foreign states, international organisations or by organisations controlled by them as a result of which the foreign states, international organisations or organisations controlled by them acquire the right to dispose directly or indirectly of over twenty five per cent of the total number of votes falling at the voting stocks (shares) constituting the authorized capital of economic companies which are of strategic importance for ensuring the country's defence capacity and state security or other ability to block decisions of managerial bodies of such economic companies, or acquire the right to dispose of directly or indirectly of over five per cent of the total number of votes falling at the voting stocks (shares) constituting the authorized capital of economic companies, which are of strategic importance for ensuring the country's defence capacity and state security and are engaged in geological subsoil exploration and/or geological prospecting and extraction of minerals on subsoil areas of federal importance (hereinafter likewise referred to as the use of subsoil areas of federal importance), are subject to preliminary coordination in the procedure provided for by this Federal Law.
4. Institution of control by foreign states, international organisations or organisations controlled by them over economic companies which are of strategic importance for ensuring the country's defence and state security shall be determined in compliance with the provisions of [Article 5](#) of this Federal Law.

5. The provisions of this Federal Law shall also apply to transactions made outside the territory of the Russian Federation and to other agreements achieved outside the territory of the Russian Federation, if such transactions and such agreements have the effects cited in [Parts 1-3](#) of this article.

6. This Federal Law shall not extend to the relations connected with making foreign investments and regulated by other federal laws or ratified in the established procedure by international treaties where the Russian Federation participates. Relations connected with making foreign investments in the field of technical military cooperation of the Russian Federation with foreign states shall be regulated in compliance with the [legislation](#) of the Russian Federation on technical military cooperation.

7. The provisions of this Federal Law regulating the relations connected with making foreign investments in economic companies which are of strategic importance for ensuring the country's defence capacity and state security and use subsoil areas of federal importance, except for the provisions of [Part 3](#) of this article, shall not extend to the relations connected with making foreign investments in economic companies which are of strategic importance for ensuring the country's defence capacity and state security and use land plots of federal importance, if the Russian Federation's share (contribution) in the authorized capital of such economic companies constitutes over fifty per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of such economic companies and/or if the Russian Federation is entitled to dispose directly or indirectly of over fifty per cent of the total number of the said votes.

8. This Federal Law shall not extend to the relations connected with making foreign investments into objects of civil rights, except for the objects of civil rights cited in [Part 1](#) of this Article.

Article 3. Basic Concepts Used in This Federal Law

1. For the purposes of this Federal Law the following basic concepts are used herein:

1. **threat to the country's defence capacity and state security** means the totality of conditions and factors posing danger to the vital interests of person, society and/or the State;
2. **economic company which is of strategic importance for ensuring the country's defence capacity and state security (hereinafter referred to as economic company of strategic importance)** means an economic company established in the territory of the Russian Federation and engaged in at least one kind of activities which are of strategic importance for ensuring the country's defence capacity and state security and are cited in [Article 6](#) of this Federal Law;
3. **control exercised by a foreign investor or a group of persons over an economic company which is of strategic importance (hereinafter also referred to as control)** means the ability of a foreign investor or a group of persons to determine - either directly or through third persons - decisions adopted by the economic company which is of strategic importance by way of disposing of the votes falling at the voting stocks (shares) constituting the authorised capital of such economic company at a general meeting of stockholders (participants) of such economic company, by way of participation in the board of directors (supervisory board) and other managerial bodies of such economic company, making with such economic company an agreement on exercising in respect of it the functions of the manager (management company) or a similar agreement, as well as the ability of a foreign investor or a group of persons to dispose - directly or indirectly - of over ten and more per cent of the total

number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company which is of strategic importance and uses land plots of federal importance, or the right of a foreign investor or a group of persons to appoint a one-man executive body and/or ten and more per cent of the composition of the collective executive body of such economic company, or an unconditional ability of a foreign investor or a group of persons to elect ten and more per cent of the composition of the board of directors (supervisory board) or other collective managerial body of such economic company;

4. **indirect disposal by a foreign investor or a group of persons of the votes falling at the voting stocks (shares) constituting the authorised capital of an economic company which is of strategic importance** means the actual ability of a foreign investor or of a group of persons to dispose of the votes falling at the voting stocks (shares) constituting the authorised capital of an economic company which is of strategic importance;
5. **ability to block decisions of managerial bodies of an economic company which is of strategic importance** means the ability of a foreign investor or a group of persons to impede - indirectly or through third persons - the adoption of decisions by managerial bodies of the economic company which is of strategic importance, if under the legislation of the Russian Federation and/or the articles of the economic company such decisions are adopted by a special majority of votes.

2. The concept "foreign investor" is used in the meaning cited in [Article 2](#) of Federal Law No. 160-FZ of July 9, 1999 on Foreign Investments in the Russian Federation. For the purposes of this Federal Law, as foreign investors shall be likewise recognized organisations controlled by foreign investors, including those established in the territory of the Russian Federation. With that, the provisions of [Parts 1 and 2 of Article 5](#) of this Federal Law shall be applied for determining the presence of control exercised by foreign investors over such organisations.

3. The concepts "group of persons", "agreement" and "coordinated actions" shall be used accordingly in the meanings cited in [Federal Law](#) No. 135-FZ of July 26, 2006 on Competition Protection (hereinafter referred to as the Federal Law on Competition Protection).

