

THE RUSSIAN FEDERATION

FEDERAL LAW

ON MORTGAGE SECURITIES

Adopted by
the State Duma
on 14 October 2003

Approved by
the Federation Council
on 29 October 2003

List of amending documents

(as amended by Federal Laws No. 193-FZ, dated 29 December 2004,

No. 141-FZ, dated 27 July 2006; No. 22-FZ, dated 9 March 2010; No. 327-FZ, dated 21 November 2011;
No. 362-FZ, dated 30 November 2011; No. 83-FZ, dated 25 June 2012; No. 281-FZ, dated 29 December 2012;
No. 251-FZ, dated 23 July 2013; No. 379-FZ, dated 21 December 2013; No. 210-FZ, dated 29 June 2015;
No. 461-FZ, dated 30 December 2015; No. 361-FZ, dated 3 July 2016; No. 141-FZ, dated 1 July 2017)

Chapter 1. GENERAL PROVISIONS

Article 1. Scope of this Federal Law

This Federal Law governs the relations arising in the course of the issuance, transfer, and circulation of mortgage securities, excluding pledge instruments, and in the course of fulfilling obligations under said mortgage securities.

Article 2. Basic Terms and Definitions

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

‘mortgage securities’ shall mean mortgage-backed bonds and mortgage participation certificates;

‘mortgage-backed bond’ shall mean a bond where the performance of obligations is secured, fully or partially, with the pledge of mortgage coverage;
(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

‘mortgage participation certificate’ shall mean a registered security that certifies the share of its holder in common title to mortgage coverage, the right to demand proper trust management of the mortgage coverage from the issuing entity, the right to receive funds received in pursuance of the obligations, claims under which constitute the mortgage coverage, and other rights stipulated by this Federal Law;

‘mortgage agent’ shall mean a specialised commercial organisation which meets the requirements established by Article 8 hereof, whose sole activity is to acquire claims under credits (loans) secured with mortgages and/or pledge instruments, and which is entitled under this Federal Law to issue mortgage-backed bonds;

'housing mortgage-backed bond' shall mean a mortgage-backed bond where the coverage includes only claims secured with the pledge of residential premises.
(Paragraph introduced by Federal Law No. 193-FZ, dated 29 December 2004)

Article 3. Mortgage Coverage

1. Mortgage coverage may include only claims secured with mortgages for the repayment of principal amount of debt and/or interest under credit and loan agreements, including claims certified with pledge instruments, and/or mortgage participation certificates that attest the share of their holders in common title to other mortgage coverage, or funds in the currency of the Russian Federation or in a foreign currency, as well as government securities and real estate in the cases stipulated in Part 1 of Article 13 hereof.
(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

2. Claims under liabilities secured with mortgages may be included in mortgage coverage only if they meet the following requirements:

The principal debt under a liability secured with mortgages for each agreement or pledge instrument shall not exceed eighty per cent of the market value (monetary estimate) of the mortgaged real estate, as determined by an independent appraiser;
(as amended by Federal Law No. 22-FZ, dated 9 March 2010)

A mortgage agreement securing the claims in question shall not provide for the possibility for the pledger to change or alienate the pledged real estate that is the object of mortgage without the consent of the pledge holder;

Real estate pledged to secure the fulfilment of the obligation in question shall be insured against loss or damage in favour of the creditor under the liability secured with mortgage for the entire effective period of the liability. In this case, insurance coverage shall be no less than the size (amount) of the claim for principal debt repayment secured with mortgage;
(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

Paragraph no longer valid. — Federal Law No. 141-FZ, dated 27 July 2006;

Only cash funds shall constitute the subject of the loan agreement.

2.1. A claim under a liability secured with mortgage which is included in mortgage coverage, in the event of replacement of the object of mortgage in the cases established by federal laws, shall be excluded from mortgage coverage if the mortgaged real estate is not insured against loss or damage within six months from the date of replacement of the object of mortgage.
(Part 2.1 introduced by Federal Law No. 141-FZ, dated 1 July 2017)

2.2. When the object of mortgage is replaced in the cases established by federal law, the value of the mortgaged real estate may be determined based on its cadastral value.
(Part 2.2 introduced by Federal Law No. 141-FZ, dated 1 July 2017)

3. At the moment of placement or issuance of mortgage securities, claims secured with mortgage and claims pledged to secure other liabilities cannot be a part of the mortgage coverage. Mortgage coverage of mortgage-backed bonds, except for housing mortgage-backed bonds, may include claims secured with the pledge of real estate, the construction of which has not yet been finished.

Claims secured with a subsequent mortgage may be a part of mortgage coverage only on condition that the principal debt on the liability secured with the previous mortgage and the principal debt on the liability secured with the subsequent mortgage do not exceed in total seventy per cent of the market value (monetary estimate) of the mortgaged real estate, as determined by an independent appraiser.

