

**RUSSIAN FEDERATION**  
**FEDERAL LAW**  
**ON MICROFINANCE ACTIVITIES**  
**AND MICROFINANCE ORGANISATIONS**

Adopted by  
the State Duma  
on 18 June 2010

Approved by  
the Federation Council  
on 23 June 2010

List of amending documents  
(as amended by Federal Laws No. 169-FZ, dated 1 July 2011;  
No. 362-FZ, dated 30 November 2011; No. 134-FZ, dated 28 June 2013;  
No. 251-FZ, dated 23 July 2013; No. 363-FZ, dated 21 December 2013;  
No. 375-FZ, dated 21 December 2013; No. 189-FZ, dated 28 June 2014;  
No. 210-FZ, dated 29 June 2015; No. 231-FZ, dated 13 July 2015;  
No. 407-FZ, dated 29 December 2015; No. 230-FZ, dated 3 July 2016;  
No. 292-FZ, dated 3 July 2016; No. 92-FZ, dated 1 May 2017)

**Chapter 1. GENERAL PROVISIONS**

**Article 1. Scope of this Federal Law**

This Federal Law sets the legal framework for microfinance activities, defines the procedure for regulating and overseeing the activity of microfinance organisations, sets the amount, procedure, and conditions for the issuance of microloans, the procedure for acquiring the status of and conducting activity as microfinance organisations, as well as the rights and duties of the Central Bank of the Russian Federation (the Bank of Russia).

(as amended by Federal Laws No. 251-FZ, dated 23 July 2013; No. 407-FZ, dated 29 December 2015)

**Article 2. Terms and Definitions Used in This Federal Law**

1. For the purposes of this Federal Law the following basic terms and definitions shall be used:

1) Microfinance activity shall be the activity of legal entities which have the status of a microfinance organisation and the activity of other legal entities which are entitled to conduct microfinance activity in accordance with Article 3 hereof, with respect to the provision of microloans (microfinancing).

2) Microfinance organisation shall be a legal entity conducting microfinance activity, whose details have been entered in the state register of microfinance organisations in accordance with the procedure stipulated by this Federal Law. Microfinance organisations may conduct their activity as a microfinance company or a microcredit company.

(Clause 2 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

2.1) Microfinance company shall mean a type of microfinance organisation that conducts microfinance activities with due regard to the limitations established by Parts 1 and 2 of Article 12 hereof, satisfies the requirements of this Federal Law and Bank of Russia regulations, including equity (capital) requirements, and is entitled to raise funds from individuals to conduct such activities, including individuals that are not its founders (members, shareholders), with due regard to the limitations established by Clause 1, Part 2 of Article 12 hereof, and funds of legal entities.  
(Clause 2.1 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

2.2) Microcredit company shall mean a type of microfinance organisation that conducts microfinance activities with due regard to the limitations established by Parts 1 and 3 of Article 12 hereof and is entitled to raise funds from individuals that are its founders (participants, shareholders) and funds of legal entities to conduct such activities.  
(Clause 2.2 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

3) Microloan shall mean a loan granted by the lender to the borrower on terms and conditions stipulated by the loan agreement in an amount that does not exceed the limit amount of the borrower's liabilities to the lender under the principal, as established by this Federal Law.  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

4) Microloan agreement shall mean a loan agreement, the amount of which does not exceed the limit amount of the borrower's liabilities to the lender under the principal, as established by this Federal Law.  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

5) Invalid since 1 September 2013. – Federal Law No. 251-FZ, dated 23 July 2013.

2. The terms and definitions of civil and other branches of Russian legislation used in this Federal Law shall be used in the same meaning as in the said branches of Russian legislation.

### **Article 3. Legal framework of microfinance activities**

1. The legal framework of microfinance activities is determined by the Constitution of the Russian Federation, the Civil Code of the Russian Federation, this Federal Law, other federal laws, and regulations adopted in pursuance thereof.  
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. Microfinance organisations conduct microfinance activities in accordance with the procedure established by this Federal Law.

2.1. Microfinance organisations shall have the right to conduct professional activity for the provision of consumer loans in accordance with the procedure established by the Federal Law 'On Consumer Loans'.  
(Part 2.1 introduced by Federal Law No. 363-FZ, dated 21 December 2013)

3. Credit institutions, credit cooperatives, pawnshops, and other legal entities shall conduct microfinance activities in compliance with the Russian legislation governing the activities of such legal entities.  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

## **Chapter 2. TERMS AND CONDITIONS OF ACTIVITIES OF MICROFINANCE ORGANISATIONS**

### **Article 4. Maintenance of the state register of microfinance organisations**

1. The Bank of Russia shall enter the details of a legal entity in the state register of microfinance organisations, refuse to enter the details of a legal entity in the said register, and remove the details of a legal entity from the state register of microfinance organisations in compliance with this Federal Law.

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

2. The Bank of Russia sets the procedure for maintaining the state register of microfinance organisations.

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

3. The details of microfinance companies and microcredit companies shall be entered in the state register of microfinance organisations.

(Part 3 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

4. Invalid. – Federal Law No. 407-FZ, dated 29 December 2015.

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ConsultantPlus: note.

The presence of the organisation in the register can be checked on the website of the Central Bank of the Russian Federation at: [http://www.cbr.ru/finmarkets/?PrId=sv\\_micro](http://www.cbr.ru/finmarkets/?PrId=sv_micro).

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5. Information contained in the state register of microfinance organisations is open and publicly available.

6. A state duty shall be charged for entering information in the state register of microfinance organisations in accordance with the Russian legislation on taxes and duties.

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ConsultantPlus: note.

From 28 January 2018 the title of Article 4.1 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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#### **Article 4.1. Requirements for the management bodies of a microfinance organisation**

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

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ConsultantPlus: note.

From 28 January 2018 Paragraph 1 of Part 1 of Article 4.1 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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1. The following persons cannot be members of the board of directors (supervisory board), members of a collective executive body, or the sole executive body of a microfinance organisation:

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ConsultantPlus: note.

From 28 January 2018 Clause 1 of Part 1 of Article 4.1 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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1) Persons who acted as the sole executive body of financial institutions at the time such institutions committed violations which led to the cancellation (revocation) of licences for the relevant types of activities or violations which led to the suspension of licences, and the said licences were cancelled (revoked) as a result of a failure to eliminate these violations, if less than three (3) years have passed from the date of such cancellation (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 non-governmental pension fund, a specialised depository of an investment or unit investment fund or 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 outstanding conviction for economic crimes or crimes against the public order.

2. A current member of the board of directors (supervisory board), under the circumstances specified in Clauses 1–3 of Part 1 of this Article, shall be deemed dismissed from the effective date of the respective resolution of an authorised body or court.

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ConsultantPlus: note.

From 28 January 2018 this document will be supplemented with a new Article 4.1-1 in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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ConsultantPlus: note.