Article 4. Terms and Conditions of Making Transactions Which Entail Institution of Control by a Foreign Investor or a Group of Persons over Economic Companies of Strategic Importance

1. Making transactions which entail institution of control by a foreign investor or by a group of persons over economic companies of strategic importance shall be permissible where there is the decision on preliminary coordination of such transactions in compliance with this Federal Law legalized by the federal executive body authorised to exercise the functions of control over making foreign investments in the Russian Federation (hereinafter referred to as the authorized body) and having a specified validity term, except as provided for by Part 4 of this article.

2. The foreign investor or group of persons at whose request a decision has been taken on a preliminary approval of a certain transaction, may make such transaction within the period of effect of the said decision.

3. The foreign investor or group of persons whose petition has served as the basis for adoption of the decision on preliminary coordination of a transaction resulting in acquisition by the foreign investor or the group of persons of the right to dispose - directly or indirectly - of a certain number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance are entitled within the validity term of the said decision to acquire as a result of one or several transactions the right to dispose - directly or

indirectly - of the agreed number of votes falling at the voting stocks (shares) constituting the authorised capital of such economic company.

4. Transactions in stocks (shares) of an economic company of strategic importance and other transactions in respect of such economic company provided for by [Article 7](#) of this Federal Law (except for an economic company which is of strategic importance and which uses a subsoil area of federal importance) are not subject to preliminary coordination, if prior to making the said transactions a foreign investor or group of persons have disposed - directly or indirectly - of over fifty per cent of the total number of votes falling at the voting stocks constituting the authorised capital of such economic company.

Article 5. The Indications That an Economic Company of Strategic Importance Is under Control

1. An economic company of strategic importance - the person under control, except for an economic company of strategic importance which uses a subsoil area of federal importance, shall be deemed being under control of a foreign investor or a group of persons - the person exercising control - where there is one of the following indications:

1. the person exercising control enjoys the right to dispose (in particular on the basis of a contract of property trust management, contract of ordinary partnership, contract of agency or as a result of other transactions and for other reasons)- directly or indirectly - of over fifty per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of the person under control;
2. the person exercising control has acquired the right or authority on the basis of a contract or for other reasons to determine decisions adopted by the person under control, in particular the conditions of exercising business activities by the person under control;
3. the person exercising control enjoys the right to appoint a one-man executive body and/or over fifty per cent of the composition of a collective executive body of the person under control and/or has an unconditional ability to elect over fifty per cent of the composition of the board of directors (supervisory board) or other collective managerial body of the person under control;
4. the person exercising control exercises the authority of the management company of the person under control.

2. The person under control shall be likewise deemed being under control of the person exercising control where there is the indication that the person exercising control has the right to dispose directly or indirectly (in particular on the basis of a contract of property trust management, contract of ordinary partnership, contract of agency or as a result of other transactions and for other reasons) of less than fifty per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of the person under control, provided that the ratio of the number of votes falling at the said stocks (shares), which the person exercising control has the right to dispose of, and of the number of votes falling at the voting stocks (shares) which constitute the authorised capital of the person under control and possessed by other stockholders (participants) of the person under control is such that the person exercising control has the ability to determine the decisions adopted by the person under control.

3. An economic company of strategic importance which uses a subsoil area of federal importance - the person under control shall be deemed being under control of a foreign investor or a group of persons - the person exercising control where there is one of the following indications:

1. the person exercising control has the right to dispose (in particular on the basis of a contract of property trust management, contract of ordinary partnership, contract of

- agency or as a result of other transactions or for other reasons) of ten and more per cent of the total number of votes falling at the voting stocks (shares) constituting the authorized capital of the person under control;
2. the person exercising control has obtained the right or authority on the basis of a contract or for other reasons to determine the decisions adopted by the person under control, in particular to determine the conditions of exercising business activities by the person under control;
 3. the person under control has the right to appoint a one-man executive body and/or ten and more per cent of the composition of a collective executive body of the person under control and/or has an unconditional ability to elect ten and more per cent of the composition of the board of directors (supervisory board) or other collective managerial body of the person under control;
 4. the person exercising control exercises the authority of the management company of the person under control.

Article 6. Kinds of Activities Which Are of Strategic Importance for Ensuring the Country's Defence and State Security

For the purposes of this Federal Law, the following kinds of activities shall be deemed those ones which are of strategic importance for ensuring the country's defence capacity and state security:

1. carrying out works which actively influence hydrometeorological processes and conditions;
2. carrying out works which actively influence geophysical processes and conditions;
3. activities connected with the use of agents of infectious diseases;
4. placement, construction, operation and putting into operation of nuclear plants, radiation sources and storage facilities for nuclear materials and radioactive substances, of radioactive waste storages;
5. handling of nuclear materials and radioactive substances, in particular when prospecting and extracting uranium ore or when producing, using, processing, carrying and storing nuclear materials and radioactive substances;
6. handling radioactive waste when storing, processing, carrying and disposing it;
7. use of nuclear materials and/or radioactive substances when carrying out scientific research and development works;
8. designing and development of nuclear plants, radiation sources, storage facilities for nuclear materials and radioactive substances, of radioactive waste storages;
9. development and manufacture of equipment for nuclear plants, radiation sources, storage facilities for nuclear materials and radioactive substances, of radioactive waste storages;
10. holding an expert examination of design, development and engineering documentation and documents that substantiate insuring of nuclear and radioactive safety of nuclear plants, radiation sources, storage facilities for nuclear materials and radioactive substances, of radioactive waste storages, of the activity of handling nuclear materials, radioactive substances and radioactive waste;
11. development and manufacture of ciphering (cryptographic) means, of information systems protected with the use of ciphering (cryptographic) means and telecommunication systems which are subject to licencing in compliance with the [legislation](#) of the Russian Federation;
12. activity of distribution of ciphering (cryptographic) means which is subject to licencing in compliance with the [legislation](#) of the Russian Federation;
13. activity of maintenance of ciphering (cryptographic) means which is subject to licencing in compliance with the [legislation](#) of the Russian Federation;

