

THE RUSSIAN FEDERATION

FEDERAL LAW

ON INVESTMENT FUNDS

Adopted by
the State Duma
on 11 October 2001

Approved by
the Federation Council
on 14 November 2001

List of amending documents

(as amended by Federal Laws No. 58-FZ, dated 29 June 2004; No. 51-FZ, dated 15 April 2006;
No. 334-FZ, dated 6 December 2007; No. 160-FZ, dated 23 July 2008; No. 281-FZ, dated 25 November
2009;
No. 65-FZ, dated 22 April 2010; No. 224-FZ, dated 27 July 2010; No. 264-FZ, dated 4 October 2010;
No. 327-FZ, dated 21 November 2011 (as amended on 28 July 2012); No. 362-FZ, dated 30 November
2011;
No. 383-FZ, dated 3 December 2011; No. 145-FZ, dated 28 July 2012; No. 134-FZ, dated 28 June 2013;
No. 185-FZ, dated 2 July 2013; No. 251-FZ, dated 23 July 2013; No. 375-FZ, dated 21 December 2013;
No. 379-FZ, dated 21 December 2013; No. 33-FZ, dated 12 March 2014; No. 210-FZ, dated 29 June 2015;
No. 231-FZ, dated 13 July 2015 ; No. 427-FZ, dated 30 December 2015; No. 177-FZ, dated 2 June 2016;
No. 292-FZ, dated 3 July 2016; No. 361-FZ, dated 3 July 2016; No. 84-FZ, dated 1 May 2017)

Chapter I. GENERAL PROVISIONS

Article 1. Relations Governed by this Federal Law

This Federal Law shall govern relations associated with raising money and other property through the placement of shares or conclusion of trust management contracts for the purpose of their consolidation and subsequent investment in assets defined in accordance with this Federal Law, as well as with the management (trust management) of investment fund property, accounting and custody of investment fund property, and control over the disposal of such property.

An investment fund is a portfolio of assets owned by a joint-stock company or held in the common share ownership of individuals and legal entities, the use and disposal of which are carried out by a management company exclusively in the interests of the shareholders of that joint-stock company or the trustees.

This Federal Law shall not apply to relations associated with the establishment of other funds for the purposes of investment activities if they do not meet the criteria of joint-stock investment funds (Article 2 of this Federal Law) and/or the criteria of unit investment funds (Article 10 of this Federal Law).

The specifics of the establishment, reorganisation, liquidation, and legal status of the joint-stock company Russian Direct Investment Fund Management Company and the procedure for its activities

with regard to the trust management of investment funds, including the Russian Direct Investment Fund closed-end unit investment fund, shall be defined by the federal law governing the activities of that company.

(Part 4 introduced by Federal Law No. 177-FZ, dated 2 June 2016)

The specifics of the legal status of the limited liability company Management Company of the Banking Sector Consolidation Fund and the procedure for its activities, including trust management, shall be defined by federal laws.

(Part 5 introduced by Federal Law No. 84-FZ, dated 1 May 2017)

Chapter II. JOINT-STOCK INVESTMENT FUND

Article 2. The Concept of a Joint-Stock Investment Fund

1. A joint-stock investment fund is a joint-stock company whose exclusive scope of activities is the investment of property in securities and other assets stipulated by this Federal Law, and whose company name includes the words 'joint-stock investment fund' or 'investment fund'.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Other legal entities may not use the words 'joint-stock investment fund' or 'investment fund' in their names in any combination, except for cases stipulated by this Federal Law.

A joint-stock investment fund may not carry out other business activities.

2. A joint-stock investment fund may carry out its activities only on the basis of a special permit (licence).

3. The provisions of the Federal Law 'On Joint-Stock Companies' shall apply to joint-stock investment funds subject to the special considerations established by this Federal Law.

Article 3. Requirements for a Joint-Stock Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The size of equity of a joint-stock investment fund as of the date of the submission of documents for obtaining a licence to conduct investment fund activities (the 'joint-stock investment fund licence') shall meet the requirements established by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The shareholders of a joint-stock investment fund may not include a specialised depository, a registrar, an audit company, or an individual or legal entity, with which, in accordance with the requirements of Federal Law No. 135-FZ, dated 29 July 1998, 'On Appraisal Activities in the Russian Federation', an appraisal agreement may be concluded (the 'appraiser'), if the parties specified in this clause have concluded the respective agreements with this joint-stock investment fund.

(Clause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3. The property of a joint-stock investment fund shall be divided into property intended for investment (investment reserves) and property intended to support the activities of management bodies and other bodies of the joint-stock investment fund in proportion defined by the charter of the joint-stock investment fund.

4. The investment reserves of the joint-stock investment fund (the 'assets of the joint-stock investment fund') shall be transferred to the trust management of a management company that meets the requirements of this Federal Law, except in the case stipulated in Clause 6 of this article.

5. A separate bank account(s) shall be opened for settlements under operations related to the trust management of the assets of the joint-stock investment fund, and a separate depository account(s) shall be opened for recording rights to the securities constituting the assets of the joint-stock investment fund. Except for cases established by the legislation of the Russian Federation, such accounts shall be opened in the name of the management company, indicating that it is acting as a trustee and indicating the name of the joint-stock investment fund.

6. If a management company that meets the requirements of this Federal Law concludes an agreement transferring the powers of the sole executive body of the joint-stock investment fund to it, the management company shall acquire the rights and obligations for managing the assets of the joint-stock investment fund on the basis of that agreement. A separate bank account(s) shall be opened for settlements under the operations with the assets of the joint-stock investment fund, and a separate depository account(s) shall be opened for recording rights to the securities constituting the assets of the joint-stock investment fund. Such accounts shall be opened in the name of the joint-stock investment fund.

7. When interacting with the registrar, the specialised depository, and the management company responsible for the trust management of the assets of the joint-stock investment fund, the joint-stock investment fund shall use documents in the electronic form signed with an electronic signature. The type of electronic signature and the procedure for its verification shall be established by the agreement between the participants in electronic communication.

(Clause 7 as amended by Federal Law No. 33-FZ, dated 12 March 2014)

8. A joint-stock investment fund must have a website whose electronic address includes a domain name, the rights to which belong to that fund.

3. A joint-stock investment fund shall ensure the possibility of providing electronic documents to the Bank of Russia and the possibility of receiving electronic documents from the Bank of Russia in the manner established by the Bank of Russia.

(Clause 9 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

Article 4. Placement of Shares of a Joint-Stock Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. A joint-stock investment fund may not place securities other than ordinary registered shares.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. A joint-stock company, whose official name contains the words 'joint-stock investment fund' or 'investment fund' and which does not have a joint-stock investment fund licence, may not place additional shares or other issue-grade securities.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. The shares of a joint-stock investment fund may be paid for only in cash or in property stipulated by its investment policy statement. The incomplete payment of such shares during their placement shall not be allowed.

Article 4.1. Shares of a Joint-Stock Investment Fund Intended for Qualified Investors

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The charter of a joint-stock investment fund may (and, in cases specified by Bank of Russia regulations, must) stipulate that the shares of that fund are intended for qualified investors. After the placement of shares of a joint-stock investment fund, a provision that the shares of that joint-stock investment fund are intended for qualified investors may not be added to the charter of such a fund or

excluded therefrom.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. Shares of a joint-stock investment fund intended for qualified investors (the 'restricted shares') may be owned only by qualified investors. This restriction shall be included in the respective decision on the issue of shares of such a joint-stock investment fund.

3. Transactions with restricted shares shall be made subject to the restrictions and rules stipulated by Federal Law No. 39-FZ, dated 22 April 1996, 'On the Securities Market' (the 'Federal Law "On the Securities Market"') for securities intended for qualified investors.

Article 5. Redemption of Shares by a Joint-Stock Investment Fund

The shareholders of a joint-stock investment fund may demand the redemption of their shares in the cases stipulated by the Federal Law 'On Joint-Stock Companies' as well as in the case of a decision adopted by the general meeting of shareholders of the joint-stock investment fund to amend the investment policy statement, if they voted against the decision in question or did not participate in the voting on this item. If the charter of the joint-stock investment fund assigns the approval of the investment policy statement (amendments and changes thereto) to the competence of the board of directors (supervisory board), a shareholder may demand the redemption of shares within forty-five (45) days from the date of the corresponding decision adopted by the board of directors (supervisory board).

The redemption of shares from shareholders of the joint-stock investment fund shall be carried out in accordance with the procedure stipulated by the Federal Law 'On Joint-Stock Companies.'

Article 6. Charter and Investment Policy Statement of a Joint-Stock Investment Fund

In addition to the provisions stipulated by the Federal Law 'On Joint-Stock Companies,' the charter of a joint-stock investment fund shall include a provision stating that the exclusive scope of activities conducted by that joint-stock investment fund shall be the investment in property defined in accordance with this Federal Law and specified in its investment policy statement.

The investment policy statement and amendments and changes thereto shall be approved by the general meeting of shareholders of the joint-stock investment fund, if its approval is not assigned by the charter to the competence of the board of directors (supervisory board) of the fund. Within ten (10) days from the date of approval, the investment policy statement and all amendments or changes thereto shall be submitted to the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

If the charter of a joint-stock investment fund assigns the approval of the investment policy statement (amendments and changes thereto) to the competence of the board of directors (supervisory board) of the joint-stock investment fund, the text of the investment policy statement, including any amendments and changes thereto, shall be brought to the attention of the shareholders of that joint-stock investment fund within a 10-day period from the date of approval of the respective amendments and changes by the board of directors (supervisory board) in accordance with the procedure established for notification about the holding of the general meeting of shareholders.

The charter of a joint-stock investment fund that is a private joint-stock company may not include provisions that in accordance with the Civil Code of the Russian Federation and the Federal Law 'On Joint-Stock Companies' may be included only in the charter of a private joint-stock company.

(Part 4 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 7. Holding the General Meeting of Shareholders of a Joint-Stock Investment Fund

1. The general meeting of shareholders of a joint-stock investment fund shall be held in accordance with the Federal Law 'On Joint-Stock Companies' subject to the special considerations established in this article.

2. A decision of the general meeting of shareholders of a joint-stock investment fund may be adopted by absentee voting on any issues within the competence of the general meeting of shareholders of the joint-stock investment fund.

3. A written notice of the general meeting of shareholders of a joint-stock investment fund shall be sent to the special depository, appraiser, and audit company in accordance with the procedure, form, and period stipulated by the Federal Law 'On Joint-Stock Companies' and the charter of the joint-stock investment fund for notifying the shareholders of a joint-stock investment fund.
(Clause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4. A repeat general meeting of shareholders of a joint-stock investment fund held in place of one that was cancelled for the lack of a quorum, except for a general meeting of shareholders whose agenda included items on the reorganisation or liquidation of the joint-stock investment fund, the appointment of a liquidation committee, or amendments and changes to the investment policy statement, shall be competent regardless of the number of attending shareholders.
(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

A repeat general meeting of shareholders of a joint-stock investment fund, in which the number of shareholders exceeds ten thousand (10,000), held in place of one that was cancelled for the lack of a quorum shall be competent on any matter assigned to the competence of the general meeting of shareholders of the joint-stock investment fund, regardless of the number of attending shareholders.

5. The general meeting of shareholders of a joint-stock investment may decide to submit an application to the Bank of Russia to surrender its joint-stock investment fund licence and amend the charter of that fund to remove the words 'joint-stock investment fund' or 'investment fund' from its official name. Such a decision shall be adopted at the general meeting of shareholders by all shareholders unanimously.
(Clause 5 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 8. The Board of Directors (Supervisory Board) and Executive Bodies of a Joint-Stock Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The following persons may not exercise the functions of the sole executive body of a joint-stock investment fund or become a member of the board of directors (supervisory board) or the collective executive body of a joint-stock investment fund:

1) Employees of the specialised depository, registrar, or audit company of the joint-stock investment fund, a legal entity that is the fund's appraiser, or parties engaged by these entities for performance of works (provision of services) under civil contracts, or an individual who is the appraiser of the joint-stock investment fund;
(Subclause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2) Affiliates of the specialised depository, registrar, appraiser, or audit company of the joint-stock investment fund;
(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

ConsultantPlus: note.

Starting 28 January 2018, Subclause 3 of Clause 1 of Article 8 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

3) Persons who exercised the functions of the sole executive body or were members of the collective executive body of a management company, specialised depository, joint-stock investment fund, professional participant of the securities market, credit institution, insurance company, or non-governmental pension fund (the 'financial institutions') at the time when the financial institutions committed violations for which their licences for the respective activities were revoked, if less than three (3) years have passed since the date of such revocation;

4) Persons for whom a period of administrative penalty in the form of disqualification has not yet expired;

5) Persons convicted of premeditated crimes.

2. Affiliates of the management company as well as employees of the management company or its affiliates, including persons engaged by them for the performance of works (provision of services) under civil contracts, may not constitute more than one-fourth (1/4) of the number of members of the board of directors (supervisory board) or the collective executive body of a joint-stock investment fund.

3. The person exercising the functions of the sole executive body of a joint-stock investment fund, except for cases involving the transfer of powers of such a body to the management company, must have a higher education and meet the qualification requirements and professional experience requirements established by the Bank of Russia.

(as amended by Federal Laws No. 185-FZ, dated 2 July 2013; and No. 251-FZ, dated 23 July 2013)

4. A joint-stock investment fund shall notify the Bank of Russia of changes in the composition of the board of directors (supervisory board) and executive bodies of the joint-stock investment fund no later than five (5) working days from the date of such events.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The notice stipulated in Clause 4 of this article shall be accompanied by documents (their copies), the list of which shall be defined by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. Along with the decisions on issues stipulated by the Federal Law 'On Joint-Stock Companies', the exclusive competence of the board of directors (supervisory board) of a joint-stock investment fund shall include the adoption of decisions on the conclusion and termination of the respective contracts with the management company, specialised depository, registrar, appraiser, and audit company.

(Clause 6 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

Article 9. Reorganisation and Liquidation of a Joint-Stock Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The reorganisation of a joint-stock investment fund in the form of a merger, split, or spin-off shall be allowed, provided that such reorganisation will result in the establishment of a joint-stock investment fund(s).

2. The reorganisation of a joint-stock investment fund in the form of accession shall be allowed subject to the accession of another joint-stock investment fund(s) to the joint-stock investment fund being reorganised.

3. The reorganisation of a joint-stock investment fund in the form of transformation shall not be allowed.

4. In the case of the voluntary liquidation of a joint-stock investment fund, the liquidation committee (liquidator) of that fund shall be appointed by agreement with the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. A joint-stock investment fund shall notify the Bank of Russia of an adopted decision on reorganisation or liquidation no later than five (5) working days from the date of that decision.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. The notice referred to in Clause 5 of this article shall be accompanied by a copy (copies) of the decision(s) on reorganisation or liquidation and a copy (copies) of the charter(s) of the newly established joint-stock investment fund(s) certified by the authorised body of the joint-stock investment fund.

7. Additional shares created by the reorganisation of joint-stock investment funds, including in the form of merger, split, or spin-off, may be placed only after the state registration of an issue of shares of such funds and the issuance of a joint-stock investment fund licence to the newly established joint-stock companies.

8. In the event a suit for the reorganisation or liquidation of a joint-stock investment fund is being considered by a court, the Bank of Russia may be brought in by the court to participate in the case or intervene in the case at its own initiative or at the initiative of the parties participating in the case.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Chapter III. UNIT INVESTMENT FUND

Article 10. The Concept of a Unit Investment Fund

1. A unit investment fund is a separate portfolio of assets consisting of property transferred to a management company for trust management by trustor(s) on the condition of its consolidation with the property of other trustors and of property obtained in the course of such management, the interest in the right of ownership to which is certified with a security issued by the management company.

A unit investment fund shall not be a legal entity.

2. A unit investment fund shall have a name (individual designation) that identifies it in relation to other unit investment funds.

No party other than the management company of the unit investment fund shall have the right to raise money and other property by using the words 'unit investment fund' in any combination.

3. The name (individual designation) of a unit investment fund shall include an indication of the composition and structure of its assets (the 'category of the unit investment fund') in accordance with Bank of Russia regulations and may not contain any unfair, unethical, knowingly false, hidden, or misleading information.

(Clause 3 introduced by Federal Law No. 334-FZ, dated 6 December 2007, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 11. Agreement of Trust Management of a Unit Investment Fund

1. The terms of the agreement of trust management of a unit investment fund (the 'rules of trust management of a unit investment fund') shall be determined by the management company in standard forms and may be accepted by the trustor only by way of accession to that agreement in its entirety.

Accession to the agreement of trust management of a unit investment fund shall be carried out through the acquisition of investment units of the unit investment fund (the 'investment unit') issued by the management company exercising trust management of that unit investment fund.

2. The trustor shall transfer the property to the management company for its inclusion in the unit investment fund on the condition of its consolidation with the property of other trustors.

The property constituting a unit investment fund shall be the common property of the owners of

investment units and shall belong to them by right of common shared ownership. The division of the property constituting a unit investment fund and the apportionment of a share in kind shall not be allowed, except for cases stipulated by this Federal Law.

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

By acceding to the agreement of trust management of a unit investment fund, an individual or legal entity shall thereby waive the exercise of its pre-emptive right to acquire an interest in the ownership of the property constituting the unit investment fund, and the right in question shall end.

The investment unitholders shall bear the risk of losses related to the change in the market value of property constituting the unit investment fund.

3. The management company shall exercise the trust management of the unit investment fund by performing any legal and actual actions in respect of its constituent property and exercise all rights certified by securities constituting the unit investment fund, including the voting rights for voting securities.

The management company may file claims and defend claims in court in connection with the activities of trust management of the unit investment fund.

4. The management company shall make transactions with the property constituting the unit investment fund in its own name, indicating that it is acting as the trustee. This condition shall be deemed to have been met if during actions not requiring a written form the other party was informed that the trustee was performing them acting in that capacity, and the written documents have the mark 'D.U.' (short for 'trust manager' in Russian) and indicate the name of the unit investment fund after the name of the trustee.

If it is not indicated that the management company is acting as a trustee, it shall be personally liable to the third parties and shall be liable to them only to the extent of its own property.

4.1. The agreements of the management company with a specialised depository, the party that keeps the register of investment unitholders of the unit investment fund (the 'register of investment unitholders'), the appraiser, and the audit company before the submission of the rules of trust management of the unit investment fund for registration shall be concluded by the management company without indicating that it is acting as a trustee of the unit investment fund and shall include a provision that as of the end (completion) date of the formation of the unit investment fund such agreements shall be deemed to have been concluded by the management company acting as the trustee of unit investment fund, along with the indication of the name of the unit investment fund.

(Clause 4.1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

5. If this is provided for by the rules of trust management of the unit investment fund, the management company may (in accordance with the procedure established by Bank of Russia regulations) transfer its rights and obligations under the agreement of trust management of the unit investment fund to another management company.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. In addition to the material terms of the agreement of trust management of the unit investment fund stipulated by the Civil Code of the Russian Federation and this Federal Law, the rules of trust management of a unit investment fund shall include one of the following terms:

1) The right of an investment unitholder to demand on any working day that the management company redeem all its investment units and thereby terminate the agreement of trust management of unit investment fund between it and the management company or redeem a part of its investment units;

2) The right of an investment unitholder to demand that a person authorised by the management

company (the 'authorised person'), on any working day, buy all or part of its investment units and the right to sell them on the exchange indicated in the rules of trust management of the unit investment fund on the terms stipulated by such rules, and the right of an investment unitholder that is an authorised person to demand that the management company, within the period established by the rules of trust management of the unit investment fund, redeem all its investment units and thereby terminate the agreement of trust management of unit investment fund between it and the management company or redeem a part of its investment units;

3) The right of an investment unitholder to demand that the management company, within the period established by the rules of trust management of the unit investment fund, redeem all its investment units and thereby terminate the agreement of trust management of the unit investment fund between it and the management company or redeem a part of its investment units;

4) The absence of the right of an investment unitholder to demand that the management company terminate the agreement of trust management of the unit investment fund prior to the expiration of its term other than in cases stipulated by this Federal Law.

(Clause 6 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

6.1. For the purposes of this Federal Law, unit investment funds, for which the trust management rules stipulate one of the terms specified in Clause 6 of this article, shall be called, respectively, 'open-end unit investment funds', 'exchange-traded unit investment funds', 'interval unit investment funds', and 'closed-end unit investment funds' (the 'types of unit investment funds').

(Clause 6.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

7. The type of unit investment fund may be changed from closed-end unit investment fund to interval unit investment fund or open-end unit investment fund, or from interval unit investment fund to open-end unit investment fund. These changes shall be carried out through amendments and changes to the rules of trust management of the unit investment fund.

(Clause 7 introduced by Federal Law No. 334-FZ, dated 6 December 2007)

Article 12. Term of the Agreement of Trust Management of a Unit Investment Fund

The term of the agreement of trust management of a unit investment fund shall be specified in the rules of trust management of the unit investment fund and shall not exceed fifteen (15) years from the start of its formation.

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

The term of the agreement of trust management of an interval unit investment fund shall expire at the end of the last redemption period of investment units before the expiration of that agreement stipulated by the rules of trust management of the interval unit investment fund.

The term of the agreement of trust management of a closed-end unit investment fund specified in the rules of trust management of that fund may not be less than three (3) years from the start of formation of that unit investment fund.

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

If stipulated by the rules of trust management of open-end and interval unit investment funds, the term of the respective agreement of trust management shall be deemed to be extended for the same period, if the investment unitholders have not demanded the redemption of all their investment units.

If stipulated by the rules of trust management of an exchange-traded unit investment fund, the term of the agreement of trust management shall be deemed to be extended for the same period, if the investment unitholders who are not authorised persons have not demanded the redemption of all investment units of that fund.

(Part 5 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

Article 13. Property Transferred to a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. Only cash funds may be transferred to trust management in open-end and interval unit investment funds.

2. Cash funds and other property stipulated by the investment policy statement included in the rules of trust management of the respective fund may be transferred to trust management in closed-end and exchange-traded unit investment funds, if the transferability of such property is established by Bank of Russia regulations.

(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

3. No transfer of pledged property for trust management of a unit investment fund shall be allowed.

Article 13.1. Procedure for the Inclusion of Property in a Unit Investment Fund after the End (Completion) of Its Formation

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. Cash funds transferred as a payment for investment units of the same unit investment fund shall be placed in a separate bank account opened by the management company of that fund under an agreement concluded without indicating that the management company is acting as a trustee (the 'transit account'). The requirement of this clause shall not apply in the case of transferring cash funds to pay for the unpaid part of investment units.

2. The management company shall keep records of cash funds transferred by each person to pay for investment units and held in a transit account.

3. The management company may not order the transfer of its own cash funds or cash funds held by it for other reasons to the transit account.

4. Cash funds held in the transit account cannot be seized for enforced collection of debts of the management company. If the management company is recognised as bankrupt, the funds held in the transit account shall not be included in the bankruptcy estate.

5. The management company may not dispose of the cash funds held in the transit account, except in the following cases:

1) Funds transfer to a separate bank account indicated in Clause 2 of Article 15 of this Federal Law for inclusion in the unit investment fund;

2) Payment of premium to the estimated value of issued investment units, if such premium is stipulated by the rules of trust management of the unit investment fund;

3) Making a refund to a person who deposited cash funds to pay for investment units in a case stipulated by this Federal Law;

4) Payout of monetary compensation to investment unitholders during the redemption of investment units of that unit investment fund and mandatory payments associated with that payout, if the possibility of monetary compensation and payments from the transit account is stipulated by the rules of trust management of the unit investment fund. In this case, such payouts (payments) shall be made in accordance with the procedure established by Bank of Russia regulations and within the limits of the amount to be included in the unit investment fund.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. Cash funds transferred to pay for investment units shall be included in the unit investment fund on the basis of a duly prepared application for the acquisition of investment units and the documents required in order to open a personal account for the acquirer (nominee) in the register of investment unitholders.

7. When issuing the investment units of a closed-end unit investment fund or exchange-traded unit investment fund after the end (completion) of their formation, if the rules of trust management of the respective fund stipulate the option of paying for the investment units by means other than in cash, the transfer of property to pay for investment units and its inclusion in the respective fund shall be made in accordance with the rules stipulated by Article 13.2 of this Federal Law.

(Clause 7 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

Article 13.2. Formation of a Unit Investment Fund

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The formation of a unit investment fund shall start no later than six (6) months from the date of registration of the rules of trust management of the unit investment fund. The period for the formation of a unit investment fund may not exceed three (3) months, and the period for the formation of a closed-end unit investment fund may not exceed six (6) months in cases stipulated by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. Cash funds transferred to pay for investment units of a unit investment fund during its formation shall be transferred to the transit account opened for the formation of that unit investment fund, uncertified securities shall be transferred to the depository account opened in the specialised depository of that fund (the 'transit depository account'), and certified securities shall be transferred for custody to that specialised depository.