From 28 January 2018 the title of Article 4.2 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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#### **Article 4.2. Requirements for founders (participants) of a microfinance organisation**

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

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ConsultantPlus: note.

From 28 January 2018 Part 1 of Article 4.2 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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1. An individual who has an unexpunged or outstanding conviction for economic crimes or crimes against the public order cannot, directly or indirectly (via controlled entities), independently or together with other entities connected with them via trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a shareholder agreement and (or) other agreement, the subject of which is the exercise of the rights attached to the shares (stock) of a microfinance organisation, receive the right to dispose of ten (10) or more per cent of votes granted by the voting shares (stock) that form the authorised capital of a microfinance organisation.

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ConsultantPlus: note.

From 28 January 2018 Part 2 of Article 4.2 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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2. A person who, directly or indirectly (via controlled entities), independently or together with other persons connected with them by trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a shareholder agreement and (or) another agreement, the subject of which is the exercise of the rights confirmed by shares (stock) of a microfinance organisation, acquired the right to dispose of ten (10) or more per cent of votes out of the voting shares (stock) that form the authorised capital of a microfinance organisation, shall send a notice to the microfinance organisation and to the Bank of Russia in the manner and within the time frames established by Bank of Russia regulations.

(as amended by Federal Law No. 375-FZ, dated 21 December 2013)

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ConsultantPlus: note.

From 28 January 2018 Part 3 of Article 4.2 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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3. In implementing its supervisory functions in accordance with the established procedure, the Bank of Russia can request and receive information on persons who, directly or indirectly (via controlled persons), independently or together with other persons connected with them by trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a shareholder agreement and (or) other agreements, the subject of which is the exercise of the rights attached to shares (stock) of

a microfinance organisation, dispose of ten (10) or more per cent of votes out of the voting shares (stock) that form the authorised capital of a microfinance organisation.  
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

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ConsultantPlus: note.

From 28 January 2018 Part 4 of Article 4.2 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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4. If the notice stipulated by Part 2 of this Article is not received by the microfinance organisation, or it follows from this notice that the person who, independently or together with other persons connected with them by trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a shareholder agreement and (or) other agreements, the subject matter of which is the exercise of rights certified by shares (stock) of the microfinance organisation, has the right to dispose of ten (10) or more per cent of votes out of the voting shares (stock) that form the authorised capital of the microfinance organisation, does not meet the requirements established by Part 1 of this Article, this person may dispose of a quantity of votes not exceeding 10 per cent of the votes attached to the voting shares (stock) constituting the authorised capital of the microfinance organisation. Other shares (stock) held by this person shall not be taken into account when determining the quorum for the general meeting of shareholders (participants) of the microfinance organisation.

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ConsultantPlus: note.

From 28 January 2018 this document shall be supplemented with new Articles 4.3–4.4 in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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## **Article 5. Acquiring the status of a microfinance organisation**

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1. A legal entity shall acquire the rights and duties of a microfinance company or a microcredit company, as provided for by this Federal Law, from the day it acquires the status of a microfinance organisation.

2. A legal entity shall acquire the status of a microfinance organisation from the day its details are entered in the state register of microfinance organisations and shall lose the status of a microfinance organisation from the day its details are removed from this register.

3. A legal entity registered as a fund, an autonomous non-profit organisation, a business entity, or a partnership can acquire the status of a microfinance organisation. The details of the legal entity shall be entered in the state register of microfinance organisations after its state registration as a legal entity.

4. The details of the legal entity that meets the requirements established by this Federal Law for microfinance companies or microcredit companies shall be entered in the state register of microfinance organisations within thirty (30) business days after the legal entity (the 'applicant') submits the following documents and data to the Bank of Russia:

1) An application for entering the details of a legal entity in the state register of microfinance organisation signed by the head of the legal entity or a duly authorised person, including their full name (including patronymic, if applicable), place of residence, and contact telephone numbers in the format established by the Bank of Russia regulation;

2) Copies of the founding documents of the legal entity;

3) A copy of the decision on the incorporation of the legal entity;

4) Address (location) of the permanent executive body of the legal entity, using which the legal entity may be contacted;

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ConsultantPlus: note.

From 28 January 2018 Clause 5 of Part 4 of Article 5 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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5) A copy of the decision on the election (appointment) of the management bodies of a legal entity as of the day the documents are submitted to the Bank of Russia;

6) Details of the founders (participants, shareholders) of a legal entity in the format established by the Bank of Russia regulation;

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ConsultantPlus: note.

From 28 January 2018 Clause 7 of Part 4 of Article 5 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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7) An original certificate of the conviction records (if any) of members of the board of directors (supervisory board), members of the collective executive body, sole executive body of a legal entity, or founders (participants, shareholders) entitled to dispose of ten (10) or more per cent of votes granted under the voting shares (stock) that form the authorised capital of a legal entity issued by the relevant state body no later than three (3) months before the date of its presentation;

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ConsultantPlus: note.

From 28 January 2018 Part 4 of Article 5 will be supplemented with a new Clause 7.1 in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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8) An extract from the register of foreign legal entities of the respective home country or another document of equal legal force, which confirms the legal status of a founder (participant, shareholder) that is a foreign legal entity (for legal entities with foreign founders (participants, shareholders));

9) A document confirming payment of the state duty for entering the legal entity's details in the state register of microfinance organisations;

10) Internal control regulations developed for the purpose of countering the legalisation (laundering) of proceeds from crime and the financing of terrorism 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' (the 'internal control regulations for countering money laundering and the financing of terrorism');

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ConsultantPlus: note.

From 28 January 2018 Clause 11 of Part 4 of Article 5 will be invalidated in pursuance of Federal Law No. 281-FZ, dated 29 July 2017.

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11) A copy of the document on the appointment of a special official in charge of implementing the internal control regulations for countering money laundering and the financing of terrorism.

5. For the purpose of obtaining the status of a microfinance organisation, a legal entity shall submit—along with the documents and information established by Part 4 of this Article—the documents and information in the format and manner established by the Bank of Russia regulation, which confirm the existence of equity capital in the amount established by Part 7 of this Article and the sources of the funds contributed by founders (participants, shareholders).

6. The Bank of Russia, when considering an application for entering a legal entity's details in the state register of microfinance organisations, shall have the right to request information on the state registration of the applicant as a legal entity from the federal executive body performing the state registration of legal entities, individuals as individual entrepreneurs, and peasant households (farms).

7. The minimum equity capital of a microfinance organisation shall be 70 million rubles.

8. A microcredit company whose details are included in the state register of microfinance organisations shall have the right to file an application to change the type of a microfinance organisation and to conduct activities as a microfinance company in the format established by the Bank of Russia regulation, along with the presentation of the necessary documents and information as per Part 5 of this Article, for the purpose of introducing respective amendments to the state register of microfinance organisations.