14. providing services related to information ciphering;
15. activity of detecting electronic devices intended for secret obtainment of information at the premises and in technical facilities (except when the said activity is exercised for meeting a legal entity's own needs);
16. development, manufacture, sale and acquisition for the purpose of sale special technical means intended for secret obtainment of information by legal entities engaged in business activities;
17. development of arms and military hardware;
18. manufacture of arms and military hardware;
19. repair of arms and military hardware;
20. utilization of arms and military hardware;
21. trade in arms and military hardware;
22. manufacture of weapons and basic components of firearms (except for cold steal, civil and duty weapons);
23. manufacture of cartridges for weapons and of cartridges (components (except for manufacture of cartridges for civil and duty weapons));
24. trade in weapons and basic components of firearms, as well as in cartridges for weapons (except for trade in cold steal, civil and duty weapons, as well as in cartridges for civil and duty weapons);
25. development and manufacture of armament and of their basic components;
26. utilization of armament and of their components;
27. production of explosive materials of industrial purpose and activity of distribution thereof;
28. activity of ensuring aviation safety;
29. space activities;
30. development of aircraft engineering, including dual-purpose aircraft engineering;
31. manufacture of aircraft engineering, including dual-purpose aircraft engineering;
32. repair of aircraft engineering, including dual-purpose aircraft engineering (except for repair of units and assemblies produced by civil aviation organisations);
33. testing of aircraft engineering, including dual-purpose aircraft engineering;
34. TV broadcasting in the territory whose population constitutes fifty per cent or over fifty per cent of the population of a constituent entity of the Russian Federation;
35. radio broadcasting in the territory whose population constitutes fifty per cent or more than fifty per cent of the population of a constituent entity of the Russian Federation;
36. provision of services to the economic agents included into the register of subjects of natural monopolies in the fields cited in [Item 1 of Article 4](#) of Federal Law No. 147-FZ of August 17, 1995 on Natural Monopolies, except for the subjects of natural monopolies in the field of public electric communication services and public postal service, of thermal energy and electric energy transmission over distribution networks;
37. exercise of activity by an economic agent included into the register provided for by [Article 23](#) of the Federal Law of Competition Protection and holding the dominant position:
 - a) within the geographic boundaries of the Russian Federation in the market of communication services (except for the service of providing access to the Internet);
 - b) in the territories of five and more constituent entities of the Russian Federation in the market of fixed telephone communication services;
 - c) within the geographical boundaries of the cities of federal importance in the market of fixed telephone communication services;
38. exercise of activity by an economic agent holding the dominant position in the field of production and sale of metals and alloys with special properties which are used in the manufacture of arms and military hardware;

39. geological exploration of subsoil and/or prospecting and extraction of minerals in subsoil areas of federal importance;
40. extraction (catching) of aquatic biological resources;
41. exercise by an economic agent of printing activity, if such economic agent is able to ensure printing of at least two hundred press sheets per month;
42. exercise by an economic agent of the activity of the editorial board or publisher of a periodical print whose products are published in the run of at least one million copies per one issue.

Article 7. Transactions Whereto This Federal Law Extends

1. The following kinds of transactions shall pertain to transactions which are subject to preliminary coordination in compliance with this Federal Law:

1. transactions (except for transactions in respect stocks (shares) constituting the authorised capital of an economic company which is of federal importance and which uses a subsoil area of federal importance) whose making results in the acquisition of the following by a foreign investor or a group of persons:
 - a) the right to dispose directly or indirectly of more than fifty per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance;
 - b) the right to appoint a one-man executive body and/or more than fifty per cent of the composition of a collective executive body of an economic company of strategic importance or an unconditional ability to elect more than fifty per cent of the composition of the board of directors (supervisory board) or other collective managerial body of such economic company;
2. transactions in respect of stocks (shares) constituting the authorized capital of an economic company which is of strategic importance and which uses a subsoil area of federal importance, if as a result of making such transactions a foreign investor or a group of investors acquire the following:
 - a) the right to dispose directly or indirectly of ten and more per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of such economic company;
 - b) the right to appoint a one-man executive body and/or ten or more per cent of the composition of the collective executive body of such economic company and/or an unconditional ability to elect ten or more per cent of the composition of the board of directors (supervisory board) or other collective managerial body of such economic company;
3. transactions aimed at acquiring by a foreign investor or by a group of persons stocks (shares) constituting the authorised capital of an economic company which is of strategic importance and which uses a subsoil plot of federal importance, if this foreign investor or this group of persons enjoys the right to dispose directly or indirectly of ten and more per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of such economic company;
4. contracts of exercising by a foreign investor or by a profit-making organisation pertaining to a group of persons or by an individual businessman the functions of the manager (managing organisation) in respect of an economic company of strategic importance;
5. transactions aimed at acquisition by a foreign state, international organisation or by an organisation controlled by them of the right to dispose directly or indirectly of over twenty five per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance, or other ability to block decisions of managerial bodies of such economic company, or the

right to dispose directly or indirectly of over five per cent of the total number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company which is of strategic importance and which uses a subsoil area of federal importance;

6. other transactions aimed at the transfer to a foreign investor or a group of persons of the right to determine decisions of managerial bodies of an economic company of strategic importance, including the conditions of exercising business activities by it.