3. An agreement on the opening of a transit account (transit depository account) as well as an agreement on the custody of certified securities shall be concluded by the management company for the formation of one unit investment fund without indicating that such management company is acting as a trustee.

4. The transit depository account shall be opened by the specialised depository in the name of the management company. The management company shall not be the holder of securities, the rights to which are recorded in the transit depository account.

5. When securities are transferred to the transit depository account, the specialised depository shall open a depository sub-account (the 'depository sub-account') for the person who transferred these securities in order to record its rights to these securities. The depository sub-account shall be opened on the basis of this Federal Law without concluding a depository agreement.

6. Any operation to withdraw and/or encumber the securities held on a depository sub-account shall be blocked from the time the securities are credited to that depository sub-account, except for operations to withdraw the securities in the cases of enforced collection of these securities for debts of their owner, conversion of issue-grade securities, or in cases stipulated by Clause 7 of this article.

7. The securities held on a transit depository account shall be withdrawn by the specialised depository on the instructions of the management company only in the case of their inclusion in the unit investment fund or their return to the person who transferred them in order to pay for investment units.

8. The persons whose rights to securities are recorded in a depository sub-account shall exercise all rights established by these securities.

9. Before the end (completion) of the period of formation of a unit investment fund, the income and other payouts on securities transferred to pay for investment units shall be credited to the transit account, and after the end (completion) of the period of its formation, they shall be included in that fund, unless securities transferred to pay for investment units have been returned to the person who transferred them to pay for investment units.

10. The property transferred to pay for investment units during the formation of the unit investment fund shall be recorded for each person who transferred such property to pay for investment units. The management company shall keep records of cash transferred by each person to pay for investment units and held on transit account.

11. The management company may not transfer (transmit) to the transit account (transit depository account) funds (securities) that it owns or may dispose of on other grounds.

12. The property transferred to pay for investment units, including held in a transit account (transit depository account), may not be seized for enforced collection of debts of the management company or debts of the specialised depository.

13. If the management company or specialised depository are recognised as bankrupt, the cash (securities) held in the transit account (transit depository account) and other property transferred to pay for investment units shall not be included in the bankruptcy estate and shall be returned to the persons who transferred them to pay for investment units.

14. The management company may not dispose of property transferred to pay for investment units, except to include such property in the unit investment fund or return it to the person who transferred it to pay for investment units.

15. The property transferred to pay for investment units shall be included in the unit investment fund during its formation only if:

1) Applications for the acquisition of investment units and the documents required for the opening of personal accounts in the register of investment unitholders have been accepted;

2) The property transferred to pay for investment units in accordance with these applications has been received by the management company, or, if such property is other than cash funds, the consent of the specialised depository for the inclusion of such property in the unit investment fund has also been obtained;

3) The value of property transferred to pay for investment units has reached the amount required to end (complete) the formation of the unit investment fund.

16. During the formation of a unit investment fund, investment units shall be issued on the day of inclusion of all property that is to be so included in the fund and the was transferred to pay for investment units, or on the next working day.

17. The date of the end (completion) of formation of the unit investment fund shall be the date when the management company sends a report on the end (completion) of formation of the unit investment fund to the Bank of Russia or, for a closed-end unit investment fund, the date of registration of amendments and changes to the rules of trust management of the closed-end unit investment fund regarding the number of the issued investment units of that fund.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

18. The report on the end (completion) of formation of the unit investment fund shall be signed by

the authorised persons of the management company and specialised depository and sent to the Bank of Russia no later than five (5) working days from the date of issue of the investment units. Any amendments to the rules of trust management of a closed-end unit investment fund regarding the number of issued investment units of that fund shall be sent to the Bank of Russia along with the report on the end (completion) of formation of the closed-end unit investment fund for their registration.
(Clause 18 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

19. Based on the report on the end (completion) of formation of the unit investment fund, the Bank of Russia shall make an appropriate entry in the register of unit investment funds and also register the amendments and changes to the rules of a closed-end unit investment fund regarding the number of issued investment units of such a unit investment fund.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

19.1. If the Bank of Russia refuses to register amendments and changes to the rules of trust management of a closed-end unit investment fund regarding the number of issued investment units of that fund on the grounds provided by Subclause 5 of Clause 6 of Article 19 of this Federal Law, the property transferred to pay for investment units of that fund and the income, including the income and payouts on securities, shall be returned to the persons who transferred the property to pay for investment units of the fund within the period stipulated by the rules of trust management of the closed-end unit investment fund. Along with the return of property, the investment units of such a unit investment fund shall be redeemed regardless of whether the owner of such investment units has demanded their redemption.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The management company shall notify the Bank of Russia of the return of property no later than three (3) working days from the date of return of all property and income stipulated by this clause.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
(Clause 19.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012).

20. If at the end date of the period of formation of the unit investment fund, as defined by the rules of trust management of the unit investment fund, the value of the property transferred to pay for investment units is less than the value of the property required for the end (completion) of its formation, the management company shall:

1) Notify the Bank of Russia thereof no later than the next working day from the end date of formation of the unit investment fund;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Return the property transferred to pay for investment units and the income, including the income and payouts on securities, to the persons who transferred this property to pay for investment units in accordance with the procedure and within the period established by the rules of trust management of the unit investment fund.

21. The procedure and terms for opening a transit depository account and conducting operations on that account, the procedure for accounting of cash funds, securities, and other property of each person who transferred this property to pay for investment units, the procedure for transferring the property other than cash funds to include it in the unit investment fund, and the procedure for determining the value of property transferred to pay for investment units shall be established by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 14. Investment Units

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

1. An investment unit is a registered security certifying its holder's interest in the ownership of the property constituting the unit investment fund, the right to demand proper trust management of the unit investment fund from the management company, and the right to receive monetary compensation upon termination of the agreement of trust management of the unit investment fund with all investment unitholders of that fund (termination of the unit investment fund).

An investment unit of an open-end unit investment fund shall also certify the right of the holder of that unit to demand the redemption of the investment unit and payout of monetary compensation in proportion to its interest in the common ownership of the property constituting that fund from the management company on any working day.

An investment unit of an exchange-traded unit investment fund shall also certify the right of the holder of that unit to demand on any working day that an authorised person buy the investment unit at a price commensurate to its interest in the common ownership of the property constituting the fund and the right to sell it on the exchange specified in the rules of trust management of the unit investment fund on the terms stipulated by such rules. An investment unit of an exchange-traded unit investment fund shall also certify the right of a holder who is an authorised person to demand from the management company, within the period established by the rules of trust management of that fund, the redemption of its investment unit and payout of monetary compensation in proportion to its interest in the common ownership of the property constituting that fund or, if provided for by the rules of trust management of that fund, the apportionment of its interest in the common ownership of the property constituting that fund. If the rules of trust management of an exchange-traded unit investment fund provide for the payment of income from trust management of property constituting that fund, an investment unit of that fund shall also certify the right of its holder to receive such income.

An investment unit of an interval unit investment fund shall also certify the right of the holder of that unit to demand the redemption of the investment unit and payout of monetary compensation in proportion to its interest in the common ownership of the property constituting that fund from the management company at least once a year within the period defined by the rules of trust management of that fund.

An investment unit of a closed-end unit investment fund shall also certify the right of the holder of that unit to demand the redemption of the investment unit and the payout of monetary compensation in proportion to its interest in the common ownership of the property constituting that fund from the management company; the right to participate in the general meeting of investment unitholders in cases stipulated by this Federal Law; and, if the rules of trust management of that fund provide for the payment of income from trust management of the property constituting that fund, the right to receive such income.

Each investment unit shall certify an equal interest in the common ownership of the property constituting the unit investment fund.

Each investment unit shall certify equal rights, unless otherwise established by this Federal Law.

2. An investment unit shall not be an issue-grade security.

The rights certified by the investment unit shall be recorded in book-entry form.

The number of investment units issued by management companies of open-end, interval, or exchange-traded unit investment funds shall not be limited. The number of investment units issued by the management company of a closed-end unit investment fund shall be specified in the rules of trust management of that fund.

3. An investment unit shall have no face value.

4. The number of investment units owned by one holder may be expressed by a fractional

number.

Fractional parts of investment units may occur and change for their holders in connection with the issuance or exchange of investment units, redemption of the unpaid part of an investment unit in accordance with Clauses 3 and 8 of Article 17.1 of this Federal Law, partial redemption of investment units in accordance with Subclause 3 of Clause 6 of Article 17 of this Federal Law, or redemption of investment units in accordance with Subclause 1 of Clause 4 of Article 14.1 of this Federal Law, and in other cases provided for by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The circulation and redemption of a fractional part of an investment unit shall be allowed simultaneously with a whole investment unit. The redemption of a fractional part of an investment unit apart from a whole investment unit shall be allowed only if its holder does not have a whole investment unit. A fractional part of an investment unit shall confer to its holder the rights provided by an investment unit to the extent corresponding to the part of the whole investment unit which it constitutes.

To reflect the number of issued investment units in the rules of trust management of a closed-end unit investment fund, all fractional parts of investment units of that fund shall be summed up. If the total result is a fractional number, the number of issued investment units in these rules shall be expressed by a fractional number.

If one person acquires investment units with two or more fractional parts of investment units, these units shall form a whole investment unit (whole investment units) and/or a fractional part of an investment unit equal to the sum of these fractional parts.

5. Investment units shall circulate freely after the end (completion) of formation of the unit investment fund. Restrictions on the circulation of investment units may be established by federal laws.

The rights to investment units shall be recorded on personal accounts in the register of investment unitholders. The rights to investment units may be recorded on nominee personal accounts if this is provided for by the rules of trust management of the unit investment fund.

6. The specialised depository, registrar, audit company, and appraiser with whom the management company has concluded agreements with regard to the unit investment fund shall not be investment unitholders of that fund.

Article 14.1. Investment Units of Closed-End and Interval Unit Investment Funds Intended for Qualified Investors

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The rules of trust management of closed-end and interval unit investment funds may and, in cases established by Bank of Russia regulations, must stipulate that the investment units of such funds are intended for qualified investors.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

ConsultantPlus: note.

For requirements for persons entitled to recognise a qualified investor and the procedure for recognising a qualified investor see Bank of Russia Ordinance No. 3629-U, dated 29 April 2015.

2. Investment units of a unit investment fund intended for qualified investors (the 'investment units with restricted circulation') may be issued (alienated) only to qualified investors, except in cases provided for by this Federal Law. Only the management company that issues the investment units may recognise persons as qualified investors in accordance with federal law when issuing investment units

with restricted circulation. The consequences of issuing such investment units to a person who is not a qualified investor (the 'unqualified investor') shall be stipulated in this article.
(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3. During the circulation of investment units with restricted circulation, transactions with them shall be made subject to the restrictions and rules stipulated by the Federal Law 'On the Securities Market' for securities intended for qualified investors.

4. If the management company of the unit investment fund issues investment units with restricted circulation to an unqualified investor it shall be obliged to:

1) Redeem the investment units held by the unqualified investor in the interval unit investment fund whose units are restricted in circulation within the next (after the day when the issuance of investment units to an unqualified investor was discovered) period when, in accordance with the rules of trust management of that fund, investment unitholders may demand their redemption from the management company, and redeem the investment units of a closed-end unit investment fund whose investment units are restricted in circulation no later than six (6) months after the date the issuance of investment shares to an unqualified investor was discovered;

2) Pay, at its own expense, the amount of funds transferred by the unqualified investor to pay for investment units with restricted circulation (including the amount of premium deducted upon their issuance) and the interest on that amount, the amount and accrual period of which shall be determined in accordance with the rules of Article 395 of the Civil Code of the Russian Federation, less the amount of monetary compensation paid upon the redemption of investment units with restricted circulation owned by an unqualified investor

5. The management company shall fulfil its obligation stipulated by Subclause 1 of Clause 4 of this article regardless of whether the holder of investment units with restricted circulation demanded their redemption.

6. The consequences stipulated by Clause 4 of this article shall not apply if the management company has recognised a person as a qualified investor based on false information provided by that person. The recognition of a person as a qualified investor by a management company based on false information provided by that person shall not be grounds for invalidating the transaction on the acquisition of investment units with restricted circulation at their issuance by that person.

7. Specific aspects of recording and transferring rights to investment units with restricted circulation by persons maintaining the register of the holders of investment units with restricted circulation and by depositories shall be established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8. If the rules of trust management of a closed-end unit investment fund whose investment units are restricted in circulation so provide, the management company of that fund may acquire such investment units upon the formation of that fund. In this case, the management company may pay for the investment units in cash funds only and may not perform any transactions with such investment units after the acquisition, except for selling the part thereof exceeding the share in the total number of issued investment units that may be owned by the management company. The investment units of a closed-end unit investment fund shall not grant the management company voting rights at the general meeting of investment unitholders.

Changing the type of a unit investment fund whose investment units are owned by the management company shall not be allowed.

In the case of a transfer of rights and obligations under the agreement of trust management of a closed-end unit investment fund, the management company to which such rights and obligations are transferred may acquire the investment units of that fund from the investment unitholders of that fund.

(Clause 8 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

Article 14.2. Admission of Investment Units of an Exchange-Traded Unit Investment Fund to Organised Exchange Trading

(introduced by Federal Law No. 145-FZ, dated 28 July 2012)

1. Investment units of an exchange-traded unit investment fund shall be admitted to organised trading conducted by the exchange specified in the rules of trust management of that fund based on the agreement(s) of that exchange with the management company and/or authorised person(s) if that exchange concludes an agreement(s) with the organised trading participant(s) (the 'market maker of the exchange-traded fund') regarding its (their) obligation to maintain the prices, demand, supply, and/or volume of organised trading in investment units of the exchange-traded unit investment fund. Unless otherwise stipulated by the agreement with the market maker of the exchange-traded fund, its obligation to maintain the prices, demand, supply, and/or volume of organised trading in investment units of the exchange-traded unit investment fund (also the 'obligation of the market maker') shall terminate on the date when the grounds for termination of that fund arise.

2. The agreement(s) of the exchange with the management company and/or authorised person(s) stipulated in Clause 1 of this article shall be concluded before the date of submission of the rules of trust management of the exchange-traded unit investment fund or amendments and changes thereto to the Bank of Russia for registration and shall provide for:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) The procedure for determining the date of commencement of organised trading conducted by the exchange, which may not be earlier than the end (completion) date of the formation of the exchange-traded unit investment fund;

2) The maximum deviation of the bid (offer) price of investment units publicly declared by the market maker of the exchange-traded fund at the organised trading conducted by the exchange from the estimated price of one investment unit in accordance with the rules of trust management of the exchange-traded unit investment fund. The maximum deviation may not exceed five (5) per cent of the estimated price of one investment unit;

3) The rules for determining and disclosing the estimated price of one investment unit in accordance with the requirements of Bank of Russia regulations;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4) The procedure and period established for the management company to provide the exchange with information on the unit investment fund and the content of that information;

5) The volume of transactions with investment units on the organised exchange trading made by the market maker of the exchange-traded fund within the trading day upon reaching which its obligation of the market maker for that day shall cease in accordance with the rules of trust management of the exchange-traded unit investment fund, if the rules of trust management of that fund stipulate such a volume;

6) The period of performance by the market maker of the exchange-traded fund of its obligation of the market maker within the trading day in accordance with the rules of trust management of the exchange-traded unit investment fund, if the rules of trust management of that fund stipulate such a period.

3. The rules of organised trading conducted by the exchange shall provide for the suspension of organised trading in investment units of an exchange-traded unit investment fund in the case of changes in the situation in organised (regulated) markets or changes in other market conditions that could

materially affect the ability of the market maker of the exchange-traded fund to perform its obligation of the market maker.

4. The admission of investment units of an exchange-traded unit investment fund for organised trading conducted by a foreign exchange shall be carried out in accordance with the personal law of that exchange. In this case, the rules of trust management of the exchange-traded unit investment fund or amendments and changes thereto which stipulate provisions on the admission of investment units of the exchange-traded unit investment fund to organised trading conducted by a foreign exchange may be registered not earlier than the date of the obligation of the foreign exchange to admit these investment units to organised trading.

5. An authorised person may also be the market maker of the exchange-traded fund.

Article 15. Segregation of Property Constituting the Unit Investment Fund

1. The property constituting the unit investment fund shall be segregated from the assets of the management company of that fund, the property of investment unitholders, property constituting other unit investment funds under the trust management of that management company, and other property under trust management or held on other grounds by that management company. The property constituting the unit investment fund shall be recorded by the management company on a separate balance sheet and shall be subject to separate accounting.

2. A separate bank account(s) shall be opened for settlements under the operations related to trust management of the unit investment fund, and a separate depository account(s) shall be opened to record the rights to securities constituting the unit investment fund. Except for cases established by the legislation of the Russian Federation, such accounts shall be opened in the name of the management company of the unit investment fund indicating that it is acting as a trustee and the name of the unit investment fund. The name(s) of investment unitholders shall not be indicated. After the end (completion) of the formation of unit investment fund, the federal executive body authorised by the Government of the Russian Federation to maintain the state cadastral records, implement the state registration of rights, maintain the Unified State Register of Real Estate and provide information contained in the Unified State Register of Real Estate, and its territorial bodies may require the person responsible for maintaining the register of investment unitholders to provide the list of investment unitholders containing such information about them as required by Federal Law No. 218-FZ dated 13 July 2015 'On the State Registration of Real Estate'. That person shall submit this list no later than five (5) working days following the receipt of the demand.

(as amended by Federal Laws No. 334-FZ, dated 6 December 2007, and No. 361-FZ, dated 3 July 2016)

2.1. At the time of state registration of rights to property for its inclusion in a unit investment fund, the entry on the registered right shall contain information that the owners of that property and data about them are established on the basis of personal accounts of investment unitholders in the register of investment unitholders and depository accounts of investment unitholders, indicating the name (individual designation) of the unit investment fund.

(Clause 2.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

3. The seizure of property constituting a unit investment fund for the enforced collection of the debts of investment unitholders, including in the case of their insolvency (bankruptcy), shall not be allowed. The investment units owned by the investment unitholders shall be seized for enforced collection of their debts. In case of insolvency (bankruptcy) of investment unitholders, the bankruptcy estate shall include their investment units.

4. If the management company of a unit investment fund is recognised as insolvent (bankrupt), the property constituting the unit investment fund shall not be included in the bankruptcy estate.

Article 16. Liability of the Management Company of a Unit Investment Fund

1. The management company of a unit investment fund shall be liable to investment unitholders to the extent of actual damages in the event of losses caused by it as a result of violations of this Federal Law, other federal laws, and the rules of trust management of the unit investment fund, including incorrect determination of the amount for which an investment unit is issued or the amount of monetary compensation payable in connection with the redemption of an investment unit, and in the case of violation of the requirements established by Article 14.1 of this Federal Law, to the extent stipulated by this article.

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

2. The debts on obligations arising in connection with the trust management of the property constituting the unit investment fund shall be redeemed with that property. If the property constituting the unit investment fund is insufficient, then only the management company's own property may be seized for enforced collection.

Article 17. Rules of Trust Management of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The rules of trust management of a unit investment fund shall include the following information:

- 1) Full and short names of the unit investment fund,
- 2) Type and category of the unit investment fund,
- 3) Full official name of the management company,
- 4) Full official name of the specialised depository,
- 5) Full official name of the person maintaining the register of investment unitholders,
- 6) Full official name of the audit company,

(Subclause 6 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

7) Investment policy statement,

8) Procedure and period for the formation of the unit investment fund, including the value of the property transferred to pay for investment units required to end (complete) the formation of that fund,

9) Rights of investment unitholders,

10) Rights and obligations of the management company,

11) Term of the trust management agreement,

12) Procedure for filing applications for acquisition, redemption, and exchange of investment units,

13) Procedure and period of the transfer of property to pay for investment units and its return if investment units cannot be issued in accordance with this Federal Law,

14) Procedure and period for the inclusion of property in the unit investment fund,

15) Procedure and period for payment of monetary compensation in connection with the redemption of investment units,

16) Procedure for determining the estimated value of an investment unit, the amount for which an investment unit is issued, and the amount of monetary compensation payable in connection with the redemption of an investment unit,

17) Procedure and period for the entry of records on the acquisition, exchange, and redemption of investment units in the register of investment unitholders,

18) Fee of the management company and the total fee of the specialised depository, the person maintaining the register of investment unitholders, the audit company, and the appraiser, if the investment policy statement of the unit investment fund allows investment in property appraised in accordance with this Federal Law by an appraiser,
(Subclause 18 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

19) Fee of a person terminating the unit investment fund,

20) List of expenses payable with the property constituting the unit investment fund,

21) Basic information on the procedure for taxation of investor income,

22) Procedure for disclosing and/or providing information on the unit investment fund,

23) Other terms and/or information in accordance with this Federal Law.

1.1. Along with the details specified in Clause 1 of this article, the rules of trust management of an exchange-traded unit investment fund shall also include the following information:

1) Names of all authorised persons who may be required by the investment unitholders of the exchange-traded unit investment fund to buy their investment units of that fund;

2) Names of Russian exchanges where the investment units are admitted to organised trading and where market makers of the exchange-traded fund are required to maintain prices, demand, supply, and volume of organised trading in investment units of the exchange-traded unit investment fund;

3) Maximum deviation of the bid (offer) price of investment units publicly declared by the market maker of the exchange-traded fund at the organised trading conducted by the exchange from the estimated price of one investment unit.

(Clause 1.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012).

2. Along with the details specified in Clause 1 of this article, the rules of trust management of an interval investment fund shall also include the following information:

1) Period for acceptance of applications for acquisition and redemption of investment units, and, if these rules provide for the exchange of investment units, information on the period for acceptance of applications for exchange of investment units;

2) Appraiser, if the investment policy statement of that fund provides for investing in property appraised in accordance with this Federal Law by an appraiser.

3. Along with the details specified in Clause 1 of this article, the rules of trust management of a closed-end investment fund shall also include the following information:

1) Number of investment units issued by the unit investment fund,

2) Regulation on the procedure for convening and holding the general meeting of investment unitholders,

3) Appraiser, if the investment policy statement of that fund provides for investing in property

appraised in accordance with this Federal Law by an appraiser,

4) Invalid since 1 September 2012 – Federal Law No. 145-FZ, dated 28 July 2012,

5) Period for accepting applications for acquisition and redemption of investment units in accordance with Bank of Russia regulations,
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6) Provision on the pre-emptive right of investment unitholders, except for the management company of that fund, to acquire the investment units of that fund issued after the end (completion) of its formation, and the procedure for exercising that right.
(Subclause 6 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4. The standard rules of trust management for each type of unit investment fund shall be approved by the Bank of Russia. In addition to the terms and/or details stipulated by this Federal Law, the Bank of Russia may establish other terms and/or details to be included in the rules of trust management of a unit investment fund. The rules of trust management of a unit investment fund must comply with the standard rules.
(Clause 4 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The rules of trust management of a unit investment fund may provide for the right of the management company to split the investment units of the unit investment fund. The terms and procedure for splitting investment units shall be established by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. The rules of trust management of a closed-end unit investment fund may provide for:

1) The number of investment units that the management company may issue after the end (completion) of formation of the unit investment fund in addition to the number of issued investment units specified in the rules of trust management of that unit investment fund (the 'additional investment units');

2) The possibility of payment other than in cash for investment units issued after the end (completion) of the formation of a closed-end unit investment fund in cases established by Bank of Russia regulations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3) The possibility of partial redemption of investment units without an investment unitholder's request to redeem them in the cases and in accordance with the procedure established by Bank of Russia regulations;
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

4) Restrictions on the management company with regard to disposing of real estate constituting the unit investment fund;

5) Other provisions stipulated by this Federal Law and the standard rules of trust management of a closed-end unit investment fund.

6.1. The rules of trust management of an exchange-traded unit investment fund may provide for:

1) The payment of income from the trust management of property constituting that fund in accordance with the requirements of Bank of Russia regulations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) The apportionment of a share in securities or other property in connection with the redemption of investment units in accordance with this Federal Law;

3) The organised exchange trading volume of transactions with investment units made by a market maker of the exchange-traded fund within a trading day, on reaching which its market maker obligation for that day shall cease;

4) The period of performance by the market maker of the exchange-traded fund of its obligation of the market maker within the trading day;

5) The admission of investment units of that fund to organised trading conducted by a foreign exchange along with the indication of the name of that exchange.

(Clause 6.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

7. The management company may introduce amendments and changes to the rules of trust management of a unit investment fund. In cases stipulated by this Federal Law, the amendments and changes to the rules of trust management of a closed-end unit investment fund shall be approved by the general meeting of investment unitholders of that fund.

