

November 10, 2015

## **Expansion of the list of officials who are banned from opening foreign bank accounts**

Dear Sir or Madam,

Federal law “On ban for particular categories of citizens to open and to own accounts (deposits), to save cash and values in the foreign banks, located outside the territory of the Russian Federation, to own and (or) to use foreign financial instruments” No. 79-FZ as of May 7, 2013 (hereinafter – the “**79-FZ**”) sets a list of officials who are prohibited:

- 1) to open and to own accounts (deposits) in the banks located outside the territory of the Russian Federation;
- 2) to save cash and values in foreign banks, located outside the territory of the Russian Federation;
- 3) to own and (or) to use foreign financial instruments.

According to the Federal law “On amendments to certain legislative acts of the Russian Federation” as of November 3, 2015 No.303-FZ (hereinafter – the “**303-FZ**”), the list of the officials falling under restrictions is extended.

Under the provisions of 303-FZ, the new categories include:

- 1) Heads of municipality having authorities of the Heads of the local administration;
- 2) Heads of local administration;
- 3) Deputies of representative bodies of municipal districts and city districts performing their powers on an ongoing basis;
- 4) Deputies occupying positions in representative bodies of municipal districts and city districts.

The list of relative family members who fall under the restrictions remained unchanged, and includes spouses and minor children.

Under the provisions of 303-FZ, individuals who fall under the restrictions are obliged to close foreign bank accounts (deposits), to stop saving cash and values in foreign banks and (or) to dispose foreign financial instruments within the period not exceeding 3 months from the November 4, 2015 (the date when 303-FZ was published on the official web portal of legal information).

Moreover, fiduciary asset management connected with the investments into the foreign financial instruments, established by an individual listed above, should be also terminated within the prescribed period.

In case of noncompliance with the requirements of the updated 79-FZ, individuals should terminate their authorities in advance, vacate the substituted (occupied) position or resign.

\* \* \*

We hope that you find this information helpful. Should you have any questions, please visit our web-site or contact our Senior Partner Maxim Alekseyev ([malekseyev@alrud.com](mailto:malekseyev@alrud.com)).

Kind regards,

**ALRUD Law Firm**

*Please note: All information was obtained from publicly available sources. The authors of this information letter assume no liability for the consequences of reliance upon, or decision-making based on such information.*