2. The following, in particular, shall pertain to the transactions, cited in [Items 1 and 2 of Part 11](#) of this article:

1. contracts of purchase and sale, gift and exchange of the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance, as well as other agreements serving as the basis for the transfer of ownership of the said stocks (shares) to a foreign investor or a group of persons;
2. contracts of trust management and/or similar agreements whose objects are the voting stocks (shares) constituting the authorized capital of an economic company of strategic importance.

3. As the transactions which entail institution of control over an economic company of strategic importance and which are subject to preliminary coordination in compliance with this Federal Law (hereinafter referred to as transactions) shall be likewise deemed any transactions, if they are made by a foreign investor or a group of persons in respect of third persons, which directly or indirectly exercise control over an economic company and entail institution of control by a foreign investor or a group of persons over such economic company.

4. The requirements of this article along with the instances provided for by [Parts 1 - 3](#) of this article shall extend to other instances of acquiring stocks (shares) as a result of which a foreign investor or a group of persons directly or indirectly institute control over an economic company of strategic importance, in particular by way of discharging by a foreign investor or a group of persons the duty of acquisition of such economic company's securities in compliance with [Article 84.2](#) of Federal Law No. 208-FZ of December 26, 1995 on Joint-Stock Companies.

5. If control on the part of a foreign investor or a group of persons over an economic company of strategic importance is instituted as a result of alteration of the ratio of the votes falling at the voting stocks (shares) constituting the authorised capital of such economic company at a general meeting of its stockholders (participants) resulting from acquisition by such economic company, transfer thereto or redemption by it of its own stocks (shares constituting the authorised capital thereof), distribution of shares possessed by such economic company to participants thereof, conversion of preferential stocks into ordinary stocks and for other reasons provided for by the legislation of the Russian Federation, the foreign investor or the group of persons are obliged to file the petition for coordination of the control's institution in the procedure provided for by this Federal Law within the time period of three months at most as of the date when the control over such economic company is instituted.

Article 8. Procedure for Filing the Petition for Preliminary Coordination of a Transaction and the Petition for Coordination of Control's Institution

1. A foreign investor, or a legal entity or natural person pertaining to a group of persons, which intend to make any of the transactions cited in [Parts 1 - 4 of Article 7](#) of this Federal Law or have instituted control over an economic company of strategic importance in compliance with Part 5 of Article 7 of this Federal Law (hereinafter also referred to as the applicant) are obliged to file

in two copies with the authorised body accordingly the petition for preliminary coordination of such transaction (of a definite transaction or of transactions resulting in acquisition by the applicant of the right to dispose directly or indirectly of a definite number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance) and the petition for coordination of control's institution (hereinafter referred as the petition).

2. The petition for preliminary coordination of a transaction shall include the following documents:

1. application for the transaction's preliminary coordination containing the proposal in respect of the validity term of the decision on the transaction's preliminary coordination to be addressed to the authorised body and drawn up in the arbitrary form (in the event of filing the petition for preliminary coordination of transactions resulting in acquisition by the applicant of the right to dispose directly or indirectly of a definite number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance, the application for preliminary coordination of the transactions must specify the number of votes falling at the said voting stocks (shares) in respect which the applicant intends to acquire the right of disposal);
2. document proving the state registration of the applicant - of a legal entity or of a natural person as an individual businessman in compliance with the legislation of an appropriate state or, in respect of the applicant which is a legal entity, some other document proving the establishment thereof;
3. document certifying the identity of the applicant who is a natural person;
4. document proving the establishment of the applicant which is a foreign organisation not being a legal entity in compliance with the legislation of the state where it is established;
5. constituent documents of the applicant which is a legal entity;
6. draft contract or other agreement disclosing the content of the transaction (except when filing the petition for preliminary coordination of transactions resulting in acquisition by the applicant of the right to dispose directly or indirectly of a definite number of votes falling at the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance);
7. document which contains data on the applicant's basic kinds of activities exercised by the applicant within the two years preceding the date when the petition is filed or, if the time period for exercising such applicant's activities is less than two years, within the time period of its exercising and which is to be drawn up in an arbitrary form (except when transactions are made by a foreign state);
8. document containing data on the composition of the group of persons whereto the applicant pertains, as well as data on the participation thereof in an agreement or on the applicant's making coordinated actions which can have a major impact upon the activities of an economic company of strategic importance and are connected with participation of such economic company in exercising the kinds of activities provided for by [Article 6](#) of this Federal Law;
9. document containing data on the person exercising control over the applicant and on the indications that the applicant is under control in compliance with [Article 5](#) of this Federal Law;
10. draft business-plan of an economic company of strategic importance in compliance with the kind or kinds of activities cited in [Article 6](#) of this Federal Law according to the form endorsed by the authorized body (except when the transactions cited in [Items 2, 3 and 5 of Part 1 of Article 7](#) of this Federal Law are made and when transactions are made by a foreign state);