8. The introduction to or exclusion from the rules of trust management of a unit investment fund of the indication that the investment units of that fund are intended for qualified investors shall not be allowed.

9. The management company shall introduce amendments and changes to the rules of trust management of a closed-end unit investment fund in respect of the number of issued investment units within six (6) months following the redemption of part of investment units of that fund, if at the end of that period the number of issued investment units is not consistent with the information contained in the rules.

Article 17.1. Rules of Trust Management of a Unit Investment Fund Whose Investment Units Are Restricted in Circulation

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. Along with the provisions of Article 17 of this Federal Law, the rules of trust management of a closed-end unit investment fund whose investment units are restricted in circulation may provide for:

1) Incomplete payment for investment units at their issuance

2) The need for approval by the investment committee (all or several investment unitholders or their designated individuals) of transactions involving the property constituting the unit investment fund and/or actions related to the exercise of the rights of a business entity member whose shares or interests constitute that fund;

(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) The right of the management company to reject the application of any person for the acquisition of investment units and/or the need to obtain the consent of the management company for the alienation of investment units to the benefit of parties other than the investment unitholders of investment shares of that unit investment fund, except for cases of alienation of investment units as the result of universal legal succession, including in the case of reorganisation, distribution of property of a liquidated legal entity, and other cases established by the Bank of Russia;

(Subclause 3 introduced by Federal Law No. 145-FZ, dated 28 July 2012, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4) The remuneration of a member of the investment committee using the property constituting the unit investment fund along with the indication of its amount or the procedure for determining that remuneration and the terms of its payment.

(Subclause 4 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

2. The investment units of a closed-end unit investment fund, where the rules of trust management provide for incomplete payment of investment units at their issuance, may be paid for only using cash funds. The rules of trust management of that fund shall stipulate the obligation of investment unitholders to pay for the unpaid part of each investment unit and the period for the performance of this obligation; and, if such period is defined as the time of submission of a demand by the management company, stipulate the period during which the investment unitholders must fulfil such a demand. In this case, the rules of trust management of such a fund may provide for a penalty for failure to perform the obligation to pay for the unpaid part of investment units.

3. If the investment unitholder fails to perform its obligation to pay for the unpaid part of investment units in time, the part of its investment units shall be redeemed without the payout of monetary compensation, regardless of whether the holder of such investment units demanded their redemption. The number of investment units subject to redemption shall be determined by dividing the amount of cash funds to be transferred as a payment of investment units for which the funds transfer obligation was not performed in time (including the penalty) by the value of one investment unit. The value of one investment unit shall be determined as of the end date of the period established for the proper performance of that obligation. The procedure for calculating this value shall be established by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4. Incompletely paid investment units may be alienated only to the holders of investment units of that unit investment fund or other persons with the consent of all holders of investment units of that fund in accordance with the procedure stipulated by the rules of trust management of that fund or in the event of universal legal succession and during the distribution of the property of a liquidated legal entity.

5. Until the full payment of all investment units of a closed-end unit investment fund, the investment units of that fund after the end (completion) of its formation shall be issued at the value defined in accordance with the rules of trust management of that fund.

6. If the rules of trust management of a closed-end unit investment fund require that the investment committee approve transactions involving the property constituting the unit investment fund and/or actions related to the exercise of the rights of a business entity member whose shares or interests constitute that fund, the rules shall determine:

1) Transactions and/or actions that require approval and the procedure for their approval,

2) The procedure for formation of the investment committee and its decision-making procedure.
(Clause 6 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

6.1. The investment committee may not include the management company, its officials and employees, or its designees.
(Clause 6.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

7. For transactions made in violation of the provisions of the rules of trust management of the unit investment fund stipulated by Clause 6 of this article, the management company shall be personally liable and only to the extent of its property. The debts arising under such obligations may not be repaid with the property constituting the unit investment fund.

8. The rules of trust management of an interval unit investment fund whose investment units are restricted in circulation may provide for the maximum number of investment units to be redeemed after the end of the period established for acceptance of applications for acquisition and applications for redemption of investment units, which may not be less than twenty (20) per cent of the total number of the issued investment units of that fund as of the start date of the period established for acceptance of applications for acquisition and applications for redemption of investment units. If the total number of

investment units indicated in the applications submitted for redemption exceeds the number of investment units that may be redeemed in accordance with the rules of trust management of the unit investment fund, the applications for redemption of investment units shall be satisfied in proportion to the stated demands.

9. If the rules of trust management of a closed-end unit investment fund allow the management company to acquire the investment units of that fund, these rules shall also provide for the share in the total number of issued investment units that may be held by the management company. In this case the investment units shall be issued without the submission of a corresponding application, and the funds of the management company shall be transferred in payment for the investment units to the bank account opened in the name of the management company in accordance with Clause 2 of Article 15 of this Federal Law without being credited to the transit account. The number of investment units held by the management company may not exceed ten (10) per cent of the total number of issued investment units of that fund.

(Clause 9 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

Article 18. General Meeting of Investment Unitholders of a Closed-End Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The general meeting of investment unitholders of a closed-end unit investment fund (the 'general meeting') shall be convened by the management company or, in the case stipulated by this article, by the specialised depository or investment unitholders.

2. The management company may convene the general meeting at its own initiative or at the written request of investment unitholders holding at least ten (10) per cent of the total number of investment units on the date of submission of the request to convene the general meeting. When convened at the request of investment unitholders, the general meeting shall be held within a period which shall be determined by the rules of trust management of the unit investment fund and may not exceed forty (40) days from the date of receiving such a request, except for cases when the request to convene the general meeting was denied. Such denial shall be allowed, if the request of investment unitholders to convene the general meeting does not comply with this Federal Law, or none of the items proposed for inclusion in the agenda fall within the competence of the general meeting.

3. The general meeting shall be convened by the specialised depository to decide on the matter of transferring the rights and obligations under the agreement of trust management of the unit investment fund to another management company at the written request of investment unitholders holding at least ten (10) per cent of the total number of investment units on the date of submission of the request to convene the general meeting or, in the case of revocation (termination) of the licence of the management company for the management of investment funds, unit investment funds, and non-governmental pension funds (the 'licence of the management company') or a court decision on the liquidation of the management company, at its own initiative. When convened at the request of investment unitholders, the general meeting shall be held within a period which shall be determined by the rules of trust management of the unit investment fund and may not exceed forty (40) days from the date of receipt of such a request, except for cases when the request to convene the general meeting was denied. Such denial shall be allowed, if the request of investment unitholders to convene the general meeting does not comply with this Federal Law.

(Clause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4. In case of revocation (termination) of the licence of the management company or the licence of the specialised depository, a general meeting for adopting a decision on the transfer of rights and obligations under the agreement of trust management of the unit investment fund to another management company may be convened by investment unitholders holding at least ten (10) per cent of the total number of investment units on the date of submission of the request to convene the general

meeting.

(Clause 4 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

5. The specialised depository and the investment unitholders with the right to convene the general meeting shall have the powers required for convening and holding the general meeting.

6. The expenses associated with the convening and holding of the general meeting by the management company shall be paid with the property constituting the closed-end unit investment fund, and, if the general meeting is held by the specialised depository or investment unitholders with the right to convene the general meeting, they shall be reimbursed from this property.

7. The written request of investment unitholders to convene the general meeting shall include the agenda of the general meeting. A written request to convene the general meeting shall be sent to the management company and specialised depository of the closed-end unit investment fund.

8. The notice on the convening of the general meeting shall be disclosed in accordance with the requirements of this Federal Law, and, if the investment units of a closed-end unit investment fund are restricted in circulation, the notice shall be provided to all investment unitholders in the manner and form established by the rules of trust management of such a unit investment fund. The notice of the general meeting shall be sent to the specialised depository of that fund and the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

9. The general meeting shall adopt decisions on the following matters:

1) Approving amendments and changes to the rules of trust management of the closed-end unit investment fund related to:

Changing the investment policy statement, except if such changes are caused by changes in Bank of Russia regulations establishing additional restrictions for the composition and structure of assets of unit investment funds;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Increasing the fee of the management company, specialised depository, person maintaining the register of investment unitholders, appraiser, and audit company;

Expanding the list of expenses of the management company payable with the property constituting the closed-end unit investment fund, except for expenses related to the payment and/or reimbursement of taxes and other mandatory payments by the management company made with the property constituting the unit investment fund;

Introducing discounts in connection with the redemption of investment units or an increase in their size;

Changing the type of unit investment fund;

Introducing, excluding, or changing provisions on the need for the investment committee to approve transactions involving the property constituting the closed-end unit investment fund and/or actions related to the exercise of rights of a business entity member whose shares or interests constitute that fund, and other provisions on the investment committee;

Determining the number of additional investment units of a closed-end unit investment fund which may be issued after the end (completion) of its formation;

Changing the share in the total number of issued investment units that may be owned by the management company;

Changing other provisions of the rules of trust management of the closed-end unit investment fund stipulated by Bank of Russia regulations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
(Subclause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

ConsultantPlus: note.

The provisions of Subclauses 2 and 3 of Clause 9 of Article 18 shall not apply in the cases stipulated by Federal Law No. 154-FZ, dated 2 June 2016.

2) Transferring rights and obligations under the agreement of trust management of the closed-end unit investment fund to another management company;

3) Terminating the agreement of trust management of the unit investment fund early or renewing it.

10. A decision of the general meeting may be adopted by means of absentee voting.

11. A decision of the general meeting shall be adopted by the majority of votes of the total number of votes granted to their holders in accordance with the number of investment units they hold on the date of the decision to convene the general meeting, unless a greater number of votes is stipulated by the rules of trust management of the unit investment fund. The number of votes granted to an investment unitholder in the voting shall be determined by the number of investment units owned.

12. A copy of the minutes of the general meeting shall be sent to the Bank of Russia no later than three (3) working days from the day of the meeting.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

12.1. The amendments and changes to the rules of trust management of a closed-end unit investment fund shall be submitted for registration to the Bank of Russia no later than fifteen (15) working days from the date of the decision to approve such amendments and changes adopted by the general meeting.

(Clause 12.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

13. If a decision is adopted to approve amendments and changes to the rules of trust management of a closed-end unit investment fund, or to transfer the rights and obligations under the agreement of trust management of a closed-end unit investment fund to another management company, or to renew the trust management agreement of that fund, the investment unitholders who voted against the adoption of the relevant decision shall have the right to demand the redemption of all or part of the investment units owned by them on the date of the list of persons entitled to participate in the general meeting. The procedure for payment of monetary compensation in these cases shall be defined by Bank of Russia regulations.

(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

14. Additional requirements for the procedure for preparing, convening, and holding the general meeting shall be established by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 19. Registration of the Rules of Trust Management of a Unit Investment Fund and Amendments and Changes Thereto by the Bank of Russia

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

1. A management company may offer to conclude an agreement of trust management of a unit investment fund only subject to registration of the rules of trust management of that fund by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The amendments and changes to the rules of trust management of the unit investment fund shall become effective subject to their registration by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The procedure for registration of the rules of trust management of a unit investment fund and registration of amendments and changes thereto, including the requirements for the composition and contents of documents submitted for registration, shall be established by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The registration of the rules of trust management of a unit investment fund and the registration of amendments and changes thereto shall be performed upon the application of the management company, and the registration of amendments and changes related to the transfer of rights and obligations under the agreement of trust management of a closed-end unit investment fund in the case of revocation (termination) of the management company licence of the management company shall be performed upon the application of the specialised depository, and, in the case of revocation (termination) of the management company licence of the management company and the specialised depository licence of the specialised depository, it shall be performed upon the application of the provisional administration.

3. The Bank of Russia shall be liable for the compliance of the rules of trust management of a unit investment fund and the amendments and changes thereto registered by it with the requirements of this Federal Law.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4. The Bank of Russia shall adopt a decision on the registration of the rules of trust management of a unit investment fund or registration of amendments and changes thereto or adopt a substantiated decision to deny registration:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) No later than twenty-five (25) working days following the acceptance of documents, except for cases stipulated in Subclause 2 of this clause;

2) No later than five (5) working days following the acceptance of documents, if these amendments and changes relate exclusively to the provisions related to:

Changing the names of the managing company, specialised depository, persons maintaining the register of investment unitholders, appraiser, or audit company or other information on these parties;

The number of issued investment units of the closed-end unit investment fund;

Reducing the fee of the management company, specialised depository, person maintaining the register of investment unitholders, appraiser, or audit company or decreasing the amount and/or reducing the list of expenses to be paid with the property constituting the unit investment fund;

Cancelling discounts (premiums) or reduction of their size;

Changing the name of the authorised person or exchange stipulated by the rules of trust management of an exchange-traded unit investment fund or other information on the authorised person or exchange;

Including information on a new authorised person or new exchange in the rules of trust

management of an exchange-traded unit investment fund;

Other provisions stipulated by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. Within the period stipulated by Clause 4 of this article, the Bank of Russia shall verify the details contained in the rules of trust management of the unit investment fund, amendments and changes thereto, and other submitted documents. During the verification, the Bank of Russia may request that the party that submitted these documents provide information, including documents needed for verification.

If any inconsistency with this Federal Law, the standard rules of trust management of a unit investment fund, or Bank of Russia regulations or any information that is false or misleading is discovered in the rules of trust management of the unit investment fund, amendments and changes thereto, or other submitted documents, the Bank of Russia shall send its objections to the party that submitted these documents. In this case, the period stipulated by Clause 4 of this article shall be suspended from the date the objections are sent to the date of submission of the revised documents that take these objections into account to the Bank of Russia, but for the maximum of twenty-five (25) working days.

(Clause 5 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. The registration of the rules of trust management of a unit investment fund or registration of amendments and changes thereto may be denied if:

1) There is any inconsistency of the submitted documents with this Federal Law, the standard rules of trust management of a unit investment fund, or Bank of Russia regulations or inconsistency of the name of the unit investment fund with the requirements of this Federal Law, if within twenty-five (25) working days from the date of sending the objections the Bank of Russia does not receive revised documents that take these objections into account;

(Subclause 1 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) The submitted documents contain false or misleading information, if within twenty-five (25) working days from the date of sending the objections the Bank of Russia does not receive revised documents that take these objections into account;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3) The management company lacks a management company licence, the specialised depository lacks a specialised depository licence, or the person maintaining the register of investment unitholders of that fund lacks a specialised depository licence or a licence for maintaining a register; or non-compliance of the appraiser or the audit company of that fund with the requirements of federal laws regulating their activities;

4) The number of additional investment units of a closed-end unit investment fund exceeds, following their issuance, the number of investment units that may be issued in accordance with the rules of trust management of that fund;

5) A violation of the requirements for the formation of a unit investment fund established by this Federal Law or by the rules of trust management of that fund is identified during the registration of amendments and changes stipulated by Clause 19 of Article 13.2 of this Federal Law;

6) There is a failure to submit within twenty-five (25) working days, upon the request of the Bank of Russia, all documents required for the registration of the rules of trust management of the unit investment fund or the registration of amendments and changes thereto.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7. The notice of the Bank of Russia on the decision to register the rules of trust management of a

unit investment fund, register amendments and changes thereto, or to deny their registration shall be sent to the party that submitted the documents for registration within three (3) working days from the day following the day of the decision in question.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8. The denial of registration of the rules of trust management of a unit investment fund or amendments and changes thereto or the avoidance of adopting a decision on their registration may be appealed in court.

9. The Bank of Russia shall maintain a register of unit investment funds for which the rules of trust management have been registered in accordance with this Federal Law. The procedure for maintaining the register of unit investment funds and providing extracts from it shall be established by the Bank of Russia.

(Clause 9 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 20. Entry into Force of Amendments and Changes to the Rules of Trust Management of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The notice of registration of amendments and changes to the rules of trust management of a unit investment fund shall be disclosed in accordance with the requirements of this Federal Law, and, if the investment units are restricted in circulation, this notice shall be provided to all investment unitholders in the manner and form stipulated by the rules of trust management of the unit investment fund.

2. The amendments and changes to the rules of trust management of a unit investment fund shall enter into force from the date of disclosure of their registration, except for the amendments and changes stipulated in Clauses 4 and 5 of this article as well as amendments and changes related to:

1) Changing the investment policy statement;

1.1) Changing the type of unit investment fund;

(Subclause 1.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

2) Raising the fee of the management company, specialised depository, person maintaining the register of investment unitholders, appraiser, or audit company;

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Increasing expenses and/or expanding the list of expenses of the management company payable with the property constituting the unit investment fund;

4) Introducing discounts in connection with the redemption of investment units or an increase in their size;

4.1) Increasing the maximum deviation of the bid (offer) price of investment units publicly declared by the market maker of an exchange-traded fund at the organised trading conducted by the exchange from the estimated price of one investment unit;

(Subclause 4.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

4.2) Reducing the organised exchange trading volume of transactions with investment units made by a market maker of an exchange-traded fund within the trading day, on reaching which its market maker obligation for that day shall cease;

(Subclause 4.2 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

5) Other amendments and changes stipulated by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The amendments and changes to the rules of trust management of a unit investment fund, as stipulated by Clause 2 of this article, shall enter into force:

1) For open-end, exchange-traded, and closed-end unit investment funds, one (1) month following the disclosure of the notice on registration of such amendments and changes;
(Subclause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2) For an interval unit investment fund, from the day following the end day of the next period for accepting applications that comes after the disclosure of the said notice, but not earlier than three (3) months from the date of disclosure of the said notice.

4. The amendments and changes to the rules of trust management of a unit investment fund stipulated by Subclause 2 of Clause 4 of Article 19 of this Federal Law shall enter into force from the date of their registration.

5. The amendments and changes to the rules of trust management of a unit investment fund whose investment units are restricted in circulation shall enter into force from the date of registration, unless a later date is stipulated by these rules.

Chapter IV. ISSUANCE, REDEMPTION, AND EXCHANGE OF INVESTMENT UNITS

Article 21. Issuance of Investment Units

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The issuance of investment units shall be made on the basis of applications for acquisition of investment units by making an entry on a personal account in the register of investment unitholders. Applications for acquisition of investment units shall be irrevocable.

2. The acceptance of applications for acquisition of investment units shall be denied in the following cases:

1) Non-compliance with the procedure and period for submission of applications stipulated by the rules of trust management of the unit investment fund;

2) Absence of properly prepared documents required for opening a personal account in the register of investment unitholders where the acquired investment unit is to be credited, if no such account has been opened;

3) Acquisition of an investment unit by a party which, under this Federal Law, may not be an investment unitholder or cannot acquire investment units at their issuance;
(Subclause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3.1) Non-compliance with the rules of trust management of the unit investment fund established for the acquisition of investment units;
(Subclause 3.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

4) Suspension of the issuance of investment units;

5) Other cases stipulated by this Federal Law.
(Subclause 5 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

3. The issuance of investment units shall be carried out on the day the property which is to be

included in the unit investment fund and which was transferred to pay for investment units is included in the unit investment fund or on the next working day, except for cases stipulated by Article 13.2 of this Federal Law.

4. The property transferred to pay for investment units shall be returned, if the inclusion of such property into the unit investment fund is contrary to the requirements of this Federal Law, regulatory legal acts, and/or the rules of trust management of that fund adopted in accordance with this Federal Law.

5. The issuance of investment units of an interval or closed-end unit investment fund after the end (completion) of its formation shall be carried out within one (1) day following the end of the period established for accepting applications for the acquisition of investment units of an interval unit investment fund or additional investment units of a closed-end unit investment fund.

6. Following the issuance of additional investment units of a closed-end unit investment fund, the management company shall prepare a report on the number of additionally issued investment units, which shall be sent to the Bank of Russia no later than three (3) working days from the date of issuance of additional investment units. Amendments and changes to the rules of trust management of a closed-end unit investment fund pertaining to the provisions regarding the number of issued investment units of that fund and the reduction of the number of investment units that may be issued by the management company after the end (completion) of its formation shall be sent for registration simultaneously with that report.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7. The investment units of an exchange-traded unit investment fund may be acquired at their issuance only by authorised persons.

(Clause 7 introduced by Federal Law No. 145-FZ, dated 28 July 2012).

Article 22. Exchange of Investment Units

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The rules of trust management of an open-end or interval unit investment fund may provide for the exchange of investment units at the demand of their holder for investment units of other open-end or interval unit investment fund under the trust management of the same management company.

2. The investment units shall be exchanged through conversion of investment units of one unit investment fund (investment units to be converted) into investment units of another unit investment fund (investment units into which the conversion is to be made) without the payment of monetary compensation to their holders. Property whose value corresponds to the estimated value of the investment units to be converted shall be transferred from the unit investment fund whose investment units are being converted to the unit investment fund into whose investment units the conversion is to be made.

3. The exchange of investment units of one unit investment fund for investment units of another unit investment fund may be carried out only if the redemption date of the investment units to be exchanged matches the issuance date of investment units for which the exchange is made.

4. A request to exchange investment units shall be submitted in the form of an application for the exchange of investment units. Applications for the exchange of investment units shall be irrevocable.

5. Applications for the exchange of investment units shall be submitted by their holder, and, if the rights to the investment units are recorded on the personal account of a nominee, they shall be submitted by relevant nominee. The nominee shall submit the application for exchange of investment units based on the order of the investment unit holder.

6. Acceptance of applications for the exchange of investment units shall be denied in the following cases:

1) Non-compliance with the procedure and period for submission of applications established by the rules of trust management of the unit investment fund;

2) A decision on the simultaneous suspension of issuance, redemption, and exchange of investment units of a unit investment fund;

3) If, as a result of such an exchange, a person who in accordance with this Federal Law may not be the holder of the investment units becomes their holder;

4) A decision on suspension of the issuance of the investment units into which an exchange is requested in the application.

Article 22.1. Exchange of Investment Units by Decision of the Management Company

(introduced by Federal Law No. 145-FZ, dated 28 July 2012)

1. The management company may decide to exchange all investment units of one open-end unit investment fund (the 'fund to be merged by accession') for investment units of another open-end unit investment fund (the 'fund to which the accession is made') if the following conditions are met simultaneously:

1) These unit investment funds are under the trust management of the same management company;

2) The rules of trust management of these funds allow such an exchange;

3) The rules of trust management of these funds indicate the same person maintaining the register of investment unitholders and the same specialised depository.

2. The investment units shall be exchanged without an application of the investment unitholders for their exchange by conversion of investment units of the fund to be merged by accession into investment units of the fund to which the accession is made.

The investment units may be exchanged without an application of the investment unitholders for their exchange only if the management company disclosed information on the decision adopted in accordance with Clause 1 of this article.

3. The agreement of trust management of the fund to be merged by accession shall be terminated after the conversion of the investment units of the fund to be merged by accession into the investment units of the fund to which the accession is made.

4. Thirty (30) days after the disclosure by the management company of the decision adopted in accordance with Clause 1 of this article, the acceptance of applications for acquisition, redemption, and exchange of investment shares of the fund to be merged by accession as well as applications for the exchange of investment units of other unit investment funds into investment units of the fund to be merged by accession shall be suspended. This will be accompanied by the simultaneous suspension of the acceptance of applications for the acquisition, redemption, and exchange of investment units of the fund to which the accession is to be made until the date of conversion of the investment units of the fund to be merged by accession into the investment units of the fund to which the accession is made.

5. No later than three (3) working days from the day following the day of suspension of the acceptance of applications for the acquisition, redemption, and exchange of investment units of the fund to be merged by accession, the management company shall consolidate the property constituting

the fund to be merged by accession and the property constituting the fund to which the accession is made. The conversion of investment units of the fund to be merged by accession into investment units of the fund to which the accession is made shall be carried out no later than the working day following the day of completion of property consolidation.

6. Following the consolidation of the property of the unit investment funds, obligations arising in connection with the trust management of the property of the fund to be merged by accession shall be performed out of the property of the fund to which the accession is made.

7. The management company shall submit a report to the Bank of Russia on the consolidation of the property of the unit investment funds. The requirements for this report as well as the procedure and period for its submission shall be established by the Bank of Russia. The Bank of Russia shall exclude the fund to be merged by accession from the register of unit investment funds.
(Clause 7 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 23. Redemption of Investment Units

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. Requests for the redemption of investment units shall be submitted in the form of an application for the redemption of investment units. Applications for redemption of investment units shall be irrevocable. Applications for redemption of investment units shall be submitted by investment unitholders, unless otherwise stipulated by this Federal Law, or, if in the register of investment unitholders the rights to investment units are recorded on a nominee account, by the relevant nominee. The nominee shall submit the application for redemption of investment units based on the order of the investment unitholder.

(Clause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2. Applications for redemption of investment units shall be fulfilled within the number of investment units recorded on the relevant personal account.