9. A microfinance organisation whose details are included in the state register of microfinance organisations shall have the right to file an application to change the type of a microfinance organisation and to conduct activities as a microcredit company in the format established by the Bank of Russia regulation for the purpose of introducing respective amendments to the state register of microfinance organisations and shall attach documents and information certifying that this microfinance company has no liabilities under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders).

10. The constituent documents of a non-profit organisation that are submitted to the Bank of Russia in accordance with this Article shall contain, at the moment of their presentation and during the period of activity of the non-profit organisation as a microfinance organisation, a provision stating that microfinance activities are one of the types of activities conducted by the non-profit organisation as well as information that the proceeds earned from microfinance activities shall be allocated by the non-profit organisation for conducting and supporting microfinancing, inter alia, for the repayment of credits and (or) loans and interest on them received by the microfinance organisation, for social needs or for charity, cultural, educational, or research purposes.

11. The documents of foreign legal entities submitted in accordance with this Article shall be submitted in the state (official) language of the corresponding foreign state and Russian translation, and certified in accordance with the established procedure.

12. The Bank of Russia shall enter the legal entity's details in the state register of microfinance organisations within no more than five business days after the Bank of Russia makes a respective decision and shall send the applicant a certificate of entry of the legal entity's details in the state register of microfinance organisations to the address of the legal entity provided in the unified state register of legal entities or in another manner, as established by the Bank of Russia regulation, upon receiving a corresponding request from the legal entity.

13. The form of the certificate of entry of the legal entity's details in the state register of microfinance organisations shall be approved by the Bank of Russia.

14. The certificate of entry of the legal entity's details in the state register of microfinance organisations shall be re-issued in accordance with the procedure established by the Bank of Russia regulation in the event of any changes in the data specified in this certificate.

15. No legal entity in the Russian Federation, except for legal entities whose details have been included in the state register of microfinance organisations and legal entities established for the purpose of conducting microfinance activities and acquiring the status of a microfinance organisation, shall use in its name the word combination 'microfinance company' or 'microcredit company' or otherwise indicate that this legal entity is entitled to conduct microfinance activities, as provided for by this Federal Law. A legal entity established for the purpose of conducting microfinance activities and acquiring the status of a microfinance organisation may use in its name the word combination 'microfinance company' or 'microcredit company' within ninety (90) calendar days from the day of its state registration as a legal entity. If the legal entity whose name contains the word combination 'microfinance company' or 'microcredit company' loses its status as a microfinance organisation, this legal entity shall exclude the word combination 'microfinance company' or 'microcredit company' from its name within thirty (30) business days from the day the details of this legal entity have been removed from the state register of microfinance organisations. No legal entity in the Russian Federation is entitled to use in its name the word combination 'microfinance organisation' or the combination of letters 'MFO.'

16. The name of a microfinance company shall contain the word combination 'microfinance company' and a reference to its form of incorporation. The name of a microcredit company shall contain the word combination 'microcredit company' and a reference to its form of incorporation.

17. A legal entity whose details have been included in the state register of microfinance organisations shall inform the Bank of Russia of changes to the address (location) of its permanent executive body within thirty (30) calendar days after such changes take place as well as of amendments introduced to its constituent documents within thirty (30) calendar days from the day of state registration of such amendments in accordance with the established procedure.

#### **Article 6. Denial of entry of the legal entity's details in the state register of microfinance organisations**

1. The entry of the legal entity's details in the state register of microfinance organisations may be denied on the following grounds:

1) Non-conformance of the documents submitted to the Bank of Russia for the entry in the state register of microfinance organisations to the requirements of this Federal Law or regulatory legal acts and Bank of Russia regulations adopted in pursuance hereof;  
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2) The submission of an incomplete set of the documents stipulated by this Federal Law and required for entry in the state register of microfinance organisations or documents bearing inadequate information;

3) The exclusion of the details of this legal entity from the state register of microfinance organisations on grounds stipulated by Parts 1.1 and 1.3 of Article 7 hereof within one year preceding the submission of an application for entering the legal entity's details in the state register of microfinance organisations;  
(as amended by Federal Laws No. 375-FZ, dated 21 December 2013; No. 407-FZ, dated 29 December 2015)

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ConsultantPlus: note.

From 28 January 2018 Clause 4 of Part 1 of Article 6 shall be revised in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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4) Non-conformance of the management bodies and founders (participants) of the legal entity to the requirements of this Federal Law;  
(Clause 4 introduced by Federal Law No. 134-FZ, dated 28 June 2013)

5) The presence of the full and/or abbreviated name of the microfinance organisation in the state register of microfinance organisations, including its full or abbreviated commercial name that coincides with the full and (or) abbreviated name, including the full or abbreviated commercial name, of a legal entity that has filed an application for entering the legal entity's details in the said register, or a confusingly similar name, provided that the respective details of the microfinance organisation were entered in the state register of microfinance organisations prior to the details of the legal entity that filed the application.  
(Clause 5 introduced by Federal Law No. 375-FZ, dated 21 December 2013)

1.1. Apart from the grounds specified in Part 1 of this Article, the entry of details in the state register of microfinance organisations about the legal entity as a microfinance company shall be denied upon the failure by this legal entity to comply with the requirements regarding equity capital, as established by this Federal Law and Bank of Russia regulations. The entry of details in the state register of microfinance organisations of a legal entity aiming to conduct activities as a microcredit company cannot be denied in the event that the details of this legal entity as a microfinance company were removed from the state register of microfinance organisations on grounds specified in Part 1.3 of Article 7 hereof.



ConsultantPlus: note.

From 28 January 2018 Part 2 of Article 6 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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2. A decision to deny the entry of the legal entity's details in the state register of microfinance organisations shall contain a reasoned justification for that denial and the causes that served as grounds for such denial. A decision to deny the entry of the legal entity's details in the state register of microfinance organisations shall be communicated to the applicant in writing within no more than fourteen business days after the Bank of Russia receives the documents specified in Part 4 of Article 5 hereof.

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

3. A denial of the entry of the legal entity's details in the state register of microfinance organisations or the failure of the Bank of Russia to make the necessary decision within the prescribed time may be appealed in court.

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

4. A denial of the entry of the legal entity's details in the state register of microfinance organisations shall not impede the repeated filing of an application for entering the legal entity's details in the state register of microfinance organisations. The repeated filing of such an application and the decision on it shall be carried out in accordance with the procedure established by this Federal Law.

#### **Article 7. Removal of a legal entity's details from the state register of microfinance organisations**

1. The Bank of Russia shall remove the legal entity's details from the state register of microfinance organisations in the following cases:

1) Upon the liquidation of the microfinance organisation as a legal entity;

2) Upon the acquisition by the microfinance company of the status of a basic licence-holder bank or of a non-bank credit institution;

3) Upon receiving an application from the microfinance organisation, as specified in Part 1.4 of this Article.