11. document containing data on the stocks (shares) constituting the authorised capital of an economic company of strategic importance and possessed by the applicant, as well as on other circumstances which are existing on the date, when the petition is filed, and entailing, should a transaction be made, in compliance with this Federal Law the institution of control by a foreign investor or a group of persons over the economic company of strategic importance.
3. The petition for coordinating institution of control shall include the application for coordination of control's institution addressed to the authorised body and drawn up in a voluntary form, as well as the documents cited in [Items 2-5, 7-9 and 11 of Part 2](#) of this article.
4. The applicant is entitled to submit to the authorised body copies of the documents cited in [Items 2-5 of Part 2](#) of this article attested in the established procedure.
5. The applicant is entitled to submit to an authorized body within the composition of the petition, along with the documents cited in [Part 2 or 3](#) of this article, other documents and data which, in the opinion thereof, are required for proving institution of the applicant's control over an economic company of strategic importance and indications that such economic company is under control in compliance with [Article 5](#) of this Federal Law.
6. If, when making the transaction cited in [Article 7](#) of this Federal law, the institution of the applicant's control over an economic company of strategic importance is not evident, the applicant is entitled to forward to the authorised body the request for coordination of such transaction in compliance with this Federal Law attaching thereto the documents cited in [Items 2-5, 7-9 and 11 of Part 2](#) of this article. Within thirty days as of the date when such request is received the authorised body is obliged to consider this request and to forward to the applicant an answer on the merits thereof and notify of this request and such answer the Governmental Commission for Exercising Control over Making Foreign Investments in the Russian Federation (hereinafter referred to as the Commission) with the Chairman of the Government of the Russian Federation at the top.

Article 9. Procedure for Consideration of Petition by the Authorised body

1. Within the time period of fourteen days at most as of the date a petition is received, the authorized body is obliged to do the following:
 1. to register the petition;
 2. to verify the presence within the petition's composition of the documents cited in [Parts 2 or 3 of Article 8](#) of this Federal Law. If some of the said documents are not included into the composition of the petition, the authorised body shall forward to the applicant the request for filing lacking documents. If the applicant does not present lacking documents within a one-month term as of the date when a request is filed, the authorised body shall return the petition to the applicant unconsidered;
 3. to determine the institution of the applicant's control over an economic company of strategic importance which results from making a supposed transaction or in compliance with [Part 5 of Article 7](#) of this Federal Law.
2. If an authorised body while considering a petition finds that the applicant has not instituted control over an economic company of strategic importance as a result of making a supposed transaction or in compliance with [Part 5 of Article 7](#) of this Federal Law, the authorised body is obliged within three working days as of the date when this fact is determined to decide on sending the petition back to the applicant specifying the reasons for such decision and to forward such decision to the applicant and a copy of such decision to the Commission, except as provided for by Part 3 of this article. In such instance, it is not required to preliminary coordinate the said transaction or to preliminary coordinate institution of control.

3. If the authorised body while considering a petition finds that the applicant has not instituted control over an economic company of strategic importance as a result of making a supposed transaction but it is subject to coordination in compliance with [Item 5 of Part 1 of Article 7](#) of this Federal Law, the authorised body is obliged within at most thirty days as of the date when this fact is established to make the actions provided for by [Article 10](#) of this Federal Law.

4. If the authorised body while considering a petition finds that under [Part 2 of Article 2](#) of this Federal Law the applicant has no right to make transactions entailing institution of control over an economic company of strategic importance, the authorised body is obliged within three working days as of the date when this fact is established to decide on sending back the petition to the applicant citing the reasons for such decision and to forward such decision to the applicant and a copy of such decision to the Commission.

5. If the authorised body while considering a petition finds that the applicant has instituted control over an economic company of strategic importance as a result of making a supposed transaction or in compliance with [Part 5 of Article 7](#) of this Federal Law, the authorised body is obliged within at most thirty days as of the date when this fact is established to make the actions provided for by Article 10 of this Federal Law.

Article 10. Procedure for Inspecting Economic Companies of Strategic Importance

1. Within three working days as of the date when the facts cited in [Parts 3 and 5 of Article 9](#) of this Federal Law are established, the authorised body is obliged to forward to the federal executive body in charge of security a request for providing data on the threat to the country's defence capacity and state security or on the absence of such threat as a result of making an appropriate transaction with an economic company of strategic importance or with the stocks (shares) constituting the authorised capital thereof or as a result of instituting control in compliance with [Part 5 of Article 7](#) of this Federal Law over this economic company and within at most thirty days as of the date when the said facts are established to verify the compliance of this economic company with the following indications:

1. this economic company having licences for exercising the kinds of activities which are provided for by [Article 6](#) of this Federal Law and are subject to licencing in compliance with the [legislation](#) of the Russian Federation;
2. this economic company having the licence for carrying out works involving the use of data constituting [state secret](#);
3. this economic company having the licence for making foreign economic transactions in the commodities and technologies under control which are determined by the [legislation](#) of the Russian Federation in respect of export control;
4. this economic company enjoying the right to exercise foreign trade activity in respect of products of military purpose;
5. supply by this economic company of products (works and services) under the state defence order within the five years preceding the year when the petition is filed;
6. this economic company being included into the register of subjects of natural monopolies;
7. this economic company exercising the activity of an economic agent holding the dominant position in the market of communication services; *In accordance with Federal Law of July 7, 2003 on Communications, an economic entity occupying a dominant position on the market of mobile radiotelephone communication, is a telecom provider whose share, established by the antimonopoly body, on that market within the geographical borders of the Russian Federation exceeds twenty per cent*
8. this economic company being included into the register provided for by [Article 23](#) of the Federal Law on Competition Protection;
9. this economic company enjoying exclusive rights to the results of intellectual activities in the area of technologies which are of major socio-economic importance or of major importance for the country's defence capacity and state security (critical technologies) and whose list is endorsed by the Government of the Russian Federation, except for the exclusive rights transferred by the applicant to this economic company;
10. this economic company having the right to geological exploration of subsoil and/or prospecting and extraction of minerals on subsoil areas of federal importance;
11. availability of the decision of the state power body and the agreement made with this economic company serving as the basis for the right thereof to extract (catch) aquatic biological resources referred to fishery objects;