3. The acceptance of applications for redemption of investment units shall be denied in the following cases:

1) Non-compliance with the procedure and period for submission of applications established by the rules of trust management of the unit investment fund;

1.1) Submission of application for redemption of investment units of an exchange-traded unit investment fund held by a person who is not an authorised person;

(Subclause 1.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

2) A decision on the simultaneous suspension of issuance, redemption, and exchange of investment units of a unit investment fund.

4. The acceptance of an application(s) for the redemption or exchange of at least seventy-five (75) per cent of investment units of an open-end unit investment fund within one (1) working day shall be grounds for its termination.

5. The acceptance of application(s) for the redemption or exchange of at least seventy-five (75) per cent of investment units of an exchange-traded, interval, or closed-end unit investment fund within the period established by the rules of trust management of the exchange-traded, interval, or closed-end unit investment fund for the acceptance of applications for redemption or exchange of investment units shall be grounds for termination of the relevant fund.

(Clause 5 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

6. The acceptance of application(s) for the redemption or exchange of investment units in the

cases stipulated in Clauses 4 and 5 of this article shall be grounds for termination of the unit investment fund, if there are no grounds for the issuance of investment units of that fund or the exchange of the investment units of other unit investment funds for them.

7. In the cases stipulated by this Federal Law, the investment units shall be redeemed without the application of the investment unitholder for their redemption.

Article 24. Procedure for Accepting Applications for the Acquisition, Redemption, or Exchange of Investment Units

1. Applications for the acquisition, redemption, or exchange of investment units of an open-end unit investment fund shall be accepted every working day.

Applications for the acquisition, redemption, and exchange of investment units of an exchange-traded or interval unit investment fund shall be accepted within the period defined by the rules of trust management of the relevant unit investment fund in accordance with Bank of Russia regulations. (as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

In cases stipulated by this Federal Law, applications for the redemption of investment units of a closed-end unit investment fund shall be accepted within the period defined by the rules of trust management of that unit investment fund in accordance with Bank of Russia regulations. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. Applications for the acquisition, redemption, and exchange of investment units in accordance with the rules of trust management of the unit investment fund shall be submitted to the management company and/or agents for the issuance, redemption, and exchange of investment units of that unit investment fund.

The persons to whom, in accordance with the rules of trust management of a unit investment fund, applications for the acquisition of investment units may be submitted shall also accept applications for the redemption and exchange of investment units of that unit investment fund.

3. The rules of trust management of a unit investment fund may allow the submission of applications for the acquisition, redemption, and exchange of investment units by mail, electronic, or other communication enabling reliable identification of the person who submitted the application. (as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Article 25. Payout of Monetary Compensation in Connection with the Redemption of Investment Units

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

1. The payout of monetary compensation in connection with the redemption of investment units shall be made with the money constituting the unit investment fund.

2. The payout of monetary compensation in connection with the redemption of an investment unit of an open-end or exchange-traded unit investment fund shall be made within the period defined by the rules of trust management of the open-end or exchange-traded unit investment fund, but no later than ten (10) working days from the date of redemption of the investment unit.

3. The payout of monetary compensation in connection with the redemption of an investment unit of an interval unit investment fund shall be made within the period defined by the rules of trust management of the interval unit investment fund, but no later than ten (10) working days from the end date of the period established for acceptance of applications for redemption of investment units in which the corresponding application was submitted.

4. In cases stipulated by this Federal Law, the payout of monetary compensation in connection with the redemption of an investment unit of a closed-end unit investment fund shall be made within the period defined by the rules of trust management of the closed-end unit investment fund, but no later than one (1) month from the end date of the period established for the acceptance of applications for the redemption of investment units and, in the case stipulated by Clause 4 of Article 14.1 of this Federal Law, no later than one (1) month from the date of redemption of investment units.

2. The payout of monetary compensation in connection with the partial redemption of an investment unit of a closed-end unit investment fund without the application of the investment unitholder for its redemption shall be made within the period defined by the rules of trust management of the closed-end unit investment fund, but no later than five (5) working days from the date of redemption of the investment unit. In this case, the investment units shall be blocked on personal accounts in the register of investment unitholders and on depository accounts in depositories from the date of the list of investment unitholders until the date of operations on personal accounts in the register of investment unitholders and depository accounts in connection with the redemption of these investment units.

6. If the money constituting a unit investment fund is not sufficient for the payout of monetary compensation in connection with the redemption of the investment unit, the management company may use its own money.

Article 25.1 Apportionment of the Property Constituting a Unit Investment Fund in Connection with Redemption of Investment Units of That Fund

(introduced by Federal Law No. 145-FZ, dated 28 July 2012)

1. If it is stipulated by the rules of trust management of an exchange-traded unit investment fund, the authorised person may demand the apportionment of the property constituting that fund during the redemption of investment units. In this case, the redemption of investment units and transfer of apportioned property to the authorised person in connection with the redemption of investment units shall be carried out in the same day.

2. In connection with the redemption of investment units of an exchange-traded unit investment fund, the authorised person may receive securities and/or cash funds and/or commodities admitted to organised trading which constitute that fund.

3. The rules for apportionment of property constituting an exchange-traded unit investment fund in connection with the redemption of investment units of the exchange-traded unit investment fund and the period for the transfer of that property to the authorised person shall be established by the rules of trust management of the exchange-traded unit investment fund in accordance with Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 26. Determining the Monetary Amount (Property Value) for Which an Investment Unit Is Issued and the Amount of Monetary Compensation Payable in Connection with the Redemption of an Investment Unit

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The monetary amount (property value) for which an investment unit is issued during the formation of the unit investment fund shall be determined by the rules of trust management of the unit investment fund and must be the same for all acquirers.

2. The monetary amount (property value) for which an investment unit is issued after the end (completion) of formation of the unit investment fund shall be determined on the basis of the estimated

value of the investment unit, except for cases stipulated in Clause 3 of this article.

3. The monetary amount (property value) for which an investment unit is issued after the end (completion) of formation of a closed-end unit investment fund whose investment units are restricted in circulation and the monetary amount (property value) for which an investment unit is issued before the full payment of all investment units shall be determined in accordance with the rules of trust management of such a fund.

4. The amount of monetary compensation payable in connection with the redemption of an investment unit, including in accordance with Subclause 1 of Clause 4 of Article 14.1 of this Federal Law, shall be determined on the basis of the estimated value of the investment unit, except in the case stipulated in Clause 5 of this article.

5. The amount of monetary compensation payable in connection with the redemption of an investment unit of a closed-end unit investment fund whose investment units are restricted in circulation shall be determined in accordance with the rules of trust management of such a fund.

6. The estimated value of an investment unit shall be determined in accordance with Bank of Russia regulations by dividing the net asset value of the unit investment fund calculated as of the day not earlier than the date of acceptance of applications for acquisition, applications for redemption, or applications for exchange of investment units by the number of investment units indicated in the register of investment unit holders of that unit investment fund as of the same day.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7. The rules of trust management of a unit investment fund may provide for premiums on the estimated value of investment units at their issuance and discounts from the estimated value of investment units at their redemption. The maximum premium may not exceed one and a half (1.5) per cent of the estimated value of an investment unit. The maximum discount may not exceed three (3) per cent of the estimated value of an investment unit.

Article 27. Agents for Issuance, Redemption, and Exchange of Investment Units

1. Only specialised depositories or professional participants in the securities market holding a licence for broker activity or maintenance of a register of securities holders may act as agents for the issuance, redemption, and exchange of investment units.
(Clause 1 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

2. An agent for the issuance, redemption, and exchange of investment units shall act on behalf of and at the expense of the management company under a commission or agency agreement concluded with the management company and a power of attorney issued by the management company.

In the exercise of its activities an agent for the issuance, redemption, and exchange of investment units shall indicate that it is acting in the name and on the behalf of the management company of the relevant unit investment fund and also present to all interested parties the power of attorney issued by that management company.

3. Agents for the issuance, redemption, and exchange of investment units may accept applications for the acquisition, applications for redemption, and applications for the exchange of investment units from the date of disclosure by the management company of information about these agents in accordance with this Federal Law, and agents for the issuance and redemption of investment units with restricted circulation may accept application from the date stipulated by the rules of trust management of the unit investment fund.
(Clause 3 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Article 28. Rights and Obligations of Agents for the Issuance, Redemption, and Exchange of

Investment Units

1. In accordance with this Federal Law, Bank of Russia regulations, and the agreement concluded with the management company, an agent for the issuance, redemption, and exchange of investment units shall:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Accept applications for the acquisition, redemption, and exchange of investment units;

Take necessary measures to identify persons applying for the acquisition, redemption, and exchange of investment units;

Record the accepted applications for the acquisition, redemption, and exchange of investment units and other accompanying documents separately for each unit investment fund;

Disclose information stipulated by Chapter XII of this Federal Law;

Ensure access to its records at the request of the managing company, the specialised depository, and the Bank of Russia;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Observe the confidentiality of information obtained in connection with the issuance, redemption, and exchange of investment units;

Comply with other requirements established by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(Clause 1 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

2. An agent for the issuance, redemption, and exchange of investment units may provide services as an agent for the issuance, redemption, and exchange of investment units to several management companies simultaneously.

3. An agent for the issuance, redemption, and exchange of investment units may not:

Acquire, at its own expense, the investment units of a unit investment fund of which it is the agent for the issuance, redemption, and exchange of investment units;

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Stop accepting applications for the acquisition, redemption, and exchange of investment shares other than in accordance with the instructions of the management company;

Use information received in connection with the exercise of its functions as an agent for the issuance, redemption, and exchange of investment units to its own benefit or to the benefit of third parties;

Assign the powers for accepting applications for the acquisition, redemption, and exchange of investment units.

Article 29. Suspension of the Issuance, Redemption, and Exchange of Investment Units

1. Management companies of open-end, exchange-traded, and interval unit investment funds may suspend the issuance of investment units, if this is required by the rules of trust management of these funds.

(Clause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2. The redemption and exchange of investment units may be suspended by the management

company of a unit investment fund only simultaneously with the suspension of issuance of investment units of that unit investment fund.

The issuance, redemption, and exchange of investment units may be simultaneously suspended only in cases stipulated by the rules of trust management of the unit investment fund in accordance with Bank of Russia regulations when this is required by the interests of the trustors and for the period of circumstances giving rise to such suspension.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

In the case of the simultaneous suspension of issuance, redemption, and exchange of investment units, the management company shall on the same day notify the Bank of Russia in writing, indicating the reasons for such suspension, disclose information on the suspension of the issuance, redemption, and exchange of investment units in accordance with this Federal Law, and, if these investment units are restricted in circulation, provide such information to investment unitholders.

(as amended by Federal Laws No. 334-FZ, dated 6 December 2007, and No. 251-FZ, dated 23 July 2013)

3. The management company shall suspend the issuance, redemption, and exchange of investment units of a unit investment fund no later than on the day following the day when it learned or should have learned about the following circumstances:

1) Suspension or revocation of the relevant licence from the person maintaining the register of investment unitholders or the termination of the agreement with that person;

2) Revocation (termination) of the management company licence of the management company or the specialised depository licence of the specialised depository of that unit investment fund;
(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Impossibility to determine the value of assets in that unit investment fund for reasons beyond the control of the management company;

4) Other cases stipulated by this Federal Law.

(Clause 3 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Chapter V. TERMINATION OF A UNIT INVESTMENT FUND

Article 30. Grounds for Termination of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

A unit investment fund shall be terminated in the following cases:

1) Acceptance of an application(s) for the redemption of all investment units;

2) Revocation (termination) of the management company licence of the management company of an open-end, exchange-traded, or interval unit investment fund;
(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Revocation (termination) of the management company licence of the management company of a closed-end unit investment fund and failure to transfer the rights and obligations of that management company under the agreement of trust management of that fund to another management company within three (3) months from the date of revocation (termination) of said licence;
(Subclause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4) Revocation (termination) of the specialised depository licence of the specialised depository and failure of the management company, within three (3) months from the date of revocation (termination) of that licence, to take measures to transfer the assets of the unit investment fund to another special

depository for their accounting and custody and to transfer the documents required for the activities of a new specialised depository;
(Subclause 4 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

5) Expiration of the term of the agreement of trust management of a closed-end unit investment fund;

6) Adoption of a decision to that effect by the management company, provided that the right to adopt such a decision is stipulated by the rules of trust management of the unit investment fund;

6.1) Failure of the management company of an exchange-traded unit investment fund to perform within fifteen (15) working days its obligation stipulated in Clause 6 of Article 39 of this Federal Law;
(Subclause 6.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

6.2) Exclusion of the investment units of an exchange-traded unit investment fund from the list of securities admitted to organised trading conducted by all Russian exchanges specified in the rules of trust management of that fund;
(Subclause 6.2 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

6.3) Over the course of twelve (12) months the number of investment units of a closed-end unit investment fund owned by the management company of that fund exceeds twenty (20) per cent of the total number of issued investment units;
(Subclause 6.3 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

7) Other grounds stipulated by this Federal Law.

Article 31. Procedure for the Termination of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. Termination of a unit investment fund, including sale of property constituting the unit investment fund, fulfilment of the claims of creditors that must be satisfied out of the property constituting the unit investment fund, and distribution of cash funds among the investment unitholders, shall be carried out by the management company, except in cases established by this article.

2. In the case of revocation (termination) of the management company licence of the management company of a unit investment fund, the termination of that unit investment fund shall be carried out by the specialised depository of that fund in accordance with this Federal Law.
(Clause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3. In the case of revocation (termination) of the management company licence of the management company of a unit investment fund and the specialised depository licence of the specialised depository of that unit investment fund, the termination of that unit investment fund shall be carried out by the provisional administration appointed in accordance with this Federal Law.
(Clause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4. Except for cases established by this article, the fee of the person carrying out the termination of a unit investment fund shall be determined by the rules of trust management of the unit investment fund and may not exceed three (3) per cent of the money constituting the unit investment fund and received by it after the sale of its property, less:

1) Debt to creditors whose claims must be satisfied out of the property constituting the unit investment fund;

2) Fees of the management company, specialised depository, person maintaining the register of investment unitholders, appraiser, audit company, and exchanges specified in the rules of trust

management of the unit investment fund charged on the date of occurrence of grounds for termination of the unit investment fund;

(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Amounts intended for the payment of monetary compensation to investment unitholders whose applications for redemption of investment units were accepted prior to the date of occurrence of grounds for termination of the unit investment fund.

5. The Bank of Russia may send its representative to monitor the performance of obligations on the termination of a unit investment fund by the person carrying out the termination of that unit investment fund.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. Disposal of property constituting the unit investment fund shall not be allowed from the date of occurrence of the grounds for termination of a unit investment fund, except for its sale and distribution in accordance with this Federal Law.

7. The person carrying out the termination of a unit investment fund shall:

1) Notify the Bank of Russia within five (5) working days from the date of occurrence of grounds for termination of that fund;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Disclose the notice of termination of the unit investment fund in accordance with this Federal Law;

3) Take measures to identify creditors whose claims must be satisfied out of the property constituting the unit investment fund and to settle the receivables.

7.1. A specialised depository carrying out the termination of a unit investment fund shall act on its own behalf as a trustee of that fund subject to the restrictions established by this Federal Law. In the case of the termination of a unit investment fund by a specialised depository, the latter acquires all the rights and obligations of the management company related to the termination of that fund. In this case, the specialised depository shall be liable under Clause 1 of Article 16 of this Federal Law. Debts under obligations arising in connection with the termination of a unit investment fund shall be repaid out of the property of the management company in the event of insufficiency of the property constituting that fund.

(Clause 7.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

8. The period for submission of creditors' claims that must be satisfied out of the property constituting the unit investment fund may not be less than two (2) months from the date of disclosure of the notice of termination of the unit investment fund.

9. After the end of the period for submission of creditor claims that must be satisfied out of the property constituting the unit investment fund and prior to the start of the settlements with them, the person carrying out the termination of a unit investment fund shall prepare and send to the Bank of Russia the balance sheet of the property constituting that unit investment fund, which shall include information on the property constituting the unit investment fund, filed creditors' claims, and the results of their review. If the termination of a unit investment fund is carried out by the management company, this balance sheet shall be approved by the specialised depository.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

10. The person carrying out the termination of a unit investment fund shall sell the property constituting the unit investment fund and make settlements with creditors in accordance with Article 32 of this Federal Law within a period not exceeding six (6) months from the date of disclosure of the notice of termination of the unit investment fund. This period may be extended by the decision of the

Bank of Russia, if the unit investment fund is terminated following the revocation (termination) of the licence of its management company. In the case of a ban on operations with the property constituting the unit investment fund, after disclosure of the notice of its termination, the period stipulated by this clause shall be suspended for the duration of that ban.

(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

11. When carrying out the termination of a unit investment fund, the specialised depository shall act on its own behalf and exercise the powers of the management company for the termination of the unit investment fund, including by performing transactions on its own behalf for the sale of the property constituting the unit investment fund, including real estate, dispose of the money in accounts and on deposits in banks and other credit institutions, and perform operations with securities constituting the unit investment fund without any instruction (order) of the management company. The state registration of transactions and/or transfer of ownership of the real estate constituting the unit investment fund shall be carried out following the presentation by the specialised depository of a copy of the decision to revoke the licence of the management company certified by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

12. When the specialised depository carries out the termination of a unit investment fund, the money held in a transit account or in a bank account of the management company in accordance with Clause 2 of Article 15 of this Federal Law shall be withdrawn by the specialised depository. These operations shall be conducted by the bank or another credit institution following the presentation by the specialised depository of an extract from the register of licences of management companies that confirms the revocation (termination) of the licence of the management company certified by the Bank of Russia.

(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

13. When carrying out the termination of a unit investment fund, the provisional administration shall act on behalf of the management company without a power of attorney and exercise the powers of the management company for the termination of the unit investment fund, including by performing transactions on its own behalf for the sale of property constituting the unit investment fund, including real estate, dispose of money in accounts and on deposits in banks and other credit institutions, and dispose of securities constituting the unit investment fund. The fee stipulated in Clause 4 of this article shall not be paid to the provisional administration.

Article 32. Distribution of Property Constituting the Unit Investment Fund upon Termination of a Unit Investment Fund

1. In the case of termination of a unit investment fund, the property constituting the unit investment fund shall be subject to sale.

The money constituting the unit investment fund and received by it after the sale of the property constituting the unit investment fund shall be distributed as follows:

First priority – to creditors whose claims must be satisfied out of the property constituting the unit investment fund (except for the fees stipulated in paragraphs four and five of this clause), including fees of the specialised depository, the person maintaining the register of investment unit owners, the appraiser, the audit company, and the exchange charged on the date of occurrence of grounds for termination of the unit investment fund, as well as monetary compensation payable to persons whose applications for redemption of investment units were accepted prior to the date of occurrence of grounds for termination of the unit investment fund;

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

Second priority — fee of the person carrying out the termination of a unit investment fund, except in cases when no fee is to be paid in accordance with this Federal Law;

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Third priority — fee of the management company charged on the date of occurrence of grounds for termination of the unit investment fund as well as fees of the special depository, the person maintaining the register of investment unitholders, the appraiser, and the audit company charged after the date of occurrence of grounds for termination of the unit investment fund;
(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

Fourth priority — monetary compensation to investment unitholders through distribution of the remaining property in proportion to the number of their investment units.
(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

The person carrying out the termination of a unit investment fund may receive its due fee for performing the obligations with regard to terminating the unit investment fund only after completing all settlements in accordance with the priority order stipulated by this clause.

2. After completing the settlements in accordance with Clause 1 of this article, the person carrying out the termination of a unit investment fund shall prepare a report on the termination of the unit investment fund and submit it to the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The requirements for the report on the termination of a unit investment fund and the procedure for its submission shall be established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The Bank of Russia shall approve the report on the termination of the unit investment fund and adopt a decision to exclude the unit investment fund from the register of unit investment funds.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The investment units of a unit investment fund, upon its termination, shall be redeemed simultaneously with the payment of monetary compensation, regardless of whether the holders of such investment units demanded their redemption.
(Clause 3 introduced by Federal Law No. 334-FZ, dated 6 December 2007)

Chapter VI. REQUIREMENTS FOR THE COMPOSITION AND STRUCTURE OF ASSETS OF JOINT-STOCK INVESTMENT FUNDS AND ASSETS OF UNIT INVESTMENT FUNDS

Article 33. Composition of Assets of Joint-Stock Investment Funds and Assets of Unit Investment Funds

1. The composition of the assets of joint-stock investment funds and the assets of unit investment funds may include cash funds, including foreign currency, and the following items conforming to the requirements established by Bank of Russia regulations:
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

- 1) Government securities of the Russian Federation and government securities of the constituent territories of the Russian Federation;
- 2) Municipal securities;
- 3) Shares and bonds of Russian business entities;
- 4) Securities of foreign states;
- 5) Shares of foreign joint-stock companies and bonds of foreign commercial entities;
- 6) Investment units of unit investment funds;

7) Mortgage securities issued in accordance with the laws of the Russian Federation on mortgage securities;

8) Russian depository receipts;

9) Other securities stipulated by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
(Clause 1 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

2. Along with the property specified in Clause 1 of this article, the assets of joint-stock investment funds and the assets of exchange-traded, interval, or closed-end unit investment funds may include other property in accordance with Bank of Russia regulations.
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

Real estate and property rights to real estate may be included only in the assets of joint-stock investment funds and the assets of closed-end unit investment funds.

Claims under monetary obligations, including rights that will arise in the future from existing or future obligations, may only be included in the assets of closed-end unit investment funds.
(paragraph introduced by Federal Law No. 379-FZ, dated 21 December 2013)

3. The requirements for the composition of assets of a joint-stock investment fund shall be defined in its investment policy statement, and the requirements for the composition of a unit investment fund shall be defined in the investment policy statement contained in the rules of trust management of that unit investment fund.
(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

4. Bonds issued by microfinance institutions may not constitute more than ten (10) per cent of the value of assets of joint-stock investment funds and unit investment funds, except for joint-stock investment funds and unit investment funds whose securities are intended for qualified investors.
(Clause 4 introduced by Federal Law No. 375-FZ, dated 21 December 2013)

Article 34. The Structure of Assets of Joint-Stock Investment Funds and Assets of Unit Investment Funds

The requirements for the structure of assets of joint-stock investment funds and assets of unit investment funds shall be established by Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The investment policy statement of a joint-stock investment fund and the investment policy statement of a unit investment fund may set higher requirements for the structure of assets than those of Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 35. Investment Policy Statement

The investment policy statement of a joint-stock investment fund and the investment policy statement of a unit investment fund shall contain the following, respectively:

Description of goals of the investment policy statement of the joint-stock investment fund or the management company of the unit investment fund;

List of investment objects;

Description of the associated with investing in these investment objects;

Requirements for the structure of assets of the joint-stock investment fund or the assets of the unit investment fund.

**Chapter VII. DETERMINING THE NET ASSET VALUE
OF JOINT-STOCK INVESTMENT FUNDS
AND THE NET ASSET VALUE OF UNIT INVESTMENT FUNDS.
ASSESSING THE ASSETS OF JOINT-STOCK INVESTMENT
FUNDS AND THE ASSETS OF UNIT INVESTMENT FUNDS**

Article 36. Determining the Net Asset Value of Joint-Stock Investment Funds and the Net Asset Value of Unit Investment Funds

The net asset value of joint-stock investment funds and the net asset value of unit investment funds shall be determined in the manner and within the period stipulated by Bank of Russia regulations. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 37. Assessing the Assets of a Joint-Stock Investment Fund and the Assets of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The assets of a joint-stock investment fund and the assets of a unit investment fund shall be assessed in accordance with the procedure stipulated by Bank of Russia regulations. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The assessment of real estate, real estate rights, and other property stipulated by Bank of Russia regulations owned by a joint-stock investment fund or constituting a unit investment fund shall be carried out by an appraiser determined by the board of directors (supervisory board) of the joint-stock investment fund or specified in the rules of trust management of the unit investment fund. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The rules of trust management of a unit investment fund may provide for the assessment of property transferred for inclusion in the unit investment fund during the formation of such fund by an appraiser that is not specified in the rules of trust management of the unit investment fund.

4. The appraisal of the property stipulated in Clause 2 of this article shall be performed upon its acquisition and at least once a year, unless a different frequency has been established by Bank of Russia regulations. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. Affiliates of a joint-stock investment fund, the management company, or the specialised depository of a joint-stock investment fund or a unit investment fund, or the audit company of a joint-stock investment fund or the audit company of the management company of a unit investment fund may not act as appraisers of the joint-stock investment fund or the unit investment fund. (Clause 5 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

6. The appraiser shall be liable to the joint-stock investment fund or the investment unitholders for any losses caused in connection with the use by the joint-stock investment fund or the management company of the unit investment fund of the total market or any other value of the object of assessment indicated in the report signed by the appraiser:

1) When calculating the net asset value of assets of the joint-stock investment fund or assets of the unit investment fund;

2) When making transactions with the property of the joint-stock investment fund or the property

constituting the unit investment fund.