(Part 1 as amended by Federal Law No. 92-FZ, dated 1 May 2017)

1.1. The legal entity's details may be removed from the state register of microfinance organisations by the Bank of Russia based on its decision in the following cases:

(as amended by Federal Law No. 292-FZ, dated 3 July 2016)

1) If the microfinance organisation repeatedly violates during one year the requirements of this Federal Law, Federal Law No. 353-FZ, dated 21 December 2013, 'On Consumer Loans,' and Bank of Russia regulations, except for the violations stipulated by Clause 2 of this Part.

2) If the microfinance organisation conducts activities prohibited by this Federal Law.

3) If the microfinance organisation repeatedly violates during one year the requirements established by Article 6, Article 7 (except for Clause 3) and Article 7.3 of Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism'.

4) If the microfinance organisation repeatedly provides substantially inaccurate reporting data during one year.

5) If the microfinance organisation fails to provide any microloans during the year.

6) If the microfinance organisation violates the requirement of obligatory membership in a self-regulatory organisation in the field of financial markets, which unites microfinance organisations (the 'self-regulatory organisation in the financial market'), as established by this Federal Law and Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-Regulatory Organisations in the Financial Market'.  
(Clause 6 introduced by Federal Law No. 292-FZ, dated 3 July 2016)  
(Part 1.1 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1.2. The procedure for the identification and materiality criteria of inaccurate reporting data shall be established by the Bank of Russia regulation.  
(Part 1.2 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

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ConsultantPlus: note.

From 28 January 2018 Part 1.3 of Article 7 shall be amended in pursuance of Federal Law No. 281-FZ, dated 29 July 2017. See the text in the future version.

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1.3. Apart from the cases stipulated in Part 1.1 of this Article, the Bank of Russia may remove the details of the legal entity as a microfinance company from the state register of microfinance organisations based on the Bank of Russia's decision in the event of the repeated reduction of the equity capital of the microfinance company below the minimum value established by this Federal Law within one year, or if the equity capital of the microfinance company has been lower than such minimum value for no less than one hundred and eighty calendar days.  
(Part 1.3 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1.4. The Bank of Russia shall remove the legal entity's details from the state register of microfinance organisations in the event that the microfinance organisation files a corresponding application in the manner established by the Bank of Russia regulation. Upon receipt by the Bank of Russia of an application from a microfinance organisation to remove its details from the state register of microfinance organisations, the Bank of Russia shall take a decision on the removal of the legal entity's details from the state register of microfinance organisations within forty-five calendar days following the receipt of the corresponding application from the microfinance organisation. Along with the application of the microfinance company to remove its details from the state register of microfinance organisations, the microfinance company shall also submit to the Bank of Russia documents and information certifying the obligations (if any) of this microfinance company under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders).  
(Part 1.4 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1.5. As soon as the microfinance company sends the Bank of Russia an application to remove its details from the state register of microfinance organisations, and until the Bank of Russia takes a decision on this application, the microfinance company cannot raise funds from individuals, including individual entrepreneurs who are not its founders (participants, shareholders), or from legal entities that are not credit institutions.  
(Part 1.5 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1.6. The Bank of Russia shall deny the removal of the legal entity's details from the state register of microfinance organisations in accordance with Paragraph 1 of this Part in the following cases:

1) If there are grounds for removing the details of a microcredit company from the state register of microfinance organisations, as provided for by Part 1.1 of this Article.

2) If the microfinance company has liabilities under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders).

3) If there are grounds for removing the details of the microfinance company from the state register of microfinance organisations, as provided for by Part 1.1 and (or) 1.3 of this Article.  
(Part 1.6 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1.7. Within fifteen business days after the details of the microfinance company have been

removed from the state register of microfinance organisations in cases stipulated by Parts 1.1 and (or) 1.3 of this Article, such legal entity shall submit to the Bank of Russia documents and information certifying the liabilities of this legal entity (if any) under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders).  
(Part 1.7 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1.8. If the microfinance company has liabilities under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders), at the time when the details of this microfinance company are removed from the state register of microfinance organisations in cases stipulated by Parts 1.1 and (or) 1.3 of this Article and upon its failure to provide documents and information certifying the liabilities or absence thereof of this legal entity under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders), in accordance with the procedure established by Part 1.7 of this Article, such legal entity shall be liquidated in accordance with the requirements of Article 7.1 hereof and, if it is declared bankrupt, in accordance with the requirements of Federal Law No. 127-FZ dated 26 October 2002 'On Insolvency (Bankruptcy)'.  
(Part 1.8 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1.9. Upon the occurrence of grounds for taking measures to prevent the bankruptcy of a microfinance organisation, from the moment when the Bank of Russia receives the plan for the recovery of its payment solvency subject to its compliance with the requirements of Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)' and Bank of Russia regulations and until the measures specified in the solvency recovery plan are complete, the Bank of Russia shall be entitled not to apply corrective actions against the microfinance organisation for the breach of economic standards established by this Federal Law and Bank of Russia regulations.  
(Part 1.9 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1.10. From the date when documents have been submitted to the Bank of Russia for the acquisition of the status of a basic licence-holder bank or of a non-bank credit institution and until the Bank of Russia takes a decision on the state registration of amendments introduced to the charter of the microfinance company for the purpose of acquiring the respective status, the microfinance company shall not be entitled to raise funds from individuals, including individual entrepreneurs who are not its founders (participants, shareholders).  
(Part 1.10 introduced by Federal Law No. 92-FZ, dated 1 May 2017)

1.11. The right to attract funds from individuals in deposits may be granted to a microfinance company that has acquired the status of a basic licence-holder bank no earlier than two years from the date of the state registration of amendments introduced to the charter of the microfinance company in connection with its acquisition of the status of a basic licence-holder bank in accordance with the procedure established by the Bank of Russia.  
(Part 1.11 introduced by Federal Law No. 92-FZ, dated 1 May 2017)

1.12. A microfinance company that changed its status to the status of a basic licence-holder bank, within the framework of executing agreements concluded before its status was changed, shall have the right to continue settling transactions that are not permitted for a basic licence-holder bank. Such transactions may be settled until the said agreements expire, but only for a period not exceeding five years from the date when the status of the microfinance company was changed, except for loan agreements concluded before the date when its status was changed.  
(Part 1.12 introduced by Federal Law No. 92-FZ, dated 1 May 2017)

1.13. A microfinance company that changed its status to the status of a basic licence-holder bank shall have the right to continue settling transactions for the purpose of executing loan agreements concluded before its status was changed until the initial effective period of such agreements expires. In respect of the agreements specified in this part, the initial price (amount of the financial obligation) and the effective period of such agreements shall not be changed.  
(Part 1.13 introduced by Federal Law No. 92-FZ, dated 1 May 2017)

2. The removal of the legal entity's details from the state register of microfinance organisations on any grounds, except the grounds specified in Parts 1, 1.1, 1.3, and 1.4 of this Article, is not permitted. (as amended by Federal Laws No. 375-FZ, dated 21 December 2013; No. 407-FZ, dated 29 December 2015)

2.1. Information on the removal of the legal entity from the state register of microfinance organisations shall be displayed in customer service locations and on the official website of the legal entity removed from the state register of microfinance organisations as well as in the Internet. (Part 2.1 introduced by Federal Law No. 375-FZ, dated 21 December 2013)

3. The removal of the legal entity's details from the state register of microfinance organisations may be appealed in court.