12. this economic company having the licence for exercising the activity of providing communication services for the purpose of television broadcasting, radio broadcasting or having the agreement made with such organisation of rendering communication services for the purpose of television broadcasting and radio broadcasting.
2. One copy of the petition shall be attached to the request cited in [Part 1](#) of this Article.
3. Within at most twenty days as of the date when the request is received from an authorized body the federal executive body in charge of security shall forward to the authorized body an opinion in respect of emergence of the threat to the country's defence and state security or in respect of the absence of such threat as a result of making an appropriate transaction or as a result of instituting control in compliance with [Part 5 of Article 7](#) of this Federal Law.
4. If an economic company of strategic importance complies with the indication cited in [Item 2 of Part 1](#) of this article, the authorised body is obliged within three working days as of the date when this is determined to forward to the interdepartmental commission for protection of [state secret](#) a request for providing data on the availability of the international treaty made by the Russian Federation serving as the basis for admittance in compliance with the legislation of the Russian Federation of the applicant who is a foreign natural person or of foreign natural persons who are officials or employees of the applicant being a legal entity to the data constituting state secret.
5. Within at most fourteen days as of the date when a request of the authorised body is received the interdepartmental commission for protection of state secret shall forward to the authorised body an opinion in respect of the availability of the international treaty made by Russian Federation which is provided for by [Part 4](#) of this Article.
6. Within three days as of the end date of the inspection provided for by [Part 1](#) of this article and of receiving by an authorized body of the opinion of the federal executive body in charge of security and the opinion of the interdepartmental commission for protection of [state secret](#) cited in [Parts 3 and 5](#) of this article (if such request has been forwarded in compliance with [Part 4](#) of this article the authorised body shall forward to the Commission the said opinions, petition and the materials obtained as a result of holding the inspections provided for by [Items 2 and 3 of Part 1 of Article 9](#) of this Federal Law and by [Part 1](#) of this article, as well as proposals thereof in respect of the decision on preliminary coordination of a transaction, or on coordination of control's institution, or of the decision to deny preliminary coordination of the transaction or coordination of control's institution.
7. The authorised body's decisions and actions (omission to act) in connection with consideration of a petition and holding an inspection of economic companies of strategic importance may be disputed by the applicant with court in the established procedure.

Article 11. Consideration of a Petition by the Commission

1. Within at most thirty days as of the date when the petition, opinions and materials cited in [Part 6](#) of [Article 10](#) of this Federal Law are received, the Commission shall render one of the following decisions:
 1. on preliminary coordination of a transaction or on coordination of control's institution;
 2. on preliminary coordination of a transaction or on coordination of control's institution, where there is the agreement made with the applicant on ensuring the discharge by the applicant of the obligations provided for by [Article 12](#) of this Federal Law;
 3. on the refusal to preliminary coordinate a transaction or coordinate control's institution.
2. The validity term of the decision on preliminary coordination of a transaction shall be fixed by the Commission on the basis of the applicant's proposal and shall be specified in this decision.
3. Preliminary coordination of a transaction, or coordination of control's institution, or the denial of such coordination shall be legalized on the basis of the Commission's decision within three working days as of the date when it is adopted by the decision of the authorised body to be forwarded to the applicant.
4. The time period for consideration of a petition by the authorised body and the Commission may not exceed three months as of the date of the petition's registration by the authorised body to the date of

preliminary coordination of a transaction or coordination of control's institution or of the denial of preliminary coordination of a transaction or coordination of control's institution which are legalized by the appropriate decision of the authorized body. By way of exception, the time period for a petition's consideration may be extended by three months by the Commission's decision.

5. The regulations on the Commission and composition thereof shall be endorsed by the Government of the Russian Federation.

6. A procedure for preliminary coordination of transactions, coordination of control's institution and a procedure for consideration of petitions in the part thereof not regulated by this Federal Law shall be established by the Government of the Russian Federation.

7. The Commissions' decision to deny preliminary coordination of a transaction or coordination of control's institution and the Commission's decision on preliminary coordination of a transaction or on coordination of control's institution may be disputed with the Higher Arbitration Court of the Russian Federation.