7. The management company of a unit investment fund shall bear, together with the appraiser, subsidiary liability stipulated in Clause 6 of this article. A management company which has paid the damages shall have the right of counter demand (recourse) against the appraiser to the extent of the amount paid by it to the investment unitholders.

8. The assessment of property specified in this article, if it is owned by a joint-stock investment fund or a unit investment fund whose shares (investment units) are restricted in circulation, may not be carried out, except in the cases stipulated by Bank of Russia regulations, the investment policy statement of the joint-stock investment fund, or the rules of trust management of the unit investment fund.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Chapter VIII. ACTIVITIES OF THE MANAGEMENT COMPANY

Article 38. Requirements for a Management Company

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. Only a joint-stock company or a limited (additional) liability company established in accordance with the laws of the Russian Federation may act as a management company.

2. The management company may use the words 'investment fund', 'joint-stock investment fund', or 'unit investment fund' in its name in combination with the words 'management company'.

3. The management (trust management) of the assets of a joint-stock investment fund and the trust management of unit investment fund may be carried out only on the basis of a management company licence. This licence may also be the basis for trust management of other assets in cases stipulated by federal laws.

4. The activities stipulated in Clause 3 of this article may be combined only with the management of securities and/or activities of the management company of a specialised company carried out in accordance with the laws of the Russian Federation on the securities market.

(as amended by Federal Law No. 379-FZ, dated 21 December 2013)

5. The management company may invest its own funds, transfer property for use and provide consulting services in the area of investments subject to compliance with the requirements of Bank of Russia regulations on prevention of conflict of interest.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. The equity of the management company shall conform to the requirements of Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7. The management company shall ensure the continuous governance of its current activities. The powers of the sole executive body of the management company may not be transferred to a legal entity.

ConsultantPlus: note.

Starting 28 January 2018, Clause 8 of Article 38 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

8. If a decision is adopted on the suspension or early termination of the powers of the sole executive body, the management company shall decide, simultaneously with the adoption of that

decision, on the establishment of an interim sole executive body or a new sole executive body, respectively. In this case, the functions of an interim sole executive body may be exercised only by a person who is a full-time employee of the management company or a member of its board of directors (supervisory board) or collective executive body. A person exercising the functions of an interim sole executive body of the management company shall meet the requirements of Clauses 9 and 10 of this article.

ConsultantPlus: note.

Starting 28 January 2018, Clause 9 of Article 38 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

9. The person exercising the functions of the sole executive body of a management company shall have a higher education and meet the qualification and professional experience requirements established by the Bank of Russia.

(as amended by Federal Laws No. 185-FZ, dated 2 July 2013; and No. 251-FZ, dated 23 July 2013)

ConsultantPlus: note.

Starting 28 January 2018, Article 38 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017, by adding new Clauses 9.1–9.7. See the text in the future version.

ConsultantPlus: note.

Starting 28 January 2018, Clause 10 of Article 38 shall be invalidated by Federal Law No. 281-FZ, dated 29 July 2017.

10. The following persons may not be members of the board of directors (supervisory board), members of the collective executive body, the sole executive body, or executives of a branch of the management company:

1) Persons who exercised the functions of a sole executive body of financial institutions at the time of violations committed by such institutions which led to the cancellation (revocation) of their licences for the relevant activities, or violations which led to the suspension of said licences and said licences were revoked as a result of failure to eliminate these violations, if less than three (3) years have passed since the date of such revocation. For the purpose of this Federal Law, a 'financial institution' shall mean a professional securities market participant, a clearing company, a management company of an investment fund, a unit investment fund or a non-governmental pension fund, a specialised depository of an investment or unit investment fund or a non-governmental pension fund, a joint-stock investment fund, a credit institution, an insurance company, a non-governmental pension fund, or a trade organiser;

2) Persons for whom a period of administrative penalty in the form of disqualification has not yet expired;

3) Persons who have an unexpunged or unspent conviction for economic crimes or crimes against the public order.

(Clause 10 as amended by Federal Law No. 134-FZ, dated 28 June 2013)

ConsultantPlus: note.

Starting 28 January 2018, Clause 10.1 of Article 38 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

10.1. In the circumstances specified in Subclauses 1–3 of Clause 10 of this article, a current member of the board of directors (supervisory board) shall be deemed removed as of the effective date of the relevant resolution of an authorised body or court.

(Clause 10.1 introduced by Federal Law No. 134-FZ, dated 28 June 2013)

ConsultantPlus: note.

Starting 28 January 2018, Article 38 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017, by adding a new Clause 10.2. See the text in the future version.

11. The Russian Federation, the constituent territories of the Russian Federation, and municipalities may not be members of the management company, except in cases stipulated by the Federal Law governing the activities of the joint-stock company Russian Direct Investment Fund Management Company.

(Clause 11 as amended by Federal Law No. 177-FZ, dated 2 June 2016)

12–14. No longer valid. – Federal Law No. 134-FZ, dated 28 June 2003.

15. The management company shall organise the internal control over the compliance of activities performed under the management company licence with the requirements of federal laws and other regulatory legal acts of the Russian Federation, Bank of Russia regulations, the rules of trust management of the unit investment fund, or other agreements concluded by the management company in these activities as well as the constituent documents and internal documents of the management company (the 'internal control').

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

16. The internal control shall be carried out by an official (the 'controller') or by a separate structural unit of the management company (the 'internal control service'). The controller (chief executive of the internal control service) shall be appointed and dismissed by a decision of the board of directors (supervisory board) or, in its absence, by the general meeting of shareholders (members) of the management company. The controller (chief executive of the internal control service) shall report to the board of directors (supervisory board) or the general meeting of shareholders (members) of the management company.

ConsultantPlus: note.

Starting 28 January 2018, Clause 17 of Article 38 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

17. The controller (chief executive of the internal control service) shall have a higher education and meet the qualification requirements established by the Bank of Russia. The following persons may not be the controller (chief executive of the internal control service) or employees of the internal control service carrying out internal control:

(as amended by Federal Laws No. 185-FZ, dated 2 July 2013; and No. 251-FZ, dated 23 July 2013)

1) The person exercising the functions of the sole executive body,

2) The persons indicated in Clause 10 of this article.

18. The rules for organising and exercising internal control in the management company (the 'rules of internal control') and amendments thereto shall be approved by the board of directors (supervisory board) or, in their absence, by the general meeting of shareholders (members) of the management company.

(as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.

Starting 28 January 2018, Article 38.1 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

Article 38.1. Requirements for the Founders (Members) of the Management Company

(introduced by Federal Law No. 134-FZ, dated 28 June 2013)

1. An individual who has an unexpunged or unspent conviction for economic crimes or crimes against the state may not, directly or indirectly (via controlled entities), independently or together with other persons connected with them through a trust management agreement and/or a simple partnership agreement and/or an agency agreement and/or a shareholder agreement and/or other agreement whose subject matter is the exercise of rights certified by shares (interests) of the management company, acquire the right to dispose of ten (10) or more per cent of votes attached to the voting shares (interests) that form the authorised capital of the management company.

2. A person who, directly or indirectly (via controlled entities), independently or together with other persons connected with them through a trust management agreement and/or a simple partnership agreement and/or an agency agreement and/or a shareholder agreement and/or another agreement whose subject matter is the exercise of rights certified by shares (interests) of the management company, has acquired the right to dispose of ten (10) or more per cent of votes out of the voting shares (interests) that form the authorised capital of the management company shall send a notice to the executive authority for the securities market in the manner and within the period established by regulatory legal acts of the federal executive authority for the securities market.

3. In implementing its supervisory functions in accordance with the established procedure, the federal executive authority for the securities market may request and receive information on persons who, directly or indirectly (via controlled persons), independently or together with other persons connected with them through a trust management agreement and/or a simple partnership agreement and/or an agency agreement and/or a shareholder agreement and/or other agreements whose subject matter is the exercise of rights certified by shares (interests) of the management company, have the right to dispose of ten (10) or more per cent of votes out of the voting shares (interests) that form the authorised capital of the management company.

4. If the notice stipulated in Clause 2 of this article is not received by the management company, or it follows from this notice that the persons who, independently or together with other persons connected with them through a trust management agreement and/or a simple partnership agreement and/or an agency agreement and/or a shareholder agreement and/or other agreements whose subject matter is the exercise of rights certified by shares (interests) of the management company, have the right to dispose of ten (10) or more per cent of votes out of the voting shares (interests) that form the authorised capital of the management company do not meet the requirements established by Clause 1 of this article, such persons may dispose of a number of votes not exceeding (ten) 10 per cent of the votes attached to the voting shares (interests) constituting the authorised capital of the management company. Other shares (interests) held by such persons shall not be taken into account when determining the quorum for the general meeting of shareholders (members) of the management company.

ConsultantPlus: note.

Starting 28 January 2018, Chapter VIII shall be amended by Federal Law No. 281-FZ, dated 29 July 2017, by adding a new Article 38.2. See the text in the future version.

Article 39. Obligations of the Management Company

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. When exercising its rights and performing its obligations, the management company shall act reasonably and in good faith.

2. The management company shall:

1) Transfer property owned by a joint-stock investment fund or property constituting a unit investment fund for accounting and/or custody to the specialised depository, unless otherwise provided for by regulatory legal acts of the Russian Federation, including Bank of Russia regulations, for specific types of property;
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

2) Immediately after their preparation or receipt, transfer copies of all primary documents in respect of the property owned by a joint-stock investment fund or the property constituting a unit investment fund as well as original copies of documents confirming the rights to real estate, to the specialised depository;

3) Submit reports to the Bank of Russia in accordance with its established procedure;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3.1) Ensure the possibility of providing electronic documents to the Bank of Russia and the possibility of receiving electronic documents from the Bank of Russia in the manner established by the Bank of Russia;
(Subclause 3.1 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

4) Disclose information on the joint-stock investment fund and unit investment fund in accordance with this Federal Law, except for the cases stipulated by this Federal Law;

5) Have a website whose electronic address includes a domain name the rights to which are held by that management company (the 'website of the management company');

6) Maintain records of operations with the property constituting the assets of a joint-stock investment fund and/or the assets of a unit investment fund and with other property the trust management of which is carried out under the licence of the management company in accordance with the procedure established by the Bank of Russia;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7) Notify the Bank of Russia on changes in the board of directors (supervisory board) and executive bodies of the management company within five (5) working days following such events;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8) Use documents in the electronic form signed with an electronic signature in interactions with the person maintaining the register of investment unitholders (the registrar of joint-stock investment fund), the specialised depository, or the agent for the issuance, exchange, and redemption of investment units as well as with persons the trust management of whose property they carry out under the licence of the management company, except for the acquirers and owners of investment units. The type of electronic signature and procedure for its verification shall be established by agreement between the participants in electronic interaction;
(Subclause 8 as amended by Federal Law No. 33-FZ, dated 12 March 2014)

8.1) Disclose or, if the investment units are restricted in circulation, provide the investment unitholders with information on the date of the list of investment unitholders for exercising their rights or partially redeeming investment units without their demand for redemption no later than three (3) working days prior to the date of that list;
(Subclause 8.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

9) Comply with other requirements stipulated by this Federal Law and Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. In cases stipulated by federal laws, the management company of a joint-stock investment fund may refuse to perform its obligations under this Federal Law and the agreement with a joint-stock investment fund.

3.1. The management company may instruct another person to perform, on its behalf and out of the property of the joint-stock investment fund or the property constituting the unit investment fund, the actions required to manage the relevant property, unless otherwise provided by the agreement of trust management of the assets of the joint-stock investment fund or the agreement of trust management of the unit investment fund.

The management company may instruct another person to perform transactions on behalf of that person but out of the property of the joint-stock investment fund or the property constituting the unit investment fund, unless otherwise provided for by the agreement of trust management of the assets of the joint-stock investment fund or the agreement of trust management of the unit investment fund.
(Clause 3.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

4. In the case of refusal to perform its obligations stipulated in Clause 3 of this article, the management company of a joint-stock investment fund shall:

1) No less than sixty (60) days prior to terminating the performance of its obligations, notify in writing the board of directors (supervisory board) of the joint-stock investment fund and the Bank of Russia;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Within five (5) working days following the termination of performance of its obligations, transfer all available documents and property (including money) owned by the joint-stock investment fund to a newly-appointed management company.

5. A decision on the voluntary liquidation of a management company may not be adopted prior to the termination of all unit investment funds the trust management of which it is carrying out and/or prior to the transfer of rights and obligations under all agreements of trust management concluded under the licence of the management company to another management company (to other management companies).

6. Prior to the occurrence of grounds for termination of an exchange-traded unit investment fund, the management company of that fund, in accordance with the rules of trust management of that fund, shall ensure:

1) The purchase (sale) of investment units of the exchange-traded unit investment fund by an authorised person (authorised persons) at a price that may not differ from the estimated value of one investment unit by more than the amount established by the rules of trust management of such fund;

2) The purchase (sale) of investment units by the market maker in organised market at a Russian stock exchange at a price that may not differ from the estimated value of one investment unit by more than the amount established by the rules of trust management of such fund.

(Clause 6 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

Article 40. Restrictions on the Activities of a Management Company

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. When acting as a trustee of assets of a joint-stock investment fund or assets of a unit investment fund or exercising the functions of the sole executive body of a joint-stock investment fund, a management company may not perform or instruct to perform the following transactions:

1) Acquisition of assets not stipulated by this Federal Law, Bank of Russia regulations, or the investment policy statement of the joint-stock investment fund or unit investment fund;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Gratuitous alienation of assets of a joint-stock investment fund or property constituting a unit

investment fund;

3) Transactions as a result of which the management company accepts the obligation to transfer property which at the time of accepting such an obligation does not constitute the assets of a joint-stock investment fund or unit investment fund, except for organised trading transactions, if they are subject to clearing;

(as amended by Federal Law No. 327-FZ, dated 21 November 2011)

4) Acquisition of property which is the subject of pledge or other collateral resulting in the inclusion of property that is the subject of pledge or other collateral in the assets of a joint-stock investment fund or unit investment fund;

5) Loan agreements or credit agreements as well as repo agreements. This rule shall not apply to cases involving the receipt of cash funds for exchange or redemption of investment units, in the event of insufficient cash resources constituting that unit investment fund, or the conclusion of repo agreements in cases established by Bank of Russia regulations. In this case, the total volume of debt repayable out of the property constituting the unit investment fund under all loan agreements and credit agreements shall not exceed twenty (20) per cent of the net asset value of that unit investment fund. The term of borrowing under each loan agreement and the credit agreement (including the renewal term) may not exceed six (6) months;

(as amended by Federal Laws No. 281-FZ, dated 25 November 2009, and No. 251-FZ, dated 23 July 2013)

6) Acquisition of property held by it in trust management under other agreements and property constituting the assets of a joint-stock investment fund where the management company exercises the functions of the sole executive body, except for cases stipulated in this article;

7) Alienation of property constituting the assets of a joint-stock investment fund or unit investment fund to the property held by it in trust management under other agreements or to the property constituting the assets of a joint-stock investment fund in which the management company performs the functions of the sole executive body, except for cases stipulated by this article;

8) Acquisition of securities issued by its members, a parent company or controlling company of a member, its subsidiaries or dependent companies, the specialised depository or audit company of a joint-stock investment fund or managing company of a unit investment fund, the registrar of the joint-stock investment fund, or the person maintaining the register of investment unitholders or holders of interests in the authorised capital of any of these entities, except in cases stipulated in this article;

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

9) Acquisition of property owned by that management company, its members, the parent company or controlling company of a member, or its subsidiaries and dependent companies or alienation of the property of these entities, except for cases stipulated in this article;

10) Acquisition of property from a specialised depository, appraiser, or audit company with which the management company has concluded agreements in accordance with this Federal Law, or holders of investment units of a closed-end unit investment fund in trust management by that management company or alienation of property to these parties, except for the issuance of investment units to the specified holders and other cases stipulated in this article;

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

11) Acquisition of securities issued by that management company or a joint-stock investment fund whose assets are in trust management of that management company or the functions of whose sole executive body are exercised by that management company.

2. When acting as a trustee of assets of a joint-stock investment fund or assets of a unit investment fund or exercising the functions of the sole executive body of a joint-stock investment fund, the management company may conclude contracts which are derivative financial instruments subject to

compliance with the risk mitigation requirements of Bank of Russia regulations.
(as amended by Federal Laws No. 281-FZ, dated 25 November 2009, and No. 251-FZ, dated 23 July 2013)

2.1. The management company may not conclude fee-based service agreements payable out of the assets of a joint-stock investment fund or unit investment fund in cases stipulated by Bank of Russia regulations.

(Clause 2.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The management company may not:

1) Acquire shares of a joint-stock investment fund whose assets it has in trust management or the functions of whose sole executive body it performs, as well as investment units of unit investment funds it has in trust management, except for cases established by this Federal Law;

(Subclause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2) Dispose of assets of a joint-stock investment fund or property constituting a unit investment fund without the prior consent of the specialised depository, except for transactions in organised trading conducted by a Russian or foreign exchange or by another trade organiser;

(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Dispose of money (securities) held in the transit account (transit depository account) as well as other property transferred to pay for investment units and not included in the unit investment fund, without the prior consent of the specialised depository;

4) Use the property belonging to a joint-stock investment fund to secure the performance of its own obligations or the obligations of third parties or the property constituting a unit investment fund to secure the performance of its own obligations not related to trust management of the unit investment fund or to secure the performance of obligations of third parties. The requirements of this subclause shall not apply to cases involving the transfer of property owned by a joint-stock investment fund or constituting a unit investment fund to individual clearing collateral or a property pool;

(as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 210-FZ, dated 29 June 2015)

5) Charge interest on the use of funds of the management company provided for the payout of monetary compensation to owners of investment units or for the exchange of investment units, in the cases stipulated by Article 25 of this Federal Law.

4. The restrictions on transactions established by Subclauses 6, 7, 9, and 10 of Clause 1 of this article shall not apply if:

1) Securities transactions are made in organised trading based on best bid (offer) orders, provided that these bid (offer) orders are sent to all trading participants, and that no information making it possible to identify the participants submitting the orders is disclosed to other participants;

(as amended by Federal Law No. 327-FZ, dated 21 November 2011)

2) Transactions are performed with securities included in a unit investment fund whose investment units may be exchanged for investment units of another fund for which these securities are purchased.

5. The restrictions on transactions established by Subclause 8 of Clause 1 of this article shall not be applied if these transactions are:

1) Performed with securities included in the quotation lists of Russian exchanges;

(as amended by Federal Law No. 327-FZ, dated 21 November 2011)

2) Performed during the placement of additional securities of a joint-stock company when the

management company exercises its shareholder's right for pre-emptive acquisition of shares and issue-grade securities convertible into shares of that joint-stock company;

3) Transactions for the acquisition of shares (interests) in business entities which at the time of the transactions were dependent (subsidiary) companies of the management company because the latter acquired these shares (interests) for the property constituting the assets of a joint-stock investment fund or a unit investment fund.

6. The restriction on transactions established by Subclause 3 of Clause 1 of this article shall not apply to transactions on the alienation of property performed by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting as a trustee of assets of a joint-stock investment fund or unit investment fund whose shares (investment units) are restricted in circulation.

7. The restrictions on transactions established by Subclauses 5 and 8 of Clause 1 of this article shall not apply to transactions made by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting as a trustee of assets of a joint-stock investment fund or unit investment fund whose shares (investment units) are restricted in circulation, in cases established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8. The restriction on transactions with the investment unitholders of closed-end unit investment funds established by Subclause 10 of Clause 1 of this article shall not apply to transactions made by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting as a trustee of assets of a joint-stock investment fund or unit investment fund whose shares (investment units) are restricted in circulation, in cases established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

9. For transactions performed in violation of the requirements of this article, the management company shall be personally liable to third parties only to the extent of its own property.

Article 41. Fees and Expenses Related to the Management of a Joint-Stock Investment Fund and Trust Management of a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The fees of the management company, specialised depository, person maintaining the register of investment unitholders, appraiser, audit company, or exchange shall be paid out of the property of the joint-stock investment fund or the property constituting the unit investment fund, and their amount shall not exceed ten (10) per cent of the average annual net asset value of the joint-stock investment fund or unit investment fund. The procedure for calculating the average annual net asset value of a joint-stock investment fund or unit investment fund shall be defined by the Bank of Russia.
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

2. The fee of the management company and/or the procedure for determining it as well as the list of expenses related to trust management of assets of a joint-stock investment fund or unit investment fund shall be stipulated by the agreement of the management company with the joint-stock investment fund or the rules of trust management of the unit investment fund.

3. The fee of the management company may be established as a fixed amount or a fraction of the average annual net asset value of the joint-stock investment fund (unit investment fund) and/or a fraction of the income derived from the management of the joint-stock investment fund (a fraction of income derived from the trust management of the closed-end unit investment fund). The fee of the management company defined as a fraction of the income derived from the management of a joint-stock investment fund (a fraction of income derived from the trust management of a closed-end unit

investment fund) may not exceed twenty (20) per cent of that income, which shall be calculated in accordance with the procedure established by Bank of Russia regulations.
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

4. When the management company terminates a unit investment fund, its fee shall be determined in accordance with Clause 4 of Article 31 of this Federal Law from the date of occurrence of grounds for termination of the unit investment fund.

5. The rules stipulated in Clauses 1 and 3 of this article shall not apply if the shares of a joint-stock investment fund or investment units are restricted in circulation. The procedure for determining the fee of the management company shall be established by the investment policy statement of a joint-stock investment fund or the rules of trust management of a unit investment fund in accordance with the requirements of Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. Expenses related to the trust management of the property constituting the assets of a joint-stock investment fund or the property constituting a unit investment fund, including mandatory payments associated with the trust management of such property, as well as taxes based on the property constituting a unit investment fund, shall be paid accordingly out of the property constituting the assets of the joint-stock investment fund or the property constituting the unit investment fund. The list of expenses shall be established by Bank of Russia regulations. The management company may not reimburse the expenses it has incurred at its own expense, except for reimbursement of amounts of taxes and mandatory payments specified in this clause as well as expenses the reimbursement of which is stipulated by this Federal Law, out of the property constituting the assets of a joint-stock investment fund or property constituting a unit investment fund.
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

7. The payment of penalty and reimbursement of losses arising as a result of the failure to perform obligations under the agreements concluded by a management company as the trustee of a unit investment fund or the assets of a joint-stock investment fund shall be paid out of the management company's own property.

Chapter IX. CONTROL OF THE DISPOSAL OF PROPERTY OWNED BY A JOINT-STOCK INVESTMENT FUND OR PROPERTY CONSTITUTING A UNIT INVESTMENT FUND

Article 42. Accounting and Custody of Property Owned by a Joint-Stock Investment Fund and Property Constituting a Unit Investment Fund

1. The property owned by a joint-stock investment fund or the property constituting a unit investment fund shall be accounted for in a specialised depository.

The property owned by a joint-stock investment fund and property constituting a unit investment fund shall be held in custody by a specialised depository, unless otherwise provided for by regulatory legal acts of the Russian Federation, including Bank of Russia regulations, for specific types of property.
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

2. The accounting and custody of property owned by a joint-stock investment fund and property constituting a unit investment fund may be carried out, respectively, by a single specialised depository.

The specialised depository may not use or dispose of property owned by a joint-stock investment fund or property constituting a unit investment fund.

3. The rights to securities owned by a joint-stock investment fund or rights to securities constituting the assets of a unit investment fund shall be recorded in a depository account with the

specialised depository, except for the rights to government securities.

4. Invalid since 1 September 2012 – Federal Law No. 145-FZ, dated 28 July 2012.

Article 43. Control of the Disposal of Property Owned by a Joint-Stock Investment Fund and Property Constituting a Unit Investment Fund

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The specialised depository shall monitor the compliance:

1) Of the management company of a joint-stock investment fund with this Federal Law, Bank of Russia regulations adopted in accordance with it, and provisions of the investment policy statement of a joint-stock investment fund or the agreement of trust management of a joint-stock investment fund concluded with the management company;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Of a joint-stock investment fund with this Federal Law, Bank of Russia regulations adopted in accordance with it, and provisions of the investment policy statement of the joint-stock investment fund, if the powers of the sole executive body of the joint-stock investment fund were transferred to the management company;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3) Of the management company of a unit investment fund with this Federal Law, Bank of Russia regulations adopted in accordance with it, and the rules of trust management of the unit investment fund.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The specialised depository shall give the management company its consent to the disposal of assets of a joint-stock investment fund (unit investment fund) or money (securities) held in the transit account (transit depository account), if such disposal does not contradict this Federal Law, Bank of Russia regulations, the investment policy statement of the joint-stock investment fund, the agreement of the joint-stock investment fund with the management company, or the rules of trust management of the unit investment fund.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The consent for the disposal of money stipulated by Clause 2 of this article shall be granted through the signing of a payment document by the specialised depository, in accordance with which the management company gives an order to the bank or other credit institution to transfer the money. If the specialised depository is a credit institution where the transit accounts and accounts specified in Clause 2 of Article 15 of this Federal Law were opened, the specialised depository may execute the order to transfer the money, if it corresponds to Clause 2 of this article. In this case, the specialised depository is not required to sign the payment document.