4. The legal entity shall be deemed removed from the state register of microfinance organisations from the day the Bank of Russia decides to remove the legal entity's details from the state register of microfinance organisations. (Part 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

5. If the legal entity's details are removed from the state register of microfinance organisations on the grounds specified in Parts 1.1, 1.3, or 1.4 of this Article, all microloan agreements previously concluded by this legal entity shall remain in force. (as amended by Federal Laws No. 375-FZ, dated 21 December 2013; No. 407-FZ, dated 29 December 2015)

6. If the legal entity loses the status of a microfinance organisation, this legal entity shall send the Bank of Russia, within the period of time established by the latter, the certificate of entry of the legal entity's details in the state register of microfinance organisations in accordance with the procedure for the maintenance of the state register of microfinance organisations. (Part 6 introduced by Federal Law No. 375-FZ, dated 21 December 2013)

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ConsultantPlus: note.

The provisions of Article 7.1 (as amended by Federal Law No. 407-FZ, dated 29 December 2015) shall be applied by commercial courts in their review of cases of the bankruptcy and forced liquidation of microfinance organisations as well as legal entities whose details have been removed from the state register of microfinance organisations in accordance with the provisions of Part 4 of Article 5 of the said law, the proceedings of which were initiated after 29 March 2016.

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**Article 7.1. Liquidation of a legal entity operating as a microfinance company at the initiative of the Bank of Russia (forced liquidation)**

(introduced by Federal Law No. 407-FZ, dated 29 December 2015)

1. Within fifteen business days following the receipt by the Bank of Russia of documents and information certifying the liabilities of a legal entity conducting activity as a microfinance company, whose details have been removed from the state register of microfinance organisations, in the cases specified in Parts 1.1 and (or) 1.3 of Article 7 hereof, under loan agreements to individuals, including individual entrepreneurs who are not its founders (participants, shareholders) or upon the failure by the said legal entity to submit such documents and information to the Bank of Russia in accordance with the procedure established by Part 1.7 of Article 7 hereof, the Bank of Russia shall file an application for the liquidation of the legal entity conducting activity as a microfinance company (the 'Bank of Russia application for the forced liquidation of a microfinance company') to a commercial court, unless as of the day its details are removed from the state register of microfinance organisations the microfinance company shows signs of insolvency (bankruptcy), as provided for by Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)'.

2. If as of the day of the removal of the details of the legal entity specified in Part 1 of this Article

from the state register of microfinance organisations this legal entity shows signs of insolvency (bankruptcy), as provided for by Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)', the Bank of Russia shall file an application with a commercial court to declare this legal entity insolvent (bankrupt) in accordance with the procedure established by Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)'.

3. The commercial court shall review the Bank of Russia's application for the forced liquidation of the microfinance company in accordance with the rules established by the Commercial Procedure Code of the Russian Federation and with due regard to the specific aspects established by this Federal Law. The Bank of Russia's application for the forced liquidation of the microfinance company shall be reviewed by the commercial court within a time period not exceeding one month from the day such application is filed.

4. The commercial court shall render a decision to liquidate the legal entity conducting activity as a microfinance company and to appoint a liquidator of this legal entity, unless the signs of insolvency (bankruptcy) of the microfinance company are discovered as of the day its details are removed from the state register of microfinance organisations. The review of a Bank of Russia application for the forced liquidation of a microfinance company requires no preliminary court session, as provided for by the Commercial Procedure Code of the Russian Federation.

5. The commercial court shall send its decision on the liquidation of the legal entity conducting activity as a microfinance company to the Bank of Russia and to the relevant registration authority, which shall record in the unified state register of legal entities that the said legal entity is in the process of liquidation.

## **Article 7.2. Self-regulatory organisations in the financial market**

(introduced by Federal Law No. 292-FZ, dated 3 July 2016)

1. Microfinance organisations shall join self-regulatory organisations in the financial market in accordance with the procedure 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 pursuance thereof within ninety days following the day of occurrence of one of the following events:

1) A non-commercial organisation obtains the status of a self-regulatory organisation in the financial market in the absence of a self-regulatory organisation in the financial market before the said day (for microfinance organisations whose details were entered in the state register of microfinance organisations as of the day when the non-profit organisation acquired the status of a self-regulatory organisation in the financial market).

2) The termination of their membership in a self-regulatory organisation in the financial market (given the existence of a self-regulatory organisation in the financial market).

3) The entry of the legal entity's details in the state register of microfinance organisations (given the existence of a self-regulatory organisation in the financial market).

2. Relations arising in connection with the acquisition or termination of the status of a self-regulatory organisation in the financial market and with its exercise of rights and duties shall be governed by this Federal Law, Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-Regulatory Organisations in the Financial Market', and by Bank of Russia regulations adopted in pursuance thereof.

3. A self-regulatory organisation in the financial market shall take measures, as provided by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-Regulatory Organisations in the Financial Market', for the failure by microcredit companies to comply with the requirements established by this Federal Law and regulatory legal acts of the Russian Federation and Bank of Russia regulations adopted in pursuance hereof. The measures (including the amounts of fines) taken by the self-regulatory organisation in the financial market for failures to comply with the requirements established by this

Federal Law and by Bank of Russia regulations adopted in pursuance hereof and established by the internal standard of the self-regulatory organisation in the financial market shall comply with the requirements established by the Bank of Russia regulation.

4. A self-regulatory organisation in the financial market shall exercise control over the compliance by member microfinance organisations of this self-regulatory organisation with the requirements of this Federal Law and regulatory legal acts of the Russian Federation and Bank of Russia regulations adopted in pursuance hereof.

5. The Bank of Russia shall not monitor compliance by the microcredit companies with the requirements of this Federal Law and (or) regulatory legal acts of the Russian Federation and Bank of Russia regulations adopted in pursuance hereof, except for the following cases:

1) If the microcredit company is not a member of a self-regulatory organisation in the financial market.

2) If there is information on a possible breach by the microcredit company of this Federal law and (or) regulatory legal acts of the Russian Federation and Bank of Russia regulations adopted in pursuance hereof or upon the occurrence of the need to audit the microcredit company by the Bank of Russia in connection with the audit of the activity of the self-regulatory organisation in the financial market such microcredit company is a member of.

### **Chapter 3. PROCEDURE FOR CONDUCTING ACTIVITIES OF MICROFINANCE ORGANISATIONS**

#### **Article 8. Main terms and conditions for the provision of microloans by microfinance organisations**

1. Microloans are granted by microfinance organisations in the currency of the Russian Federation in compliance with the law of the Russian Federation on the basis of a microloan agreement.