Article 12. Procedure for Adoption by the Commission of the Decision on Preliminary Coordination of a Transaction or on Coordination of Control's Institution Where There Is an Agreement Made with the Applicant to Ensure the Discharge of Certain Obligations by Him

1. If the Commission intends to adopt the decision on preliminary coordination of a transaction or on coordination of control's institution where there is the agreement made with the applicant to ensure the discharge by him of certain obligations defined by this part, the Commission, prior to adoption of the said decision, shall define one or several from among the following obligations entrusted with the applicant:

1. forming managerial bodies of an economic company of strategic importance from among the persons who under the legislation of the Russian Federation may be admitted to the data constituting **state secret** and exercise by such economic company of activities aimed at the protection of state secret in compliance with the **legislation** of the Russian Federation on the protection of state secret, in particular, when it is necessary to provide admittance of the applicant being a natural person or of officials or employees of the applicant being a legal entity to the data constituting state secret, legalization of such admittance in compliance with the **legislation** of the Russian Federation on state secret protection;
2. continued supply by such economic company of products (works and services) under the state defence order;
3. continued implementation by such economic company of the works aimed at maintaining mobilization capacities;
4. exercise by such economic company of the activity of providing services at the prices (tariffs) established in compliance with the **legislation** of the Russian Federation on natural monopolies;
5. implementation of the business-plan of such economic company presented by the applicant;
6. immediate adoption of measures by such economic company to be determined in compliance with the legislation of the Russian Federation under martial law or state of emergency in the territory of the Russian Federation or in individual localities thereof where such economic company is situated;
7. such economic company having the staff on the payroll within the time period fixed by the decision on preliminary coordination of a transaction or on coordination of control's institution;
8. processing in the territory of the Russian Federation of the minerals extracted by an economic company which is of strategic importance and which uses a subsoil area of federal importance.

2. The obligations which are cited in **Part 1** of this article and which are based on the requirements established by federal laws and other normative legal acts of the Russian Federation must be imposed without fail upon the applicant.

3. The Commission in the situation provided for by **Part 1** of this article, prior to preliminary coordination of a transaction or coordination of control's institution, shall determine the list of obligations to be imposed upon the applicant and shall notify of them an authorized body which shall prepare an agreement to be made with the applicant on ensuring the discharge by him of the said obligations. With this, the agreement to be made with the applicant on ensuring the discharge by him of the said obligations means the document to be signed by the authorised body and the applicant under which the applicant

undertakes to ensure the discharge of the said obligations and which specifies the terms of discharging the said obligations by the applicant and the applicant's liability for failure to discharge them in compliance with this Federal Law. Such agreement shall be made within at most twenty days as of the date when the Commission notifies the authorised body of the said obligations, and such agreement's making must precede the adoption of the decision on preliminary coordination of the transaction or coordination of control's institution. The model form of such agreement shall be established by the authorised body specifying major terms thereof. The agreement signed by the authorised body and the applicant or the notice of the applicant's refusal to assume the said obligations in full or in part shall be forwarded to the Commission by the authorised body.

4. The obligations imposed upon the applicant in compliance with this article must be cited in the Commission's decision on preliminary coordination of a transaction and on coordination of control's institution. The obligations imposed upon the applicant and determined by the agreement cited in Part 3 of this article must correspond to the obligations mentioned in the Commission's decision on preliminary coordination of a transaction or on coordination of control's institution, except when such agreement is amended in compliance with Part 7 of this article. With that, such agreement shall enter into force concurrently with adoption of the said decision by the Commission.

5. Where the applicant refuses to assume in full or in part the obligations determined by the Commission in compliance with this article, the Commission shall render the decision on the denial of preliminary coordination of a transaction or on the denial of coordination of control's institution.

6. The agreement cited in [Part 3](#) of this article shall be valid within the total period while an economic company of strategic importance is under the applicant's control.

7. The adoption by an authorized body of the decision to amend the terms of the agreement cited in [Part 3](#) of this article as agreed by the parties thereto shall be only allowable on the basis of the Commission's decision and shall be effected in the same form and procedure as the said agreement. With this, it shall not be required to amend the decision on preliminary coordination of a transaction or on coordination of control's institution, as regards changing of the obligations to be imposed upon the applicant. The terms of such agreement may be only amended in connection with a major change in the circumstances wherefrom the parties proceeded when making it.

8. The agreement cited in [Part 3](#) of this article must provide, along with the effects cited in [Part 4 of Article 15](#) of this Federal Law, for other effects of the applicant's failure to discharge the obligations assumed under such agreement, in particular payment of a forfeit and imposition of other civil law sanctions, as well as a procedure for compensation for losses caused by such failure.

Article 13. Rights and Duties of the Authorised body and of Operational Units of the Federal Security Service Agencies

1. The authorised body is entitled to request for and obtain the documents and data cited in [Articles 9 and 10](#) of this Federal Law.

2. Where necessary, an authorized body is entitled to initiate in the established procedure the conduct of an expert assessment of the data which may be accessible for the applicant, as regards their pertinence to the data constituting [state secret](#).

3. The authorised body shall check the discharge by a foreign investor or by a legal entity or natural person belonging to a group of persons of the obligations assumed by them in compliance with [Article 12](#) of this Federal Law.

4. Natural persons and legal entities, including registrars of stockholders of an economic company which is of strategic importance, are obliged to present by request of the authorised body reliable data, explanations in writing and in oral form and other information which is necessary for the exercise by the authorised body of its functions.

5. Information constituting [state](#), [commercial](#), official and other secret protected by law and obtained by the authorised body while exercising the functions defined by this Federal Law is not subject to divulgence, except as established by the legislation of the Russian Federation. An authorised body's

employees shall be held liable under the legislation of the Russian Federation for divulgence of the said information. The harm caused to natural persons and legal entities as a result of divulging the said information by the authorised body is subject to compensation in the procedure provided for by legislation of the Russian Federation.