4. The rules for accounting and custody by the specialised depository of the property stipulated by Article 42 of this Federal Law, the rules of control stipulated by this article, and the requirements for the rules of a specialised depository shall be established by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. In the case of the non-performance or improper performance by the specialised depository of its obligations for accounting and custody of the property owned by a joint-stock investment fund (constituting a unit investment fund) as well as for control stipulated by this article, the specialised depository shall be jointly and severally liable with the management company to the joint-stock investment fund or investment unitholders of the unit investment fund.

Article 44. Requirements for the Specialised Depository

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The activities for accounting and custody of the property owned by a joint-stock investment fund or property constituting a unit investment fund as well as for exercising control over the activities of a joint-stock investment fund or the management company of a joint-stock investment fund or unit investment fund (the 'activities of a specialised depository') may be carried out only on the basis of a licence for the activities of a specialised depository of investment funds, unit investment funds, and non-governmental pension funds (the 'licence of a specialised depository'). In cases stipulated by Federal Laws the licence of a specialised depository shall enable activities for the accounting and custody of other property (assets), control of the disposal of that property (assets), and other types of control in accordance with the Federal Laws.

2. Only a depository that is a joint-stock company or limited (additional) liability company established in accordance with the laws of the Russian Federation and having the licence of a specialised depository may act as a specialised depository of a joint-stock investment fund or unit investment fund.

3. Only a specialised depository may use the words 'investment fund,' 'joint-stock investment fund,' or 'unit investment fund' in combination with the words 'specialised depository' or 'depository' in its official name.

4. The activities of a specialised depository shall be carried out under an agreement:

1) With a joint-stock investment fund, if the functions of the sole executive body of that fund are transferred to the management company;

2) With a management company, if the latter carries out the trust management of assets of a joint-stock investment fund or the assets of a unit investment fund;

3) With other persons in cases stipulated by Federal Laws.

5. The term of the agreement of the specialised depository with the management company of a closed-end unit investment fund may not be less than the term of the agreement of trust management of that unit investment fund.

6. The conclusion of the agreements stipulated in Clause 4 of this article shall not be allowed if:

1) The management company and specialised depository are parent and subsidiary companies or controlling and dependent companies in relation to each other;

2) The specialised depository is the owner of shares of a joint-stock investment fund with which or with the management company of which the agreement is concluded;

3) The specialised depository is the holder of investment units of the unit investment fund in respect of which the agreement with the management company is concluded.

7. The activities of a specialised depository may be combined only:

1) With the activities of a credit institution;

2) With professional activities in the securities market, except for activities for maintaining a register of securities holders and depository activities, if the latter are associated with depository operations under securities contracts concluded in organised trading on the basis of agreements with a trade organiser and/or a clearing institution;

(Subclause 2 as amended by Federal Law No. 327-FZ, dated 21 November 2011)

3) With activities involving the development, production, and distribution of encryption (cryptographic) tools, information systems and telecommunication systems protected with encryption (cryptographic) tools, performance of works, provision of services in the area of information encryption, maintenance of encryption (cryptographic) tools, information systems and telecommunication systems protected with encryption (cryptographic) means.

(Subclause 3 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

8. When credit institutions and professional securities market participants perform the activities of a specialised depository, the latter shall be carried out by a separate structural unit.

9. In connection with its activities, a specialised depository may:

1) Provide consulting and information services to persons who have concluded an agreement with it for the accounting, custody, and/or control over the disposal of property (assets) and the performance of financial accounting services;

2) Maintain the register of investment unitholders;

3) Act as an operator of an information system used by persons who have concluded an agreement with the specialised depository;

4) Carry out the activities of a certification centre used by persons who have concluded an agreement with the specialised depository;

5) Carry out other activities stipulated by this Federal Law.

(Clause 9 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

10. A specialised depository may invest its own funds, perform transactions for the transfer of property for use, and carry out the activities stipulated in Clause 9 of this article subject to compliance with the requirements of Bank of Russia regulations on prevention of conflict of interest.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

ConsultantPlus: note.

Starting 28 January 2018, Clause 11 of Article 44 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

11. The persons indicated in Clause 10 of Article 38 of this Federal Law may not exercise the functions of the sole executive body of a specialised depository or act as a member of the board of directors (supervisory board), a member of a collective executive body, or the head of the branch of a specialised depository (the head of a separate structural unit of the organisation carrying out the activities of a specialised depository).

12. A person exercising the functions of the sole executive body or the head of a branch of a specialised depository (head of a separate structural unit of an organisation carrying out the activities of a specialised depository) shall have a higher education and meet the qualification and professional experience requirements established by the Bank of Russia.

(as amended by Federal Laws No. 185-FZ, dated 2 July 2013; and No. 251-FZ, dated 23 July 2013)

13. A person holding (carrying out the trust management of) at least five (5) per cent of ordinary shares (interests) of a specialised depository may not be:

1) A legal entity whose licence for the relevant type of activity was revoked for any violation;

2) A legal entity whose parent or controlling companies had their licence for the relevant type of activity of the financial institution revoked for any violation;

ConsultantPlus: note.

Starting 28 January 2018, Subclause 3 of Subclause 3 of Clause 13 of Article 44 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

3) An individual indicated in Clause 10 of Article 38 of this Federal Law.

14. A person holding (carrying out the trust management of) at least five (5) per cent of ordinary shares (interests) of the specialised depository shall notify the specialised depository and the Bank of Russia of the following in the manner and within the period established by Bank of Russia regulations: (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Acquisition of the ownership or acquisition for the property held by it in trust management of ordinary shares (interests) of a specialised depository;

2) Its compliance (non-compliance) with the requirements of Clause 13 of this article.

15. A person that failed to notify the specialised depository in accordance with Clause 14 of this article or to comply with the requirements of Clause 13 of this article may vote only with the voting shares (interests) of the specialised depository not exceeding five (5) per cent of its outstanding ordinary shares (interests). The other shares (interests) held by that person shall not be taken into account when establishing the quorum for holding the general meeting of the members of a specialised depository.

16. The requirements stipulated in Clauses 13–15 of this article shall not apply to credit institutions carrying out the activities of a specialised depository.

15. A specialised depository shall organise internal control over the compliance of its activities implemented under the licence of a specialised depository to the requirements of federal laws and other regulatory legal acts of the Russian Federation, Bank of Russia regulations, agreements concluded by the specialised depository when performing these activities, as well as the constituent documents and internal documents of the specialised depository (the 'internal control of specialised depository'). (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

18. The internal control of the specialised depository shall be carried out by an official (the 'controller of the specialised depository') or a separate structural unit of the specialised depository (the 'internal control service of the specialised depository'). The controller of the specialised depository or the head of the internal control service of the specialised depository shall be appointed and dismissed by a decision of the board of directors (supervisory board) or, in its absence, by the general meeting of shareholders (members) of the specialised depository. The controller of the specialised depository or the head of internal control service of the specialised depository shall report, respectively, to the board of directors (supervisory board) or to the general meeting of shareholders (members) of the specialised depository.

19. The controller of a specialised depository or the head of the internal control service of the specialised depository shall have a higher education and meet the qualification requirements established by the Bank of Russia. A controller of a specialised depository or the head and employees of the internal control service of a specialised depository carrying out the internal control of a specialised depository may not be:

(as amended by Federal Laws No. 185-FZ, dated 2 July 2013; and No. 251-FZ, dated 23 July 2013)

1) The person exercising the functions of the sole executive body of specialised depository as well as the head of the branch of a specialised depository (the head of a separate structural unit of the organisation carrying out the activities of a specialised depository);

ConsultantPlus: note.

Starting 28 January 2018, Subclause 2 of Clause 19 of Article 44 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

2) The persons indicated in Clause 10 of Article 38 of this Federal Law.

20. The rules for organising and exercising the internal control of the specialised depository (the 'rules of internal control of the specialised depository') and amendments thereto shall be approved by the board of directors (supervisory board) or, in their absence, by the general meeting of shareholders (members) of the specialised depository.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

21. The rules of the activities of a specialised depository and the provision of services related to their implementation, the forms of documents used, and the procedure of document flow in implementing these activities shall be established by the rules of the specialised depository subject to mandatory compliance.
(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

22. No longer valid. – Federal Law No. 210-FZ, dated 29 June 2015.

Article 45. Obligations of a Specialised Depository

1. A specialised depository shall act exclusively in the interests of the shareholders of a joint-stock investment fund or the investment unitholders of a unit investment fund.

2. The specialised depository shall:

1) Accept for custody and hold in custody the property owned by a joint-stock investment fund or property constituting a unit investment fund, unless otherwise provided for by regulatory legal acts of the Russian Federation, including Bank of Russia regulations, for specific types of property;
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

2) Accept and hold in custody copies of all primary documents in respect of the property owned by a joint-stock investment fund or the property constituting the unit investment fund as well as the original copies of documents confirming the rights to real estate;

3) Submit to the audit commission (internal auditor) of a joint-stock investment fund the documents required for its activities;

4) Register as a nominee of securities owned by a joint-stock investment fund or securities constituting the unit investment fund, unless another procedure for recording the rights to securities is established by the laws of the Russian Federation;

5) Exercise the control stipulated in Article 43 of this Federal Law, including control of the determination of the net asset value of joint-stock investment funds and the net asset value of unit investment funds as well as the estimated value of an investment unit, the number of issued investment units, and the amount of monetary compensation in connection with the redemption of investment units;

6) Notify the Bank of Russia on violations detected in the course of control no later than three (3) working days following the detection of such violations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6.1) Ensure the capability to submit electronic documents to the Bank of Russia and to receive electronic documents from the Bank of Russia in the manner established by the Bank of Russia;
(Subclause 6.1 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

7) Notify the Bank of Russia on changes in the board of directors (supervisory board) and executive bodies of the specialised depository or the head of its branch (the head of the separate

structural unit of the entity carrying out the activities of a specialised depository) within five (5) working days following these events;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8) In interactions with the management company, the registrar of a joint-stock investment fund, the person maintaining the register of investment unitholders, or the agent for the issuance, exchange, and redemption of investment units as well as with other persons when engaging in activities under the licence of a specialised depository, use documents in the electronic form signed with an electronic signature. The type of electronic signature and the procedure for its verification shall be established by agreement between the participants in electronic interaction;
(Subclause 8 as amended by Federal Law No. 33-FZ, dated 12 March 2014)

9) Comply with other requirements stipulated by this Federal Law and Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
(clause 2 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

3. The specialised depository of a joint-stock investment fund (unit investment fund) may not acquire shares (investment units) of that fund.
(Clause 3 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

Article 46. Termination of an Agreement with a Specialised Depository

1. The agreement with the specialised depository shall be terminated:

1) By agreement of the parties, from the time stipulated by such agreement;

2) In the case of liquidation of a joint-stock investment fund, from the completion of its liquidation;

3) In the case of termination of a unit investment fund, from the time of its termination;

4) In the case of revocation (termination) of the specialised depository's licence of specialised depository, upon entry into force of the decision to revoke said licence (upon termination of said licence);

(Subclause 4 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

5) In the case of liquidation of the specialised depository, from the time of decision on such liquidation;

6) In the case of the repudiation of the agreement by one of its parties, from the time stipulated by the agreement;

7) Upon expiration of the agreement.

(Clause 1 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

2. Information on the termination of the agreement with the specialised depository shall be immediately submitted by a joint-stock investment fund or the management company of a unit investment fund to the Bank of Russia, indicating the reasons for terminating the agreement.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. In the event of termination of the agreement with the specialised depository, the latter shall transfer all its available documents related to the performance of that agreement to another specialised depository with which the joint-stock investment fund or management company has signed an agreement.

(Clause 3 as amended by Federal Law No. 334-FZ, dated 6 December 2007)

4. If one of the parties repudiates the agreement, as provided by Clause 4 of Article 44 of this Federal Law, the other party shall be notified at least three (3) months prior to the termination of that agreement, unless a different period is stipulated by federal laws.

(Clause 4 introduced by Federal Law No. 334-FZ, dated 6 December 2007)

Chapter X. MAINTAINING THE REGISTER OF INVESTMENT UNITHOLDERS

Article 47. Register of Investment Unitholders

1. The register of investment unitholders is the system of records on the unit investment fund, the total number of issued and redeemed investment units of that fund, investment unitholders and the number of their investment units, nominees, other registered persons and the number of their registered investment units, splits of investment units, and records of the acquisition, exchange, transfer, or redemption of investment units.

2. The register of investment unitholders may be maintained only by a legal entity having a licence to maintain a register of registered securities holders or the specialised depository of that unit investment fund.

3. The agreement on maintaining the register of investment unitholders may be concluded with only one legal entity.

4. The procedure for maintaining the register of investment unitholders shall be defined by Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The person maintaining the register of investment unitholders shall elaborate rules for maintaining the register of investment unitholders containing the procedure for maintaining the register, forms of documents used, and document flow procedure.

(Clause 5 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

6. Under a commission or agency agreement with the person maintaining the register of investment unitholders, an agent for the issuance, redemption, and exchange of investment units may collect documents required for transactions related to the transfer of ownership of investment units, identify individuals who submit these documents, and certify and transmit extracts and information from the register of investment unitholders which were received from the persons maintaining the register of investment unitholders.

(Clause 6 introduced by Federal Law No. 334-FZ, dated 6 December 2007)

7. When interacting with the management company, the specialised depository, the agent for the issuance, exchange, and redemption of investment units, or the nominees of investment units, the person maintaining the register of investment unitholders shall use documents in the electronic form signed with an electronic signature. The type of electronic signature and the procedure for its verification shall be established by agreement between the participants in electronic interaction.

(Clause 7 as amended by Federal Law No. 33-FZ, dated 12 March 2014)

Article 48. Liability of the Person Maintaining the Register of Investment Unitholders

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The person maintaining the register of investment unitholders shall reimburse persons whose rights are recorded on personal accounts in that register (including nominees of investment units, trustees, or other registered persons) as well as acquirers of investment units and other persons who have applied to open a personal account for losses incurred in connection with:

1) The incapability to exercise the rights to investment units, including as a result of wrongful write-off of investment units from the personal account of the registered person;

2) The incapability to exercise the rights conferred by investment units;

3) An unjustified refusal to open a personal account in said register.

2. The person maintaining the register of investment unitholders shall be liable under Clause 1 of this article, unless it can prove that the proper performance of its obligations to maintain that register was impossible due to a force majeure or the intent of the investment unitholder or other persons stipulated by Clause 1 of this article.

3. The management company shall bear subsidiary liability with the person maintaining the register of investment unitholders as stipulated in Clause 1 of this article. A management company that has reimbursed damages shall be entitled to make a counterclaim (recourse) against the person maintaining the register of investment unitholders to the extent of the amount it has paid to the investment unitholders or other persons stipulated in Clause 1 of this article.

4. The management company shall reimburse the acquirers of investment units or their holders for losses caused by non-performance or improper performance of the obligation to issue (redeem) investment units, unless it proves that the proper performance of these obligations was impossible due to a force majeure or the intent of the acquirer or investment unitholder.

5. The management company that has reimbursed damages in cases stipulated in Clause 4 of this article shall be entitled to make a counterclaim (recourse) to the person maintaining the register of investment unitholders to the extent of the amount it has paid to the acquirer or investment unitholder, if the damages are caused by the action (omission) of the person maintaining the register of investment unitholders.

6. The agreement on maintaining the register of investment unitholders may not restrict the right of counterclaim (recourse).

7. The court may reduce the amount of compensation stipulated by this article, if the acquirer or investment unitholder, intentionally or negligently, contributed to the increase of damages caused to it or failed to take reasonable steps to ensure their reduction.

Chapter XI. AUDIT OF A JOINT-STOCK INVESTMENT FUND OR THE MANAGEMENT COMPANY OF A UNIT INVESTMENT FUND

Article 49. Requirements for the Audit Company of a Joint-Stock Investment Fund and the Management Company of a Unit Investment Fund

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

A joint-stock investment fund and the management company of a unit investment fund shall be obliged to conclude audit agreements. The conclusion of an audit agreement with an audit company shall not be allowed if:

1) The joint-stock investment fund, the management company of a unit investment fund, the specialised depository, or the person maintaining the register of investment unitholders is a parent or subsidiary company or a controlling or dependent company with regard to that audit company;

2) The audit company is the owner of shares of the joint-stock investment fund with which or with whose management company the agreement is to be concluded;

3) The audit company is the holder of investment units of the unit investment fund in respect of

which the agreement with the management company is to be concluded.

Article 50. Annual Audit

(as amended by Federal Law No. 145-FZ, dated 28 July 2012)

1. In accordance with the signed agreement, the audit company shall conduct an annual audit.

2. The following shall be subject to annual audit:

1) Accounting (financial) statements of a joint-stock investment fund, accounting (financial) statements of the management company of a unit investment fund, accounting and reporting with respect of the property owned by a joint-stock investment fund, property constituting a unit investment fund, and operations with that property;

2) Composition and structure of assets of a joint-stock investment fund and property constituting a unit investment fund;

3) Calculation of the net asset value of a joint-stock investment fund, assessment of the estimated value of one investment unit, the offering price and the repurchase price of shares or the amount for which one investment unit is issued, and the amount of monetary compensation payable in connection with the redemption of an investment unit;

4) Compliance with the requirements for the procedure of custody of the property owned by a joint-stock investment fund, property constituting a unit investment fund, and documents certifying the rights to the property owned by a joint-stock investment fund or property constituting a unit investment fund;

5) Transactions with assets of a joint-stock investment fund or assets of a unit investment fund.

3. The audit report on the results of the annual audit shall be a mandatory annex to the accounting (financial) statements of a joint-stock investment fund or the accounting (financial) statements of the management company of a unit investment fund.

Chapter XII. DISCLOSURE OF INFORMATION ON THE ACTIVITIES OF A JOINT-STOCK INVESTMENT FUND OR THE MANAGEMENT COMPANY OF A UNIT INVESTMENT FUND

Article 51. Requirements for the Content of Distributed, Provided, or Disclosed Information

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. Activities aimed at receiving the information on a joint-stock investment fund or a unit investment fund, a management company, or a specialised depository by the general public or transferring such information to the general public shall constitute the distribution of such information, while the activities aimed at receipt of such information by a certain group of persons or its transfer to a certain group of persons shall constitute the provision of such information.

2. In cases established by Bank of Russia regulations, the distributed, provided, or disclosed information on a joint-stock investment fund or unit investment fund shall include the following:
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) The full or short official name of the joint-stock investment fund, the full or short name of the management company of that fund, the number and date of registration of the share issue prospectus of the joint-stock investment fund, the number of the licence of the joint-stock investment fund, and the

number of the licence of the management company of that fund or, respectively, the name of the unit investment fund, the full or short name of the management company of that fund, the number and date of registration of the rules of trust management of the unit investment fund, and the number of the licence of the management company of that fund;

2) Information on the place or places (including the address of the premises and the address of the website of the joint-stock investment fund or the management company of a unit investment fund and telephone numbers) where it is possible to obtain information that is subject to disclosure and provision in accordance with this Federal Law;

3) Provisions on a possible increase or decrease in the value of shares and investment units, the indication that past investment results do not determine future income and that the state does not guarantee return on investments in investment funds, and a warning that a careful review of the charter of a joint-stock investment fund, its investment policy statement, the prospectus of the share issue, and the rules of the trust management of a unit investment fund is required before acquiring shares or investment units.

3. The distribution of information on a joint-stock investment fund or a unit investment fund whose shares or investment units are restricted in circulation shall not be allowed, except for its disclosure in accordance with this Federal Law and other federal laws.

Information on a joint-stock investment fund or a unit investment fund whose shares or investment units are restricted in circulation may be provided to persons who, in accordance with the Federal Law 'On the Securities Market', may be provided with information on securities intended for qualified investors.

Any information on a joint-stock investment fund or investment units whose shares or investment units are restricted in circulation shall include a reference thereto.
(Clause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

4. A joint-stock investment fund and the management company of a unit investment fund shall be liable for violating the requirements for the procedure, period, and content of information distributed, provided, or disclosed as established by this Federal Law and Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The Bank of Russia or a self-regulatory organisation in the field of financial markets combining joint-stock investment funds and management companies of investment funds, unit investment funds and non-governmental pension funds (the 'self-regulatory organisation in the field of financial markets') may demand that its members provide, and a joint-stock investment fund or the management company of a unit investment fund must provide, documents confirming the reliability of distributed, provided, or disclosed information.
(as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 292-FZ, dated 3 July 2016)

6. The details contained in the distributed, provided, or disclosed information shall comply with the charter of the joint-stock investment fund, the investment policy statement and the share issue prospectus, and the rules of trust management of a unit investment fund registered in accordance with the established procedure.

7. Any details distributed, provided, or disclosed about a joint-stock investment fund or unit investment fund or the management company of a unit investment fund shall not include:

1) Any unfair, inaccurate, unethical, knowingly false, concealed, or misleading information;

2) Any guarantees or promises about future effectiveness or profitability of investment activities of a joint-stock investment fund or the management company of a unit investment fund, including those based on information about their actual past activities;

3) Information not supported by any documentary evidence;

4) Information not directly related to a joint-stock investment fund or the management company of a unit investment fund or a unit investment fund;

5) References to approval or endorsement by the government authorities of any information about the activities of a joint-stock investment fund or the management company of a unit investment fund;

6) False or incorrectly formulated statements or claims about factors that have a material impact on the results of investment activities of a joint-stock investment fund or the management company of a unit investment fund, including those with documentary evidence but referring to a different period or event;

7) Statements or claims of changes or other comparisons of results of investment activities of a joint-stock investment fund or the management company of a unit investment fund in the present and in the past (description of a change in income or a change in the size or growth of assets) that are not based on the calculation of returns determined in accordance with the requirements of Bank of Russia regulations;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8) Statements regarding future investments that contain guarantees of investment security and stability of potential income or costs associated with these investments;

9) Claims and statements about potential benefits associated with the services or methods used in the activities of a joint-stock investment fund or the management company of a unit investment fund;

10) Exaggerated or unsubstantiated claims about management skills or characteristics of a joint-stock investment fund or the management company of a unit investment fund as well as their ties with the federal and local government authorities;

11) Statements that the results of activities of a joint-stock investment fund or the management company of a unit investment fund achieved in the past can be repeated in the future.

8. A management company may not distribute information on its future activities as a management company of a joint-stock investment fund or unit investment fund prior to obtaining a licence.

9. Before distributing, providing, or disclosing information, a joint-stock investment fund or the management company of a unit investment fund shall submit the said information to the Bank of Russia or an organisation authorised by it in cases and in accordance with the procedure established by Bank of Russia regulations.

(Clause 9 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The Bank of Russia may:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Demand a retraction of distributed, provided, or disclosed information that does not meet the requirements of this Federal Law or Bank of Russia regulations, and distribution, provision, or disclosure of corrected information;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Prohibit the distribution, provision, or disclosure of information provided in accordance with Clause 9 of this article, if such information does not comply with the requirements of this Federal Law or Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 52. Information Provided at the Request of Interested Parties

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. A joint-stock investment fund, the management company of a unit investment fund, and agents for the issuance, redemption, and exchange of investment units, at the places of acceptance of applications for the acquisition, redemption, and exchange of investment units, shall provide all interested parties at their request with:

1) The charter of a joint-stock investment fund, its investment policy statement or the rules of trust management of a unit investment fund as well as the full text of registered amendments and changes thereto;

2) The rules for maintaining the register of investment unitholders;

3) A statement of the value of assets of a joint-stock investment fund or the value of the property constituting the unit investment fund as well as the relevant annexes thereto;

4) A statement of the net asset value of a joint-stock investment fund or the net asset value of a unit investment fund and the estimated value of one investment unit in accordance with the latest assessment;

5) The accounting (financial) statements of a joint-stock investment fund, the balance sheet of the property constituting a unit investment fund, the accounting (financial) statements of the management company of a unit investment fund, the accounting (financial) statements of a specialised depository, the auditor's report on the accounting (financial) statements of a joint-stock investment fund, or the auditor's report on the accounting (financial) statements of the management company of a unit investment fund prepared as of the last reporting date;

(Subclause 5 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

6) A report on the increase (decrease) in the value of property owned by a joint-stock investment fund or the property constituting a unit investment fund or information on the fee of the management company and expenses paid out of the property owned by a joint-stock investment fund and the property constituting a unit investment fund as of the last reporting date;

7) Other information disclosed in accordance with this Federal Law

2. Information on the amount for which one investment unit is issued and the amount of monetary compensation payable in connection with the redemption of an investment unit, on the method for determining the estimated value of one investment unit, on the net asset value of a joint-stock investment fund and the net asset value of a unit investment fund, respectively, per one share or one investment unit as of the last reporting date, on the start and end time for accepting applications for acquisition, applications for redemption, and applications for exchange of investment units during the working day, on the period for acceptance of these applications for interval unit investment funds, on cases of the suspension or resumption of placement of units of a joint-stock investment fund or the issuance, redemption, and exchange of investment units or on the simultaneous suspension of issuance, redemption, and exchange of investment units, on the resumption of issuance, redemption, and exchange of investment units, or on agents for the issuance, redemption, and exchange of investment units shall be provided by a joint-stock investment fund or the management company of a unit investment fund or an agent for the issuance, redemption, and exchange of investment units to interested parties by telephone and may be provided by other means. This requirement shall not apply if shares of the joint-stock investment fund or investment units of the unit investment fund are restricted in circulation.