2. The procedure and terms and conditions for the provision of microloans shall be established by microfinance organisations in the rules for granting microloans approved by the management body of the microfinance organisation.

3. The rules for granting microloans shall be available for all persons to review and shall contain the main terms and conditions for the provision of microloans, including the mandatory inclusion of the following data:

1) The procedure for filing an application for a microloan and the procedure of its review;

2) The procedure for concluding a microloan agreement and the procedure for providing the borrower with the payment schedule;

3) Other terms and conditions established by the internal documents of the microfinance organisation not included in the terms and conditions of the microloan agreement.

4. The microloan agreement can provide for the possibility of granting by the microfinance organisation of a target microloan along with assigning the microfinance organisation the right to control the intended use of the microloan and imposing the duty to perform such control on the borrower.

5. The rules for granting microloans cannot establish terms and conditions defining the rights and duties of the parties to a microloan agreement. If the rules for granting microloans establish terms and conditions that are in conflict with the terms and conditions of the microloan agreement concluded with the borrower, the latter shall prevail.

## **Article 9. Rights and obligations of a microfinance organisation**

1. A microfinance organisation shall have the right:

1) to request from the entity that filed an application for a microloan the documents and information required to resolve the issue of the provision of a microloan and to discharge the obligations under the microloan agreement pursuant to the terms and procedure established by the rules for granting microloans;

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

2) to give a justified refusal to conclude a microloan agreement;

3) to conduct other activity along with microfinance activity with due regard to the limitations established by this Federal Law, other federal laws, and founding documents, inter alia, to provide other services and to grant other loans to legal entities and individuals under loan agreements, under which the fulfilment of obligations is secured with mortgages, as well as other loans to legal entities that are small- and medium-sized businesses or that have the status of a microfinance organisation, consumer credit cooperative, agricultural consumer credit cooperative, or pawnshop, as well as to legal entities affiliated with the microfinance organisation in accordance with the procedure established by federal law and founding documents;

(Clause 3 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

4) to raise funds in the form of loans and (or) credits, voluntary (charitable) contributions, and donations as well as in other forms not prohibited by federal law with due regard to the limitations established by Article 12 hereof;

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

5) to have other rights in accordance with federal laws, other regulatory legal acts, Bank of Russia regulations, founding documents, and terms and conditions of duly concluded microloan agreements.

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

2. A microfinance organisation shall:

1) provide persons filing an application for a microloan with full and accurate information on the procedure, terms and conditions of granting a microloan as well as on their rights and duties in connection with obtaining a microloan;

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

2) place a copy of the rules for granting microloans in a place accessible for viewing and consideration by any interested person and on the Internet;

3) before granting the microloan inform persons filing an application for a microloan about the terms and conditions of a microloan agreement, the possibility and procedure for changing its terms and conditions at the initiative of the microfinance organisation and the borrower, about the list and amount of all payments related to the receipt, servicing, and repayment of a microloan, as well as in connection with the breach of the terms and conditions of the microloan agreement;

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

4) guarantee the secrecy of its borrowers' transactions. All employees of a microfinance organisation shall maintain the confidentiality of operations of borrowers of the microfinance organisation and other data, as may be established by the microfinance organisation, except the cases established by federal law;

5) publicly disclose information about persons having a material (direct or indirect) impact on the decisions taken by the management bodies of the microfinance organisation in accordance with the procedure established by its founding documents;

5.1) inform persons filing an application for a microloan with the microfinance organisation,

before granting the microloan, that this microfinance organisation has been included in the state register of microfinance organisations and provide this person at their request with a copy of the document certifying the entry of the legal entity's details in the state register of microfinance organisations;

(Clause 5.1 introduced by Federal Law No. 375-FZ, dated 21 December 2013; as amended by Federal Law No. 407-FZ, dated 29 December 2015)

5.2) ensure that electronic documents can be submitted to the Bank of Russia, and that electronic documents can be received from the Bank of Russia in the manner established by the Bank of Russia; (Clause 5.2 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

5.3) comply with the economic standards established by this Federal Law and Bank of Russia regulations; (Clause 5.3 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

6) bear other obligations in accordance with federal laws, other regulatory legal acts, Bank of Russia regulations, constituent documents, and terms and conditions of duly concluded microloan agreements. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

**Article 10. Rights and obligations of persons filing an application for a microloan with the microfinance organisation**  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1. The person filing an application for a microloan with a microfinance organisation shall have the following rights:  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1) to review the rules for granting microloans approved by the microfinance organisation;

2) to receive full and accurate information about the procedure for and terms and conditions of a microloan issue, including information on all payments related to the receipt, servicing, and repayment of a microloan.

2. Persons filing an application for a microloan with a microfinance organisation shall submit the documents and information requested by the microfinance organisation in accordance with Clause 1 of Part 1 of Article 9 hereof, other federal laws, and rules for granting microloans, including those needed by the microfinance organisation to comply with the requirements established by federal laws.  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

3. Persons filing an application for a microloan with a microfinance organisation may also have other rights and bear other obligations in accordance with federal laws.  
(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

**Article 11. Rights and obligations of the borrower**

1. The borrower shall have the right to manage cash funds received under the microloan agreement pursuant to the terms and procedure established by the microloan agreement.

2. The borrower shall submit the documents and information requested by the microfinance organisation in accordance with Part 2 of Article 10 hereof.

3. The borrower may have other rights and bear other obligations in accordance with federal laws and terms and conditions of the microloan agreement.

**Article 12. Limitations on the activities of a microfinance organisation**



(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1. A microfinance organisation cannot:

1) act as a surety for the obligations of its founders (participants, shareholders) or otherwise secure the fulfilment of obligations by the said persons;

2) settle transactions related to the alienation or possible alienation of assets belonging to the microfinance organisation or otherwise decreasing the book value of assets of the microfinance organisation by ten or more per cent of the book value of assets of the microfinance organisation, as determined based on the accounting (financial) reporting data of the microfinance organisation for the last reporting period, without a prior decision of the senior management body of the microfinance organisation approving such transactions. Transactions settled by the microfinance organisation in breach of this requirement can be declared invalid based on a claim by the microfinance organisation or claim filed by no less than a third of its founders (participants, shareholders);

3) issue loans in foreign currency;

4) unilaterally change the interest rates and (or) the procedure for their establishment under microloan agreements, commission fees, or the effective term of these agreements with customers who are individual entrepreneurs or legal entities;

5) unilaterally increase interest rates or change the procedure for their establishment under microloan agreements, reduce their effective term, or increase or establish commission fees under these agreements with individual customers;

6) apply penalties to individual borrowers, including individual entrepreneurs, for the early repayment in full or in part of microloans, if they have given prior written notice of their intention to the microfinance organisation at least ten calendar days in advance;

7) perform any kinds of professional activity on the securities market;

8) issue a borrower that is a legal entity or individual entrepreneur a microloan (microloans), if the amount of the principal debt of that legal entity or individual entrepreneur to such microfinance organisation under microloan agreements exceeds three million rubles if such a microloan (microloans) is (are) granted;

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ConsultantPlus: note.