6. For the purpose of establishing the fact of control's institution by a foreign investor or a group of persons over an economic company of strategic importance, as well as the fact that there is an agreement made by a foreign investor and third persons and/or there are concerted actions made by them which are aimed at instituting control over an economic company of strategic importance, operational units of the federal security service agencies are entitled to take operational search measures in the procedure established by the [legislation](#) of the Russian Federation on operational search activity. The results of operational search activity of operational units of the federal security services agencies may be used for substantiation of the claims made with court which are cited in Article 15 of this Federal Law.

Article 14. Notice of Making Transactions in Stocks (Shares) Constituting Authorised Capital of Economic Companies of Strategic Importance

Foreign investors or a group of persons are obliged to present to the authorised body information about acquisition of five and more per cent of stocks (shares) constituting authorised capitals of economic companies of strategic importance in the procedure established by the Government of the Russian Federation

Article 15. Legal Effects of Failure to Satisfy the Requirements of this Federal Law

1. The transactions cited in [Article 7](#) of this Federal Law and made in defiance of the requirements of this Federal law shall be null and void.

2. A court shall apply the effects of invalidity of a null and void transaction in compliance with the [civil legislation](#). If the transaction resulting in the institution of control by a foreign investor or a group of persons over an economic company of strategic importance is made disregarding the requirements of this Federal Law and it is impossible to apply the effects of invalidity of a null and void transaction to the said transaction, as well as if a foreign investor did not present in due time to an authorized body the petition for coordination of control's institution in compliance with [Part 5 of Article 7](#) of this Federal Law, a court on the basis of the claim made by the authorised body shall render the decision on depriving the foreign investor or the group of persons of the right of vote at a general meeting of stockholders (participants) of the economic company of strategic importance. In the event of depriving a foreign investor or a group of persons of the right of vote at a general meeting of stockholders of a economic company of strategic importance judicially, the votes belonging to the foreign investor or a group of persons shall not be taken into account when determining the quorum of a general meeting of stockholders (participants) of such economic company and counting votes at a general meeting of stockholders (participants) of such economic company.

3. Decision of a general meeting of stockholders (participants) of economic company of strategic importance and of other managerial bodies of such economic company and transactions made by such economic company after institution by a foreign investor or a group of persons of control over such economic company in defiance of the requirements of this Federal Law may be declared judicially as unlawful on the basis of a claim made by the authorised body.

4. Gross and repeated failures of a foreign investor or of a legal entity or natural person pertaining to a group of persons to discharge the obligations assumed by them in compliance with [Article 12](#) of this Federal Law shall entail deprivation of the foreign investor or of the group of persons in the judicial procedure on the basis of a claim made by the authorized body of the right of vote at a general meeting of stockholders (participants) of an economic company of strategic importance and in such situation the votes belonging to the foreign investor or a group of persons shall not be taken into account when determining the quorum of a general meeting of stockholders (participants) of such economic company and when counting votes at a general meeting of stockholders (participants) of such economic companies.

5. If a foreign investor or a group of persons, which have instituted control over an economic company of strategic importance in the procedure provided for by [Part 5 of Article 7](#) of this Federal Law, have been

denied coordination of the control's institution, this foreign investor or this group of persons within a three-month term as of the date when the authorised body forwards to them the decision on the denial of coordination of the control's institution are obliged to alienate a part of stocks (shares) of such economic company possessed by them so that the remaining stocks (shares) did not give this foreign investor or this group of persons the right to exercise control over such economic company. In the event of failure to satisfy the said requirements, this foreign investor or this group of persons shall be deprived judicially on the basis of a claim made by the authorised body of the right of vote at a general meeting of stockholders (participants) of the economic company of strategic importance and the votes belonging to this foreign investor or to this group of persons shall not be taken into account when determining the quorum of a general meeting of stockholders (participants) of such economic company and when counting votes at a general meeting of stockholders (participants) of such economic company.

Article 16. Operation of this Federal Law in Time

1. This Federal Law shall apply to the relations connected with making by a foreign investor or a group of persons investments in the form of acquisition of stocks (shares) of economic companies of strategic importance and with making other transactions entailing the institution of control by a foreign investor or by a group of person over an economic company of strategic importance, and emerging after the date of this Federal Law's entry into force. In respect of the relations connected with making by a foreign investor or a group of persons investments in the form of acquisition of stocks (shares) of economic companies of strategic importance and with making other transactions entailing institution of control by a foreign investor or a group of persons over economic companies of strategic importance, and emerging after the date of this Federal Law's entry into force, this Federal Law shall apply insofar as the rights and duties arising after the date of its entry into force are concerned.

2. The operation of this Federal Law shall not extend to the transactions made prior to the date of this Federal Law' entry into force.

3. Within one hundred and eighty days as of the date when this Federal Law enters into force a foreign investor or a group of persons are obliged to present to the authorised body in the procedure established by the Government of the Russian Federation information about possession by the foreign investor or the group of persons of five and more per cent of the stocks (shares) constituting the authorised capital of a economic company of strategic importance and acquired by the foreign investor or the group of persons before the date of this Federal Law's entry into force.

Article 17. Entry of This Federal Law into Force

This Federal Law shall enter into force as of the date when it is officially published.

President
of the Russian Federation
V. Putin
The Kremlin, Moscow
April 29, 2008
No. 57-FZ