3. Invalid since 1 September 2012 – Federal Law No. 145-FZ, dated 28 July 2012.

Article 53. Information Subject to Disclosure

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The disclosure of information by a joint-stock investment fund, a management company, or a specialised depository means ensuring that this information is available to the public in accordance with a procedure guaranteeing that it can be found and obtained. The information subject to disclosure as well as the procedure, method, and period for its disclosure shall be established by Bank of Russia regulations.

(as amended by Federal Laws No. 334-FZ, dated 6 December 2007, and No. 251-FZ, dated 23 July 2013)

1.1. A joint-stock investment fund or the management company of a unit investment fund, including a joint-stock investment fund or the management company of a unit investment fund whose shares or investment units are restricted in circulation, shall disclose their reports, the requirements for which are established by the Bank of Russia.

(Clause 1.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. No longer valid – Federal Law No. 334-FZ, dated 6 December 2007.

2.1. The Bank of Russia shall ensure the disclosure of information and the creation of a publicly available system of information disclosure on the activities of joint-stock investment funds and management companies of unit investment funds, specialised depositories, and agents for the issuance, redemption, and exchange of investment units as well as on the regulation of these activities.

(Clause 2.1 introduced by Federal Law No. 334-FZ, dated 6 December 2007; as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3–6. No longer valid. – Federal Law No. 334-FZ, dated 6 December 2007.

Article 54. Reporting Submitted to the Bank of Russia or a Self-Regulatory Organisation in the Field of Financial Markets

(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

1. A joint-stock investment fund, a management company, or a specialised depository shall submit reports and notices to the Bank of Russia in accordance with the procedure established by Bank of Russia regulations.

2. The Bank of Russia shall establish the volume, period, and form of reporting to the Bank of Russia.

3. If the Bank of Russia transfers the authority for receiving reports to a self-regulatory organisation in the field of financial markets in accordance with Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-Regulatory Organisations in the Financial Market', a joint-stock investment fund, management company, or specialised depository shall submit the reports to the relevant self-regulatory organisation in the field of financial markets.

4. The reports and notices shall be submitted in the electronic form and signed with a reinforced qualified electronic signature.

Chapter XIII. AUTHORITY OF THE BANK OF RUSSIA. SELF-REGULATORY ORGANISATIONS IN THE FIELD OF FINANCIAL MARKETS

(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

Article 55. Authority of the Bank of Russia

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. The activities of joint-stock investment funds, management companies, specialised depositories, agents for the issuance, redemption, and exchange of investment units, and persons maintaining the registers of investment unitholders as well as state control over these activities shall be regulated by the Bank of Russia.

(Clause 1 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The Bank of Russia shall:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Adopt regulatory acts in cases stipulated by this Federal Law;

(Subclause 1 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1.1) Establish requirements for the activities (operations) of a management company and a specialised depository as well as requirements for the activities (operations) which may be carried out (conducted) in accordance with federal laws only under a licence of a management company or the licence of a specialised depository;

(Subclause 1.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

2) Establish requirements aimed at preventing conflict of interests of management companies, specialised depositories, and shareholders of joint-stock investment funds (investment unitholders);

3) Establish requirements for the rules for maintaining the register of investment unitholders and the rules of internal control of a management company and a specialised depository;

4) Establish the procedure and period for the registration of documents in accordance with this Federal Law;

ConsultantPlus: note.

Starting 28 January 2018, Subclause 5 of Clause 2 of Article 55 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

5) Establish the procedure, period, and forms for submission of reports and notices to the Bank of Russia by joint-stock investment funds, management companies, specialised depositories, as well as persons owning (carrying out the trust management) of at least five (5) per cent of ordinary shares (interests) of the management companies or specialised depositories;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6) No longer valid. – Federal Law No. 362-FZ, dated 30 November 2011.

7) Establish qualification and professional experience requirements for persons exercising the functions of the sole executive body of a joint-stock investment fund, a management company, or a specialised depository (the head of a separate structural unit of the organisation carrying out the activities of a specialised depository), for controllers (heads of the internal control service) of a management company or a specialised depository as well as qualification requirements for the employees of a management company or a specialised depository;

8) Approve programmes for qualification exams for the certification of individuals in the area of non-governmental pension funds, management companies, and specialised depositories, define the terms and the procedure for the accreditation of organisations providing such certification in the form of qualification exams and issuance of qualification certificates, accredit such organisations, define the types and forms of qualification certificates, and maintain the register of certified individuals;

9) No longer valid. – Federal Law No. 362-FZ, dated 30 November 2011.

10) Exercise control and supervision over the activities of joint-stock investment funds, management companies, specialised depositories, agents for the issuance, redemption, and exchange of investment units, registrars of joint-stock investment funds, and persons maintaining the registers of investment unitholders;

11) Review complaints (applications, petitions) of individuals and legal entities related to the violations of this Federal Law and Bank of Russia regulations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

12) Conduct, in accordance with its established procedure, inspections of compliance by joint-stock investment funds, management companies, and specialised depositories with the requirements of this Federal Law, other federal laws regulating their licenced activities, and regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations, as well as the inspection of compliance of agents for the issuance, redemption, and exchange of investment units, registrars of joint-stock investment funds, and persons maintaining the registers of investment unitholders with the requirements of this Federal Law and regulatory legal acts of the Russian Federation adopted in accordance with it, including Bank of Russia regulations;
(Subclause 12 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

13) Issue binding orders to joint-stock investment funds, management companies, specialised depositories, agents for the issuance, redemption, and exchange of investment units, registrars of joint-stock investment funds, and persons maintaining the registers of investment unitholders regarding provision of information, including the information access to which is restricted or prohibited by a federal law, and of explanations and documents necessary for the exercise of its functions, on the elimination of violations of the requirements of this Federal Law or Bank of Russia regulations, and on banning operations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

13.1) Issue binding orders to management companies or specialised depositories on reimbursement of actual damage caused to trustors in the implementation of trust management by the management companies under a management company licence or upon the termination of unit investment funds by specialised depositories, if such damage was caused by the fact that the corresponding management company or specialised depository failed to show due care for the interests of the trustor;
(Subclause 13.1 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

14) Decide on the suspension of the issuance, redemption, and exchange of investment units in accordance with this Federal Law;

15) Resort to court with a demand to liquidate legal entities engaged in activities stipulated by this Federal Law without the appropriate licences, and in other cases stipulated by federal laws;

16) Resort to court to protect the interests of shareholders of joint-stock investment funds and unitholders in the case of violation of their rights and legitimate interests stipulated by this Federal Law;

17) Cancel qualification certificates in the event of repeated or gross violation by certified individuals of this Federal Law and of the legislation of the Russian Federation on securities;

18) Invalid since 1 September 2013. – Federal Law No. 251-FZ, dated 23 July 2013.

18.1) Appoint a provisional administration in cases established by federal laws;
(Subclause 18.1 introduced by Federal Law No. 65-FZ, dated 22 April 2010)

19) Exercise other authority stipulated by this Federal Law and any other federal laws.

(Subclause 19 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. When exercising control over the persons specified in Subclause 10 of Clause 2 of this article, the Bank of Russia may:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Conduct regular audits but not more often than once a year;

2) Conduct unscheduled audits in the case of signs of corresponding violations, including those on the grounds of reports, notices of a specialised depository on identified violations, complaints (applications, petitions) of individuals and legal entities, and information obtained from mass media;

3) Obtain from said persons and their employees necessary documents and information, including the information access to which is restricted or prohibited in accordance with federal laws, and explanations in written or oral form;

4) Resort to bodies engaged in operational and investigative activities with a request for operational and investigative measures to be taken in accordance with the procedure established by the legislation of the Russian Federation.

4. When exercising control, the Bank of Russia's employees shall, in accordance with their authorities, upon presentation of their official IDs, and based on a decision to conduct an inspection adopted by the Bank of Russia Governor, their Deputy, the Bank of Russia's Financial Supervision Committee, or other persons in accordance with Bank of Russia regulations, be entitled to unhindered access to the premises of the organisations specified in Subclause 10 of Clause 2 of this article, access to documents and information (including the information access to which is restricted or prohibited in accordance with federal laws), as may be necessary to exercise control, and access to software and hardware that enable the recording, processing, and storage of that information.

(Clause 4 as amended by Federal Law No. 427-FZ, dated 30 December 2015)

5. Orders and requests of the Bank of Russia shall be sent by post, by fax, by way of personal delivery to the recipient, or in the form of electronic documents signed with a reinforced qualified electronic signature, in accordance with the procedure established by the Bank of Russia.

When orders and requests of the Bank of Russia are sent in the form of electronic documents, these orders and requests shall be deemed to be received one (1) working day from the date of their sending to the recipient in accordance with the procedure established by the Bank of Russia, provided that the Bank of Russia has received confirmation of receipt of these orders and requests in accordance with its established procedure.

(Clause 5 as amended by Federal Law No. 231-FZ, dated 13 July 2015)

6. The joint-stock investment fund, management company, specialised depository, agent for the issuance, redemption, and exchange of investment units, registrar of joint-stock investment funds, and persons maintaining the registers of investment unitholders shall be deemed to have received the order of the Bank of Russia if:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) The Bank of Russia was notified about the receipt of the order;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) The recipient refused to receive the order, and this refusal was recorded by a postal or courier service;

3) The order was not delivered because the recipient was absent at the specified address, of which fact the Bank of Russia was notified by the postal service, indicating the source of that information;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4) Despite postal notification, the recipient failed to appear to receive the order, of which fact the Bank of Russia was notified by the postal service.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
(Clause 6 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

Article 56. Liability of the Bank of Russia for Preserving Commercial Secrets

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Information constituting commercial secret and obtained by the Bank of Russia shall not be disclosed.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

If the employees of the Bank of Russia disclose information constituting a commercial secret, they shall bear the liability stipulated by the legislation of the Russian Federation in accordance with the procedure established by the legislation of the Russian Federation. Damages caused to the organisation by such a disclosure shall be reimbursed in accordance with the civil legislation of the Russian Federation.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 57. Self-Regulatory Organisations in the Field of Financial Markets

(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

1. If there is a self-regulatory organisation in the field of financial markets uniting joint-stock investment funds and management companies, joint-stock investment funds and management companies shall join the self-regulatory organisation in the field of financial markets in the manner and within the period stipulated by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' and Bank of Russia regulations adopted in accordance therewith.

2. If there is a self-regulatory organisation in the field of financial markets uniting specialised depositories, the specialised depositories shall join the self-regulatory organisation in the field of financial markets uniting specialised depositories in the manner and within the period stipulated by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' and Bank of Russia regulations adopted in accordance therewith.

3. Relations arising in connection with the acquisition by a non-commercial organisation of the status of a self-regulatory organisation in the field of financial markets uniting investment funds and management companies and its termination or of the status of a self-regulatory organisation bringing together specialised depositories and its termination, and with its exercise of its rights and obligations shall be governed by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' and Bank of Russia regulations adopted in accordance therewith.

Article 58. Rights of Self-Regulatory Organisations in the Field of Financial Markets

(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

A self-regulatory organisation in the field of financial markets may:
(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

Paragraphs 2–3 no longer valid. – Federal Law No. 292-FZ, dated 3 July 2016.

Provide training for individuals in the area of the activities of management companies and specialised depositories and, if the self-regulatory organisation in the field of financial markets is accredited by the Bank of Russia, hold qualification exams and issue qualification certificates.

(as amended by Federal Laws No. 51-FZ, dated 15 April 2006; No. 251-FZ, dated 23 July 2013; No. 292-FZ, dated 3 July 2016)

Paragraphs 5–6 no longer valid. – Federal Law No. 292-FZ, dated 3 July 2016.

Article 59. No longer valid. – Federal Law No. 292-FZ, dated 3 July 2016.

Article 60. No longer valid. – Federal Law No. 334-FZ, dated 6 December 2007.

Article 60.1. Licensing of the Activities of Joint-Stock Investment Funds, Management Companies, and Specialised Depositories

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The licence of a joint-stock investment fund, the licence of a management company, and the licence of a specialised depository (the 'licence') shall be issued by the Bank of Russia without limitation of the validity period for such licences. A licence shall be provided to a person that has the intent to obtain it (the 'licence applicant') subject to its compliance with the terms of licence.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. When granting a licence of a joint-stock investment fund, the terms of the licence shall include the requirements of this Federal Law for:

- 1) Legal form of the fund;
- 2) Amount of equity;
- 3) Charter;
- 4) Contents and procedure for approval of the investment policy statement;
- 5) Person exercising the functions of the sole executive body, members of the board of directors (supervisory board), and members of the collective executive body.

3. When granting a licence of a management company, the terms of the licence shall include the requirements of this Federal Law for:

- 1) Legal form of the fund;
- 2) Founders (members);
- 3) Amount of equity;

ConsultantPlus: note.

Starting 28 January 2018, Subclause 4 of Clause 3 of Article 60.1 shall be revised in accordance with Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

4) Person exercising the functions of the sole executive body, members of the board of directors (supervisory board), members of the collective executive body, and controller (the head and employees of the internal control service);

- 5) Establishment of internal control.

4. When granting a licence of a specialised depository, the terms of licence shall include the requirements of this Federal Law for:

- 1) Legal form of the fund;
- 2) Founders (members);

3) Existence of a separate structural unit carrying out the activities of a specialised depository when combining these activities with other activities;

4) Person exercising the functions of the sole executive body (head of the structural unit of the organisation or its branch carrying out the activities of specialised depository), members of the board of directors (supervisory board), members of collective executive body, and controller (the head and employees of the internal control service);

5) Rules of the specialised depository;

6) Establishment of internal control.

5. To obtain a licence, a licence applicant shall submit the following documents to the Bank of Russia:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) An application of the licence applicant for the licence in accordance with the form established by the Bank of Russia;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Notarised copies of constituent documents of the licence applicant;

3)–4) no longer valid. – Federal Law No. 383-FZ, dated 3 December 2011.

5) Notarised copies of documents confirming the election (appointment) of the person exercising the functions of the sole executive body, the members of the board of directors (supervisory board), and the members of the collective executive body of the licence applicant;

6) A document confirming the payment of state duty for review of the licence application;

ConsultantPlus: note.

Starting 28 January 2018, Subclause 7 of Clause 5 of Article 60.1 shall be revised in accordance with Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

7) Information on the person exercising the functions of the sole executive body, the members of the board of directors (supervisory board), and the members of the collective executive body of the licence applicant as well as copies of documents confirming compliance with the requirements for these persons in accordance with this Federal Law;

8) A calculation of the equity of the licence applicant made in accordance with Bank of Russia regulations;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

9) Other documents, the list of which is defined by the Bank of Russia, confirming compliance with the terms of the licence.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5.1. The licence applicant may submit, on its own initiative, the following documents to the Bank of Russia:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) A document confirming the entry of information about the licence applicant in the unified state register of legal entities or its notarised copy;

2) A notarised copy of the document confirming the registration of the licence applicant with the tax authority.

If the documents referred to in this clause are not submitted by the applicant, the federal executive authority carrying out state registration of legal entities and individuals as individual entrepreneurs and farm enterprises, acting under an inter-agency request of the Bank of Russia, shall provide information confirming the entry of the details of the licence applicant in the unified state register of legal entities, and the federal executive authority exercising functions of control and supervision in the area of taxes and duties shall provide information confirming the fact of registration of the licence applicant with the tax authority.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(Clause 5.1 introduced by Federal Law No. 383-FZ, dated 3 December 2011)

6. To obtain a licence of a management company or a licence of a specialised depository, the following shall also be submitted to the Bank of Russia:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

ConsultantPlus: note.

Starting 28 January 2018, Subclause 1 of Clause 6 of Article 60.1 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

1) Information on persons who are the owners or trustees of at least five (5) per cent of ordinary shares (interests) of the licence applicant and entities that are parent and subsidiary companies or controlling and dependent companies in relation to each other which jointly own (carry out trust management of) at least five (5) per cent of ordinary shares (interests) of the licence applicant;

ConsultantPlus: note.

Starting 28 January 2018, Clause 6 of Article 60.1 shall be supplemented with a new Subclause 1.1 in accordance with Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

ConsultantPlus: note.

Starting 28 January 2018, Subclause 2 of Clause 6 of Article 60.1 shall be amended by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

2) Information on the controller (the head and employees of the internal control service) of the licence applicant;

3) Rules of internal control adopted in accordance with this Federal Law.

7. To obtain a licence, a management company shall also provide to the Bank of Russia the rules of internal control elaborated for the purpose of countering the legalisation (laundering) of criminal proceeds and the financing of terrorism (two copies) in accordance with Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism'.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

8. To obtain a licence of a specialised depository, the following shall also be submitted to the Bank of Russia:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Rules of the specialised depository approved by the authorised body of the licence applicant;

2) A copy of the internal document on the structural unit carrying out the activities of a specialised depository, if the licence applicant combines the activities of a specialised depository and other activities;

3) Information on the executives of the structural unit and/or its branches that intend to carry out the activities of specialised depository as well as copies of documents confirming compliance with the requirements for these persons in accordance with this Federal Law, if the licence applicant combines

the activities of a specialised depository and other activities.

9. A licence application shall be signed by the person exercising the functions of the sole executive body or the chairperson of the collective executive body of the licence applicant, thereby confirming the reliability of the information contained in the documents submitted for the licence.

ConsultantPlus: note.

Starting 28 January 2018, Clause 10 of Article 60.1 shall be revised by Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

10. The composition of the details on persons who are the owners or trustees of at least five (5) per cent of ordinary shares (interests) of the licence applicant as well as on the person exercising the functions of the sole executive body, the members of the board of directors (supervisory board), the members of collective executive body, and the controller (the head of the internal control service) of the licence applicant and the form of their submission shall be established by the Bank of Russia. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

11. The Bank of Russia shall verify the compliance of a licence applicant with the requirements of this Federal Law and other regulatory legal acts of the Russian Federation, including Bank of Russia regulations governing the activities of joint-stock investment funds, management companies, and specialised depositories, and, if necessary, request it to provide information confirming compliance with the requirements for equity, requirements for the professional experience of persons exercising the functions of the sole executive body of a joint-stock investment fund, management company, or specialised depository (the head of the separate structural unit of the organisation carrying out the activities of a specialised depository), and for controllers (heads of the internal control service) of a management company or specialised depository as well as compliance with qualification requirements. (Clause 11 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

12. The Bank of Russia shall decide whether to grant or deny a licence within two (2) months following the receipt of all required documents from the applicant, except for the documents specified in Clause 5.1 of this article. If the Bank of Russia requests additional documents and/or information from the applicant, that period shall be suspended until the receipt of these documents and/or information. (Clause 12 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

13. The decision to grant the licence and the document confirming the licence shall specify, among other things, the name of the licensing authority, the full and short name of the licensee, its location, its taxpayer identification number, the licenced activity, and the date of the decision to grant the licence, and shall also indicate that there is no limit set for the period of validity of the licence. The document confirming the licence shall be issued on the form of the Bank of Russia approved by the Bank of Russia in two (2) copies, one of which shall be sent (delivered) to the licence applicant, and the other shall be kept in the licence file of the licensee. (as amended by Federal Laws No. 160-FZ, dated 23 July 2008; No. 251-FZ, dated 23 July 2013)

14. Within five (5) working days following the adoption of the corresponding decision, the Bank of Russia shall send (deliver) to the licence applicant the notice that the licence has been granted along with the document confirming the licence or a notice of refusal, including the grounds for such refusal. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

15. The grounds for refusing to grant a licence shall include:

- 1) Incomplete or false information in documents submitted for the licence;
- 2) Failure of the licence applicant to comply with the terms of the licence;

3) Non-compliance of the documents submitted for the licence with the requirements of this article.

16. The licence applicant may appeal the Bank of Russia's refusal to grant a licence or the Bank of Russia's inaction in accordance with the procedure established by the laws of the Russian Federation.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

17. A document confirming a licence shall be re-issued in the case of a change in the official name and/or the location of a joint-stock investment fund, management company, or specialised depository and in the case of the transformation of a management company or specialised depository, provided that the legal form of the newly created legal entity meets the requirements of this Federal Law.

18. The document confirming the licence shall be re-issued on the grounds of the application of the licensee or its successor, which shall include the new information on the licensee or its successor and shall be accompanied by the documents confirming the entry in the unified state register of legal entities on the change of its official name and/or location, or the entry on the establishment of a legal entity following the transformation of the management company or specialised depository, as well as the payment of the state duty for re-issuing the document confirming the licence. The application to re-issue the document confirming the licence shall be submitted by the licensee to the Bank of Russia no later than ten (10) working days from the day of the relevant changes in the unified state register of legal entities.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

19. The document confirming the licence shall be re-issued within ten (10) working days following the receipt of all required documents. The document confirming the availability of the licence may not be re-issued in the absence of the grounds stipulated by Clause 17 of this article or in the case of submission of incomplete or false information.

20. Within five (5) working days from the date of the relevant decision, the Bank of Russia shall send (deliver) to the licensee or legal entity established as a result of transformation of the management company or specialised depository a notice on the re-issuance of the document confirming the licence along with the new document confirming the licence or a notice on refusing the re-issuance, specifying the grounds for such refusal.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

21. The procedure for granting the licence, re-issuing the document confirming the licence, preparing and submitting the documents for obtaining the licence, and re-issuing the document confirming the licence shall be established by a Bank of Russia regulation.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

22. The Bank of Russia shall maintain the registers of licences of joint-stock investment funds, management companies, and specialised depositories (the 'registers of licences'). The procedure for maintaining the registers of licences, information included in them, and the procedure for providing extracts from them shall be established by the Bank of Russia.

(Clause 22 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

23. Information included in the registers of licences shall be posted on the official website of the Bank of Russia. In particular, this information shall include:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

- 1) Full and short official names of the licensee;
- 2) Licence number;
- 3) Date of the decision to grant the licence;
- 4) Licenced activity;
- 5) Location of the licensee;

6) Taxpayer Identification Number of the licensee.

24. The Bank of Russia shall provide extracts from the registers of licences at the request of any interested party.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

25. Extracts from the registers of licences shall be provided within five (5) working days following the receipt of a request to provide them.

Article 61. Measures Applied by the Bank of Russia

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(as amended by Federal Law No. 334-FZ, dated 6 December 2007)

1. In the case of any violation by the licensee of the requirements of this Federal Law and the regulatory legal acts of the Russian Federation adopted in accordance with it, including Bank of Russia regulations, and, if the licensee performs trust management of other assets or provides services of a specialised depository in respect of other assets under the licence and in accordance with the federal laws, the requirements of these federal laws and regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations, the Bank of Russia may issue an order to prohibit the licensee from carrying out all or part of the operations, apply other measures of liability established by the federal laws, and in cases stipulated by this Federal Law may revoke the relevant licence and appoint a provisional administration.

(Clause 1 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The ban on all or part of the operations stipulated by this article may also be imposed on an agent for the issuance, redemption, and exchange of investment units and persons maintaining the register of investment unitholders, if they violate the requirements of this Federal Law and regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. A ban on conducting all or part of the operations may also be imposed in cases stipulated in Clause 3 of Article 61.1 of this Federal Law.

4. In cases stipulated by Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)' (the 'Federal Law "On Insolvency (Bankruptcy)"), the Bank of Russia shall make a decision to apply measures for preventing the bankruptcy of a joint-stock investment fund, a management company, or a specialised depository.