The provisions of Article 12 (as amended by Federal Law No. 230-FZ, dated 3 July 2016) shall apply to consumer loan agreements concluded from 1 January 2017.

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9) accrue interest to an individual borrower under a consumer loan agreement where the period for consumer loan repayment does not exceed one year, not including penalties (fines, other charges) and payments for services provided to the borrower for a separate fee, if the amount of interest accrued under the agreement reaches an amount triple that of the loan. The condition containing this prohibition shall be indicated by the microfinance organisation on the first page of the consumer loan agreement for a consumer loan to be repaid within a period less than one year, before the table containing the individual terms and conditions of the consumer loan agreement;  
(as amended by Federal Law No. 230-FZ, dated 3 July 2016)

10) use a full and (or) abbreviated name, including a full or abbreviated commercial name, that coincides with or is confusingly similar to a full and (or) abbreviated name, including a full or abbreviated commercial name, of a microfinance organisation or other financial institution, whose details have been entered in the state register of microfinance organisations prior to the state registration of the corresponding microfinance organisation. This prohibition does not apply to microfinance organisations using a full and (or) abbreviated name, including a full and (or) abbreviated commercial name, that coincides with or is confusingly similar to a full and (or) abbreviated name,

including a full and (or) abbreviated commercial name, of microfinance organisations or other financial institutions affiliated with them.

2. Apart from the limitations established in Part 1 of this Article, a microfinance company cannot:

1) raise cash funds from individuals, including individual entrepreneurs. This limitation does not apply to raising funds from individuals, including individual entrepreneurs:

a) Who are founders (participants, shareholders) of the microfinance company.

b) Who provide cash funds within the framework of a loan agreement concluded by one lender with the microfinance company for an amount of one million five hundred thousand rubles or more, provided that the amount of the principal debt of the microfinance company to this lender shall not be less than one million five hundred thousand rubles throughout the entire effective term of the said agreement;

c) Who acquire bonds of the microfinance company, the issue (additional issue) of which has gone through state registration and was accompanied by the registration of a securities prospectus, as well as exchange-traded bonds of the microfinance company issued in accordance with Article 27.5-2 of Federal Law No. 39-FZ, dated 22 April 1996, 'On the Securities Market'.

d) Who acquire bonds of the microfinance company not referenced in Paragraph 4 of this Clause, with a par value of over one million five hundred thousand rubles each, or intended for qualified investors.

2) issue an individual borrower a microloan (microloans) if the amount of the borrower's principal debt to the microfinance company under microloan agreements exceeds one million rubles if such a microloan (microloans) is (are) granted;

3) within the framework of other activity, as provided for by Clause 3 of Part 1 of Article 9 hereof, conduct production and (or) trading activity or specify the possibility of conducting production and (or) trading activity in its constituent documents;

4) unilaterally reduce interest rates and (or) change the procedure for their establishment under loan agreements, reduce or increase the effective term of these agreements, increase or set commission fees under these agreements with individual customers, including individual entrepreneurs who provided their cash funds to the microfinance company, except as otherwise stipulated by federal law.

3. Apart from limitations established in Part 1 of this Article, a microcredit company cannot:

1) raise cash funds from individuals, including individual entrepreneurs, except for cash funds from individuals, including individual entrepreneurs who are founders (participants, shareholders) of the microcredit company;

2) issue an individual borrower a microloan (microloans) if the amount of the borrower's principal debt to the microcredit company under microloan agreements exceeds five hundred thousand rubles if such a microloan (microloans) is (are) granted;

3) charge a credit institution based on an agreement with the identification or simplified identification of an individual customer;

4) issue and place bonds.

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ConsultantPlus: note.

The provisions of Article 12.1 (as amended by Federal Law No. 230-FZ, dated 3 July 2016) shall apply to consumer loan agreements concluded from 1 January 2017.

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**Article 12.1. Specific aspects of the accrual of interest and other fees in the event of delays in the fulfilment of obligations under a loan**

(introduced by Federal Law No. 230-FZ, dated 3 July 2016)

1. Upon the occurrence of a delay in the fulfilment of an obligation of an individual borrower to repay the amount of a loan and (or) pay interest due, a microfinance organisation, under a consumer loan agreement where the term of consumer loan repayment does not exceed one year, shall have the right to continue accrual of interest for the individual borrower only to the principal debt amount that has not been yet repaid. The interest on the principal debt amount that has not been repaid by the borrower shall be accrued until the total amount of outstanding interest reaches double the amount of the unpaid part of loan. The microfinance organisation shall not accrue interest for the period of time from the moment when the total amount of outstanding interest reaches double the amount of the unpaid part of loan until the borrower partially repays the loan amount and (or) pays the interest due.

2. Upon the occurrence of a delay in the fulfilment of an obligation of an individual borrower to repay the amount of loan and (or) pay interest due, the microfinance organisation, under a consumer loan agreement where the term of consumer loan repayment does not exceed one year, shall have the right to accrue a penalty (fines, other charges) and other sanctions for the individual borrower only to the principal debt amount that has not yet been repaid by the borrower.

3. The conditions mentioned in Parts 1 and 2 of this Article shall be indicated by the microfinance organisation on the first page of the consumer loan agreement for a consumer loan to be repaid within less than one year, before the table with the individual terms and conditions of the consumer loan agreement.

**Article 13. Microfinance organisation risk insurance and formation of target funds**

1. A microfinance organisation shall have the right to insure risks that occur in its activities, including the risk of liability for the breach of agreements, with mutual insurance funds and insurance companies, except for insurance companies in which the microfinance organisation is a founder (participant, shareholder). A mutual insurance company and (or) an insurance company shall be chosen by the decision of the management body of the microfinance organisation.

2. The microfinance organisation can set up target funds, the procedure for the formation and utilisation of which is determined by internal regulations of the microfinance organisation.

**Chapter 4. MICROFINANCE ORGANISATION REGULATION AND SUPERVISION**

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

**Article 14. Microfinance organisation regulation and supervision**

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

1. State authorities, the Bank of Russia, and local authorities cannot interfere with the activities of microfinance organisations, except as provided by federal law.

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

2. The Bank of Russia shall regulate the activities of microfinance organisations and oversee microfinance organisations' compliance with the requirements of this Federal Law, other federal laws, regulatory legal acts, and Bank of Russia regulations with due regard to the specific aspects established by Article 7.2 hereof.

(Part 2 as amended by Federal Law No. 292-FZ, dated 3 July 2016)

3. The Bank of Russia shall perform the following functions:

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

1) Maintain the state register of microfinance organisations in accordance with the procedure stipulated by this Federal Law, other federal laws, and Bank of Russia regulations;  
(as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 292-FZ, dated 3 July 2016)

2) Receive from microfinance organisations the necessary information on their activities and accounting (financial) statements, oversee compliance by microfinance organisations with the requirements established by this Federal Law, other federal laws, regulatory legal acts, and Bank of Russia regulations;  
(as amended by Federal Laws No. 362-FZ, dated 30 November 2011; No. 251-FZ, dated 23 July 2013; No. 375-FZ, dated 21 December 2013)

3) Invalid. – Federal Law No. 292-FZ, dated 3 July 2016.

4. With respect to microfinance organisations the Bank of Russia shall:  
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1) request and receive information on the financial and economic activity of microfinance organisations from the state statistical authorities, the federal executive body in charge of the state registration of legal entities, or from other bodies of state control and supervision;

2) request and receive information about microfinance organisation from the unified state register of legal entities;

3) ensure that the details of the microfinance organisation in the state register of microfinance organisations conform to the details of this organisation in the unified state register of legal entities, including details of the liquidation of an organisation;

4) verify the conformity of the activities of microfinance organisations to the requirements of this Federal Law, other federal laws, regulatory legal acts, and Bank of Russia regulations in accordance with the procedure established by the Bank of Russia;  
(as amended by Federal Laws No. 362-FZ, dated 30 November 2011; No. 251-FZ, dated 23 July 2013; No. 407-FZ, dated 29 December 2015)

5) establish the procedure for the creation of loan loss provisions;  
(Clause 5 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

5.1) the Bank of Russia may establish the following economic ratios for a microfinance company that raises funds from individuals, including individual entrepreneurs who are founders (participants, shareholders), and (or) from legal entities in the form of loans:

a) capital adequacy ratios;

b) liquidity ratios;

(Clause 5.1 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

5.2) the Bank of Russia may establish the following economic ratios for a microfinance company that raises funds from individuals, including individual entrepreneurs, and (or) from legal entities in the form of loans and for a microfinance company that issues and places bonds:

a) capital adequacy ratios;

b) liquidity ratios;

c) maximum risk per borrower or group of related borrowers;

d) maximum risk per entity affiliated with the microfinance company (group of entities affiliated with the microfinance company);

e) types and sizes of other financial risks;  
(Clause 5.2 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

5.3) the Bank of Russia may establish the values of economic ratios for a microfinance organisation of business financing that differ from the values of economic ratios of other microfinance organisations;  
(Clause 5.3 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

5.4) supervise the compliance by microfinance organisations with the economic ratios;  
(Clause 5.4 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

5.5) establish the methodology for measuring the equity capital of a microfinance company;  
(Clause 5.5 introduced by Federal Law No. 407-FZ, dated 29 December 2015)

6) require that the management bodies of microfinance organisations eliminate violations revealed;

7) give binding orders to microfinance organisations on the elimination of violations revealed;  
(as amended by Federal Laws No. 210-FZ, dated 29 June 2015; No. 407-FZ, dated 29 December 2015)

7.1) have the right to prohibit, by issuing orders, the raising of funds by the microfinance company from individuals, including individual entrepreneurs, in accordance with Clause 1 of Part 2 of Article 12 hereof upon the occurrence of at least one of the following grounds:

a) a breach by a microfinance company of the economic ratios established in Clause 5.2 of this Part;

b) a breach by a microfinance company of the limitations established in Clauses 1 and 3 of Part 2 of Article 12 hereof;

c) overdue obligations on the funds raised by a microfinance company in accordance with Clause 1 of Part 2 of Article 12 hereof from individuals, including individual entrepreneurs;  
(Clause 7.1 as amended by Federal Law No. 407-FZ, dated 29 December 2015)

7.2) Invalid – Federal Law No. 407-FZ, dated 29 December 2015;

7.3) send binding orders to a microfinance organisation and request the documents necessary for resolving matters within the competence of the Bank of Russia. Orders and requests from the Bank of Russia shall be sent by post, fax, personal delivery to the recipient, or in the form of electronic documents signed with an enhanced encrypted and certified digital signature in accordance with the procedure established by the Bank of Russia. When sending orders and requests from the Bank of Russia in the form of electronic documents, these orders and requests shall be deemed received after one business day from the date they were sent 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 7.3 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

8) remove the details of a microfinance organisation from the state register of microfinance organisations in the cases stipulated by this Federal Law;  
(Clause 8 as amended by Federal Law No. 375-FZ, dated 21 December 2013)

9) exercise other rights in accordance with this Federal Law.

5. A microfinance organisation shall have the right to appeal the actions (inaction) of the Bank of Russia in a commercial court at the location of the microfinance organisation.  
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

## **Article 15. Reporting and other information of microfinance organisations**

(as amended by Federal Law No. 407-FZ, dated 29 December 2015)

1. Microfinance organisations shall submit reports to the Bank of Russia, including accounting (financial) statements, as well as other documents and information, as provided for by this Federal Law.

2. A microfinance company shall submit to the Bank of Russia documents and information as provided for by Part 3 of this Article:

1) Upon sending the Bank of Russia an application to remove its details from the state register of microfinance organisations;

2) Upon sending the Bank of Russia an application to change the type of the microfinance organisation in the state register of microfinance organisations and to conduct activities as a microcredit company;

3) Upon the removal of its details from the state register of microfinance organisations in cases stipulated by Parts 1.1 and (or) 1.3 of Article 7 hereof.

3. The form and terms of and the procedure for drawing up statements and other documents and information by microfinance companies and microcredit companies shall be established by the Bank of Russia regulation.

4. Microfinance companies shall submit to the Bank of Russia an auditor's report on the annual accounting (financial) statements in accordance with the procedure and within the time established by the Bank of Russia regulation.

5. The accounting (financial) statements and the auditor's report on the annual accounting (financial) statements of the microfinance company shall be disclosed in the manner and within the time established by the Bank of Russia regulation.

6. If the Bank of Russia assigns the authority to receive the statements to a respective 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', microfinance organisations shall submit their statements to this self-regulatory organisation in the financial market. (Part 6 introduced by Federal Law No. 292-FZ, dated 3 July 2016)

#### **Article 16. Relations between microfinance organisations and credit history bureaus**

(as amended by Federal Law No. 189-FZ, dated 28 June 2014)

Information required for the formation of credit histories of legal entities and individuals, including individual entrepreneurs, shall be provided by microfinance organisations with respect to borrowers to at least one credit history bureau included in the state register of credit history bureaus pursuant to the terms and procedure stipulated by Federal Law No. 218-FZ, dated 30 December 2004, 'On Credit Histories'.

### **Chapter 5. FINAL PROVISIONS**

#### **Article 17. Enactment of this Federal Law**

This Federal Law shall become effective upon the expiry of one hundred and eighty days from the date of its official publication.

President  
of the Russian Federation  
D. MEDVEDEV

Moscow, the Kremlin

2 July 2010

No. 151-FZ

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