(Clause 4 introduced by Federal Law No. 65-FZ, dated 22 April 2010, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 61.1. Ban on All or Part of the Operations

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The Bank of Russia may issue an order to prohibit the following operations:
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) Placement of shares of a joint-stock investment fund;

2) Transfer of assets of a joint-stock investment fund for the trust management of the management company or transfer of powers of the sole executive body of a joint-stock investment fund to the management company;

- 3) Payout of dividends on shares of a joint-stock investment fund;
- 4) Repurchase of shares of a joint-stock investment fund;
- 5) Issuance or simultaneous issuance, exchange, and redemption of investment units of a unit investment fund;
- 6) Acceptance of applications for acquisition or simultaneous acquisition, exchange, and redemption of investment units;
- 7) Conclusion by the management company of other trust management agreements which can be carried out under the licence of a management company;
- 8) Inclusion of property in a unit investment fund, including upon the issuance and exchange of investment units;
- 9) Transfer by the management company of assets of a joint-stock investment fund held by it in trust management to the trustor joint-investment fund;
- 10) Disposal of assets of a joint-stock investment fund, property constituting a unit investment fund and money held on a transit account, or other property the trust management of which is carried out by the management company under the licence of a management company, including the payout of fees and/or performance of obligations under transactions out of that property;
- 11) Payout of income from trust management of property constituting a unit investment fund or other property the trust management of which is carried out by the management company under the licence of a management company;
- 12) Making entries in the register of investment unitholders, except for entries related to the transfer of rights as a result of universal legal succession and in the distribution of the property of a liquidated legal entity;
- 13) Provision of extracts, notices, and information from the register of investment unitholders;
- 14) Exercising control by a specialised depository over one or more agreements concluded in the course of their activities under the licence of a specialised depository.

2. A ban on all or part of the operations stipulated in Clause 1 of this article may be imposed in the following cases:

- 1) Non-performance or improper performance of orders of the Bank of Russia to eliminate a violation or to provide information, explanations, or documents required for the performance of the functions of that body;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
- 2) Suspension of a licence to perform the depository activities of a specialised depository or a licence to maintain the register of securities holders or revocation of these licences;
- 3) Receipt by the Bank of Russia of a notice from a specialised depository on violations of the management company which it has identified and which are grounds for revoking the licence of the management company;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)
- 4) Obstruction of an inspection carried out by the Bank of Russia with regard to the activities of a joint-stock investment fund, a management company, persons maintaining the register of investment unitholders, a special depository, or an agent for the issuance, redemption, and exchange of investment units;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5) Violation of the procedure and period for determining the net asset value of a joint-stock investment fund and/or unit investment fund and determining the estimated value of one investment unit and/or the net asset value of a joint-stock investment fund per share;

6) Violation by the management company of the requirements of this Federal Law on the suspension of issuance or simultaneous issuance, exchange, and redemption of investment units of a unit investment fund;

7) Absence of an agreement of the management company with the specialised depository and/or the person maintaining the register of investment unitholders;

8) Issuance by the management company of additional investment units of a closed-end unit investment fund in excess of the number of investment units that may be issued in accordance with the rules of trust management of that fund;

9) Actions performed by the management company that threaten the rights and legitimate interests of investment unitholders.

(Subclause 9 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

3. A ban on all or part of the operations of the management company, specialised depository, agent for the issuance, redemption, and exchange of investment units, or person maintaining the register of investment unitholders may be imposed until the elimination of the violation or until the termination of the circumstances that gave rise to the grounds for ordering the ban in question. This ban may be imposed for a period not exceeding six (6) months. If prohibited operations are necessary for conducting other operations, the latter shall also be prohibited.

4. An order on the ban of all or part of the operations shall be issued by the Bank of Russia in accordance with the procedure established by Bank of Russia regulations and sent to the entity subject to the ban on operations by registered mail with return receipt requested and by facsimile (electronic message). The information on such order shall be disclosed on the official website of the Bank of Russia no later than the next working day following its issuance.

(Clause 4 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 61.2. Revocation of a Licence

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The following violations shall give rise to the grounds for revocation of the licence of a joint-stock investment fund, a management company, or a specialised depository:

1) Failure to comply with an order of the Bank of Russia to eliminate violations of requirements of federal laws or regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations, when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository, if such violation resulted in a ban on all or part of operations;

(Subclause 1 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) Repeated failure to comply with orders of the Bank of Russia during a year when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository, except for orders on a ban of all or part of operations;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3) Single failure to comply with an order of the Bank of Russia on a ban on all or part of operations;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4) Repeated violation during the year of terms for submitting reports established by federal laws, regulatory legal acts of the Russian Federation, and Bank of Russia regulations adopted in accordance with them by more than fifteen (15) working days when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5) A single violation by more than fifteen (15) working days of terms for providing the Bank of Russia, federal executive authorities, and the Pension Fund of the Russian Federation with notifications that are subject to mandatory provision in accordance with federal laws and regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations, when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository as well as the repeated failure to perform this obligation during the year;
(Subclause 5, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6) Repeated violation during the year of the requirements for distribution, provision, or disclosure of information stipulated by federal laws and regulatory legal acts of the Russian Federation, including Bank of Russia regulations, when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7) Termination of management of the current activities of the licensee (decision on suspension or early termination of the powers of the sole executive body without a simultaneous decision on the establishment of an interim sole executive body or a new sole executive body, or the absence of the person exercising the functions of the sole executive body for more than one (1) month without assigning its powers to another person complying with the requirements for the person exercising the functions of the sole executive body), except in the event of termination of the management of current activities of a specialised depository, if the activities of the latter are carried out by a separate structural unit;

8) Repeated improper performance during the year by a specialised depository of its obligations to exercise control when engaging in activities under the licence of a specialised depository;

9) Repeated violation during the year by a specialised depository of the procedure for maintaining the register of investment unitholders as well as a single violation of the procedure for recording of rights in transactions with investment units with restricted circulation;

10) Revocation of the licence for depository activities of a specialised depository;

11) Violation by a joint-stock investment fund of the requirements of paragraph 3 of Clause 1 of Article 2, Clause 1 of Article 4, and Article 6 of this Federal Law;

12) A single failure of the management company to perform its obligation to transfer the property held by it in trust management under the licence of the management company to the specialised depository for accounting and/or custody, if such transfer is stipulated by federal laws;

13) Violation of the requirements of Clauses 1 and 3 of Article 40 of this Federal Law;

14) Inclusion in a joint-stock or a closed-end unit investment fund of property that was transferred to pay for investment units and does not meet the requirements for the assets of a unit investment fund established by this Federal Law and Bank of Russia regulations adopted in accordance with it as well as giving consent to a specialised depository for inclusion of that property into the fund;
(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

15) Performance of a transaction which violated the requirements for the composition of assets

established by federal laws and the regulatory legal acts of the Russian Federation adopted in accordance with them, including Bank of Russia regulations, when engaging in activities under the licence of a joint-stock investment fund, a management company, or a specialised depository as well as obtaining consent of a specialised depository for such a transaction;
(Subclause 15, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

16) Repeated issuance of investment units with restricted circulation to non-qualified investors during the year;

17) Repeated violation during the course of one year of the requirements of the Federal Law 'On Countering the Misuse of Insider Information and Market Manipulation and Amending Certain Laws of the Russian Federation' and regulatory legal acts and Bank of Russia regulations adopted in accordance with it. In this case, the decision to revoke the licence in question shall be adopted with due regard for the considerations established by that Federal Law;
(Subclause 17 introduced by Federal Law No. 224-FZ, dated 27 July 2010; as amended by Federal Law No. 251-FZ, dated 23 July 2013)

18) Absence of the licensee at its location;
(Subclause 18 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

19) Repeated violation over the course of one year by a management company or specialised depository of the requirements for activities (operations) which in accordance with the requirements of federal laws may be conducted (performed) only under a licence of a management company or a licence of a specialised depository;
(Subclause 19 introduced by Federal Law No. 145-FZ, dated 28 July 2012)

20) Failure of a management company or a specialised depository to comply with an order of the Bank of Russia to reimburse the trustor for actual damages, if the order was not challenged in an arbitration court.
(Subclause 20 introduced by Federal Law No. 145-FZ, dated 28 July 2012, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. Failure of the licensee to perform the licenced activity for more than one year and a half, a written statement of the licensee surrendering the licence or recognition of the licensee as bankrupt and the opening of bankruptcy proceedings shall also be grounds for revoking the licence in question.
(Clause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2.1. The Bank of Russia may revoke a licence for the breach of the requirements for mandatory membership in a self-regulatory organisation in the field of financial markets, as established by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market'.
(Clause 2.1 introduced by Federal Law No. 292-FZ, dated 3 July 2016)

3. The decision to revoke the licence shall be made by the Bank of Russia in accordance with the procedure established by a Bank of Russia regulation. The decision to revoke a licence shall indicate the grounds for its revocation.
(Clause 9 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4. The decision to revoke the licence of a management company or the licence of a specialised depository based on the application of the management company or specialised depository, respectively, to surrender the licence shall be adopted only if the licensee has no obligations under agreements concluded when engaging in activities under the licence in question. An application to surrender a licence will not deprive the Bank of Russia of its right to revoke the licence on other grounds stipulated by this Federal Law.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. An application to surrender the licence of a management company or the licence of a

specialised depository shall be accompanied by documents confirming compliance with the terms stipulated by Clause 4 of this article, and the application to surrender the licence of a joint-stock investment fund shall be accompanied by documents confirming compliance with the terms stipulated by Clause 5 of Article 7 of this Federal Law. An exhaustive list of such documents shall be established by Bank of Russia regulations. The application to surrender the licence shall be signed by the person exercising the functions of the sole executive body of the licensee, thereby confirming the accuracy of the information contained in the documents submitted for surrender of the licence.
(as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 210-FZ, dated 29 June 2015)

6. The Bank of Russia shall verify the reliability of the information contained in the documents submitted for the surrender of a licence.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

7. A decision to revoke the licence based on the application of the licensee or to deny its revocation shall be adopted within thirty (30) working days following the receipt of that application.

8. The Bank of Russia shall notify the licensee of the revocation of the licence no later than the working day following the day of the decision on its revocation by registered mail with return receipt requested and by facsimile (electronic message). Information on the decision to revoke the licence shall be disclosed on the Bank of Russia website no later than the next working day following the day of the decision.
(Clause 8 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

9. In the case of revocation of the licence of a management company, the Bank of Russia shall, in accordance with the procedure and within the period established by Clause 8 of this article, notify the persons whose property is in trust management by that management company, except for investment unitholders of investment unit funds under the licence of the management company, as well as the specialised depositories exercising control over the disposal of that property, and, in the case of revocation the licence of the specialised depository, that notice shall be sent to all persons with whom that specialised depository concluded agreements under the licence of a specialised depository.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

10. In the case of revocation of the licence of a management company carrying out the trust management of a unit investment fund, the Bank of Russia shall, in accordance with the procedure and within the period established by Clause 8 of this article, send a certified copy of the decision to revoke the licence to the specialised depository of that unit investment fund.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

11. The validity of the licence shall be terminated from the date of the entry in the unified state register of legal entities on the liquidation of the licensee as a legal entity or the termination of its activities as a result of reorganisation, except for reorganisation in the form of transformation, or from the date of the decision of the Bank of Russia to revoke the licence.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

12. From the time when the management company learned or should have learned about revocation (termination) of its licence, that management company may not perform the management (trust management) of assets that was performed under that licence, except for actions stipulated by Clause 15 of this article.
(Clause 12 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

13. The joint-stock investment funds and management companies of unit investment funds to which the services of a specialised depository that has had its licence of a specialised depository revoked (terminated) were provided shall, within three (3) months from the date of revocation of that licence, take measures to transfer the assets to another specialised depository for their accounting and custody and to transfer the documents required for the activities of the new specialised depository.

(Clause 13 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

14. From the time when a specialised depository learned or should have learned about the revocation (termination) of its licence of a specialised depository, that specialised depository may not give its consent to the disposal of assets over whose disposal it exercises control.

(Clause 14 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

15. An organisation which has had its licence of a management company (licence of a specialised depository) revoked (terminated) shall:

1) Transfer the property held by it in accordance with the agreement concluded when engaging in activities under the licence in accordance with the instructions of the trustor in the case of revocation (termination) of the licence of management company (of the trustee, in the case of revocation (termination) of the licence of a specialised depository), unless otherwise stipulated by this Federal Law;

2) Within three (3) months from the date of revocation (termination) of the licence, exclude from its official name the words 'specialised depository,' 'joint-stock investment fund' ('investment fund'), or 'unit investment fund' in any combinations and submit copies of documents confirming the state registration of these changes to the constituent documents to the Bank of Russia. If the organisation violates that obligation, the Bank of Russia may ask the court to liquidate that organisation.

(Subclause 2 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(Clause 15 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

16. A joint-stock investment fund, management company, or specialised depository may appeal the decision of the Bank of Russia to revoke the licence, deny the revocation of the licence based on the application of the licensee, or avoid making a decision to revoke the licence based on the application of the licensee with the arbitration court.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 61.3. Liquidation of a Joint-Stock Investment Fund in Connection with the Revocation of the Licence

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. The revocation of the licence of a joint-stock investment fund shall lead to its liquidation, except for cases stipulated by this article.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. Within fifteen (15) working days from the date of the decision to revoke the licence of a joint-stock investment fund and, if it is appealed, from the effective date of the decision of the arbitration court on refusal to satisfy the stated appeal, the Bank of Russia shall ask the arbitration court to liquidate the joint-stock investment fund or, if at the date of revocation of that licence the joint-stock investment fund showed signs of insolvency (bankruptcy), to recognise such joint-stock investment fund as bankrupt.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The arbitration court shall adopt a decision to liquidate the joint-stock investment fund and appoint the liquidator of the joint-stock investment fund, unless there are signs of insolvency (bankruptcy) of the joint-stock investment fund. The liquidator of the joint-stock investment fund shall be appointed on the proposal of the Bank of Russia from among court-appointed receivers that meet the requirements of the legislation of the Russian Federation on insolvency (bankruptcy) to participate in the bankruptcy case of the professional participant of the securities market.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4. The person exercising the functions of the sole executive body as well as a member of the

collective executive body of that fund at the time when the joint-stock investment fund committed the violation that led to revocation of the licence of that fund may not be appointed the liquidator of the joint-stock investment fund.

5. The requirements of this article shall not apply in the case of revocation of the licence of a joint-stock investment fund based on its application to surrender the licence, in connection with its liquidation, and in connection with its accession to another joint-stock investment fund, or in case of its recognised bankruptcy and the initiation of bankruptcy proceedings.

(Clause 5 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 61.4. Appointment of Provisional Administration

(introduced by Federal Law No. 334-FZ, dated 6 December 2007)

1. In case of revocation (termination) of the management company licence of a management company or the specialised depository licence of a specialised depository, except in cases stipulated in Clause 2 of Article 61.2 of this Federal Law, the Bank of Russia shall appoint a provisional administration in these organisations, if:

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) The management company licence of a management company and the specialised depository licence of the specialised depository which has an agreement with that management company are revoked (terminated) simultaneously;

2) The management of current activities in the management company and the specialised depository stopped at the time of revocation (termination) of the licence in question

3) The organisation which has had its licence revoked (terminated) fails to perform the obligations stipulated in Subclause 1 of Clause 15 of Article 61.2 of this Federal Law.

(Clause 1 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

2. In its decision on the appointment of a provisional administration, the Bank of Russia shall approve the composition of the provisional administration. In the period of activities conducted by the provisional administration, the authorities of the executive bodies of the management company or specialised depository may be restricted or suspended by decision of the Bank of Russia on the appointment of a provisional administration.

(Clause 2 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. The provisional administration shall include the head of the provisional administration, their deputy (if necessary), and members of the provisional administration. An official of the Bank of Russia shall be appointed as the head (deputy) of the provisional administration.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4. The following persons may not be appointed to a provisional administration:

1) The person exercising the functions of the sole executive body, their deputy (deputies), members of the board of directors (supervisory board) and the collective executive body, the chief accountant (accountant), the head of the audit committee and members of the audit committee (internal auditors), the head and employees of the internal control service of the organisation that has had its licence revoked, and said officials of the parent and subsidiary companies of that organisation;

2) Persons who are creditors and/or debtors of the organisation that has had its licence revoked (terminated), including investment unitholders, as well as officials and employees of such creditors and/or debtors, except for officials and employees of a specialised depository that has an agreement with the management company to which a provisional administration is appointed;

(Subclause 2 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

3) Members of an organisation that has had its licence revoked (terminated) as well as their officials and employees.

(Subclause 3 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

5. The head of the provisional administration shall act on behalf of the management company without a power of attorney when performing any legal and actual actions necessary for terminating the unit investment fund (transfer of rights and obligations under the agreement of trust management of a closed-end unit investment fund) and/or for performing the obligations under Subclause 1 of Clause 15 of Article 61.2 of this Federal Law, including by:

1) Giving instructions to transfer money (securities) from transit accounts (transit depository accounts) as well as from bank accounts opened for settlements for the trust management of the assets of a joint-stock investment fund or the trust management of a unit investment fund or the trust management of other property under the licence of a management company;

2) Terminating the bank deposit agreements (deposits) concluded by the management company as a trustee of the assets of a joint-stock investment fund or a unit investment fund or other assets under the licence of a management company;

3) Making transactions with securities in the event of termination of a unit investment fund and in other cases if, in accordance with federal law or other regulatory legal acts of the Russian Federation or Bank of Russia regulations, the agreement of trust management provides for the transfer of cash funds only to the trustor or another person specified by trustor, as well as taking the necessary steps to perform these transactions;

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

4) Ensuring the maintenance of a register of investment unitholders, if a credit institution that has had its licence of a specialised depository revoked maintained that register.

6. In the case of the suspension of powers of the executive bodies of a specialised depository, the head of the provisional administration shall act on behalf of that organisation without a power of attorney when performing any legal and actual actions necessary for the transfer of property and documents which it had in its custody and/or for accounting to perform the obligations stipulated in Subclause 1 of Clause 15 of Article 61.2 of this Federal Law and shall also ensure the maintenance of the register of investment unitholders, if the specialised depository was maintaining that register. In the case of the suspension of powers of executive bodies of the specialised depository, the provisional administration may:

1) Receive and transfer certified securities, original copies of documents confirming the rights to real estate, and copies of all primary documents in respect of the property the disposal of which was controlled by that organisation under the licence of a specialised depository, in accordance with the instructions of the person with whom the agreement was concluded, to another specialised depository;

2) Exercise control over operations with securities the rights to which were recorded by that organisation under the licence of a specialised depository and, in the case of the revocation of the licence for depository activities of the specialised depository, carry out these operations.

7. The provisional administration shall receive the necessary information and documents in respect of the property, the trust management of which or control over the disposal of which was carried out by that organisation, from the employees of the organisation that has had its licence revoked (terminated) and other persons, take measures to ensure the safety of that property, and take other steps to secure the interests of trustors. The provisional administration shall obtain access to software and hardware that ensure the recording, processing, and storage of information with regard to the property specified in this clause, including the rights to securities, as well as access to that

information, and shall maintain the register of investment unitholders.
(Clause 7 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

8. If, when exercising the functions stipulated by this Federal Law, the provisional administration identifies signs of the insolvency (bankruptcy) of the organisation that has had its licence revoked (terminated), the Bank of Russia shall petition the arbitration court to recognise that organisation as bankrupt.

(as amended by Federal Laws No. 145-FZ, dated 28 July 2012, and No. 251-FZ, dated 23 July 2013)

9. A provisional administration shall not be appointed in a specialised depository which is a credit institution. In this case the credit institution that has had its licence of a specialised depository revoked (terminated) shall, at the request of the provisional administration of the management company, transfer the property and documents available to the credit institution in connection with its activities as a specialised depository to that management company as well as the register of investment unitholders and the documents related to the maintenance of the register, if the credit institution was maintaining that register.

(Clause 9 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

10. If during the period of its activity the provisional administration identifies grounds for applying measures to prevent the bankruptcy of the management company, the provisional administration shall petition the Bank of Russia for appointment of provisional administration to that management company in accordance with the Federal Law 'On Insolvency (Bankruptcy)'. Concurrently with the appointment of a provisional administration in accordance with the Federal Law 'On Insolvency (Bankruptcy)', the Bank of Russia shall adopt a decision on the termination of the activities of the provisional administration appointed on other grounds stipulated by this Federal Law.

(Clause 10 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Chapter XIV. FINAL PROVISIONS

Article 62. Enactment of this Federal Law

This Federal Law shall enter into force upon its official publication.

Article 63. Protecting the Interests of Shareholders of Joint-Stock Investment Funds and Investment Unitholders

1. The procedure established by this article for protecting the property rights of citizens shall apply until the entry into force of a federal law establishing the terms and procedure for payment of compensations to individuals for damages caused to them as a result of the non-performance or improper performance by joint-stock investment funds, management companies, specialised depositories, and persons maintaining the registers of owners of investment unitholders of their obligations under the law or agreement.

2. Damages to the extent of actual damage caused to individuals who are the shareholders of joint-stock investment funds and individuals who are investment unitholders shall be compensated out of the federal compensation fund (the 'compensation fund'), the establishment of which is stipulated by the legislation of the Russian Federation on the protection of rights and legitimate interests of investors in the securities market.

Compensations shall be paid to individuals who incurred pecuniary damages caused by joint-stock investment funds, management companies, specialised depositories of joint-stock investment funds and unit investment funds, or persons maintaining registers of investment unitholders that have appropriate licences (the 'debtors') as a result of their non-performance or improper performance of obligations, if the debtor has had its licence revoked and does not have sufficient property to compensate for the actual damage, in cases stipulated in Clause 3 of this article.

The compensation fund shall not pay compensation to holders of shares of joint-stock investment funds and investment units of investment unit funds restricted in circulation.
(Paragraph introduced by Federal Law No. 334-FZ, dated 6 December 2007)

3. Compensation shall be paid in the following cases:

If individuals are unable to obtain compensation under enforcement documents due to the inability to determine the address of the debtor or the location of the property of the debtor or to obtain information on the availability of money and other valuables owned by the debtor and held in accounts and in custody in banks or other credit institutions, or due to the fact that the debtor has no property or income which may be seized for enforced collection, and if all legal measures to locate the assets or income of the debtor taken by the bailiff (judicial executor) have been unsuccessful;

If the debtor fails to fulfil the order of the Bank of Russia on compensation of the damage caused to individuals in connection with the violation of the procedure for determining the estimated value of investment units in a timely manner;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

If the damage is caused by actions of employees of the debtor containing elements of a criminal offence;

Paragraph invalid since 1 September 2013. – Federal Law No. 251-FZ, dated 23 July 2013.

4. The sources of money for the compensation fund for payment of compensation in accordance with Clause 2 of this article shall be defined by the charter of the compensation fund in accordance with the legislation of the Russian Federation.

5. Prior to the payment of compensation, the fund shall publish a notice on the payment of compensation, the procedure for individuals who have the right to receive compensation to submit claims to compensation fund, and the period for submitting such claims, which may not be less than two (2) months following the publication of that notice.

The maximum amount and the procedure for payment of compensation shall be established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. The compensation fund shall acquire the full right of claim against the debtor from an individual who received compensation.

The compensation fund may represent individuals who have applied to the fund and protect their property interests in court and in enforcement proceedings, and file claims to protect the rights and legitimate interests of any number of individual investors.

The compensation fund shall notify the Bank of Russia on each case of offences committed by debtors against individual investors.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The compensation fund may petition the Bank of Russia to revoke the licences issued to the said persons, suspend the issuance, redemption, and exchange of investment units, and take other measures stipulated by this Federal Law.
(as amended by Federal Laws No. 334-FZ, dated 6 December 2007, and No. 251-FZ, dated 23 July 2013)

Article 63.1. Appealing Non-Regulatory Acts, Decisions, and Actions (Omissions) of the Bank of Russia
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

(introduced by Federal Law No. 51-FZ, dated 15 April 2006)

Joint-stock investment funds, management companies, and specialised depositories may appeal any non-regulatory acts, decisions, and actions (omissions) of the Bank of Russia related to the state regulation of the activities of these entities and the state control over their activities in the arbitration court in accordance with the procedure stipulated by the legislation of the Russian Federation.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Individuals whose qualification certificates in the area of the activities of management companies and specialised depositories have been cancelled may appeal the corresponding decision of the Bank of Russia in the arbitration court in accordance with the procedure stipulated by the legislation of the Russian Federation.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 64. Invalid since 1 September 2013. – Federal Law No. 251-FZ, dated 23 July 2013.

President
of the Russian Federation
V. PUTIN

Moscow, the Kremlin

29 November 2001

No. 156-FZ