The share of claims secured with the pledge of real estate, the construction of which has not yet been

finished, shall not exceed ten per cent of the mortgage coverage.
(Part 3 as amended by Federal Law No. 281-FZ, dated 29 December 2012)

4. The amount of mortgage coverage shall be determined by summing up the amount of claims, the amount of funds, and the value (monetary estimate) of other assets comprising the mortgage coverage. The amount of the mortgage coverage shall be determined in accordance with the procedure established by the Central Bank of the Russian Federation (hereinafter, the 'Bank of Russia').
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The amount of the mortgage coverage shall be determined exclusive of claims under a liability where:

The period of default is more than six months;

The object of mortgage has been lost, inter alia, as a result of entry into force of a court judgement on the invalidation or termination on other grounds of a lien on real estate (mortgage), except when the object of mortgage has been replaced in the cases established by federal law;
(as amended by Federal Law No. 141-FZ, dated 1 July 2017)

A court judgement on the invalidation of the liability or on its termination on other grounds has come into legal force;

The debtor under the liability has been declared insolvent (bankrupt) in accordance with the procedure established by the legislation of the Russian Federation on insolvency (bankruptcy);

The real estate pledged to secure performance has not been insured against loss or damage for more than six months.
(Paragraph introduced by Federal Law No. 141-FZ, dated 27 July 2006)

5. The same assets, including claims under the same liabilities, may be a part of only one mortgage coverage.

Mortgage participation certificates may not be included in mortgage coverage to which they certify a share in the common title.

6. A claim under a liability secured with a mortgage included in mortgage coverage shall be confirmed with:

An extract from the Unified State Register of Real Estate;
(as amended by Federal Law No. 361-FZ, dated 3 July 2016)

A mortgage agreement bearing a special registration inscription to certify its state registration in accordance with Federal Law No. 218-FZ, dated 13 July 2015, 'On the State Registration of Real Estate', or its notarised copy;
(as amended by Federal Law No. 361-FZ, dated 3 July 2016)

The credit agreement or loan agreement on the basis of which a liability secured with mortgage arose, or a notarised copy thereof;

Paragraph no longer valid. — Federal Law No. 193-FZ, dated 29 December 2004;

A document which expresses the content of the transaction under which the creditor's and pledge holder's rights under the liability secured with a mortgage were transferred, on which a special registration inscription has been made to certify state registration in accordance with Federal Law No. 218-FZ, dated 13 July 2015, 'On the State Registration of Real Estate', if such rights have been transferred (assigned), or a notarised copy of such a document.
(as amended by Federal Law No. 361-FZ, dated 3 July 2016)

If a pledge instrument has been executed and issued, such a pledge instrument will be a sufficient evidence of a claim under a liability secured with a mortgage included in mortgage coverage. (Paragraph introduced by Federal Law No. 193-FZ, dated 29 December 2004)

Article 4. Exclusion of Claims and Other Assets from Mortgage Coverage

(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

1. Exclusion of claims secured with a mortgage from mortgage coverage is allowed in connection with their replacement or sale, and in connection with the termination of the respective liability. Replacement or sale of claims comprising mortgage coverage is allowed in the cases stipulated by this Federal Law.

2. Exclusion of assets, except for cash funds, from mortgage coverage is allowed in connection with their replacement or sale.

3. Exclusion of cash funds from mortgage coverage is allowed in connection with the performance of liabilities under mortgage securities and the acquisition of claims secured with mortgage or other assets that may be included in the mortgage coverage in accordance with this Federal Law, and in other cases provided for by this Federal Law.

4. Exclusion of claims and other assets from mortgage coverage is allowed subject to compliance with the requirements for mortgage coverage as established by this Federal Law.

Article 5. Register of Mortgage Coverage

1. Claims and other assets comprising mortgage coverage shall be accounted for by keeping a register of mortgage coverage.

2. The details of claims and other assets comprising mortgage coverage shall be entered in the register of mortgage coverage, specifying the following for each of them:

Amount (size) of the claim (including principal debt and interest) or the value (monetary estimate) of assets;

Name and description sufficient for identification of the assets comprising the mortgage coverage, and/or name and description of assets mortgaged to secure the fulfilment of the liability a claim under which comprises the mortgage coverage. If these assets are residential property, the details of its location shall not include the number of this residential property (the number of the residential building or flat); (as amended by Federal Law No. 141-FZ, dated 27 July 2006)

Market value (monetary estimate) of mortgaged property or its cadastral value in the case established by this Federal Law;

(as amended by Federal Law No. 141-FZ, dated 1 July 2017)

Deadline for paying the amount of the claim or, if this amount is to be paid in instalments, the deadlines (frequency) of respective payments and the amount of each of them, or the conditions that make it possible to determine these payment deadlines and amounts (debt repayment schedule);

Degree of the fulfilment of the liability, a claim under which comprises mortgage coverage;

Other data, as established by the Bank of Russia.

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

3. Claims or other assets shall be deemed included in mortgage coverage from the moment a corresponding entry is made in the register of mortgage coverage.

4. The register of mortgage coverage shall be maintained, in particular, using an electronic database.

Article 6. Limitations on the Use of Terms Associated with the Issue of Mortgage Securities

No entity, except for the entities entitled in accordance with this Federal Law to issue mortgage securities, may raise funds and other assets using the words 'mortgage-backed bonds', 'mortgage participation certificates', or 'mortgage coverage', and shall not use any combination of the words 'specialised mortgage organisation' or 'mortgage agent' in its name.

Chapter 2. ISSUANCE AND CIRCULATION OF MORTGAGE-BACKED BONDS

Article 7. Issuers of Mortgage-Backed Bonds

1. Mortgage-backed bonds may be issued only by mortgage agents and credit institutions.

2. The Bank of Russia shall establish requirements for credit institutions issuing mortgage-backed bonds related to disclosure of information on their activity in addition to the requirements established by other federal laws.

(Part 2 as amended by Federal Law No. 379-FZ, dated 21 December 2013)

3. A credit institution may not issue mortgage-backed bonds if it fails to comply with the requirements or required ratios established by the Bank of Russia in accordance with Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)', other federal laws, or the provisions of this Article.

(Part 3 introduced by Federal Law No. 379-FZ, dated 21 December 2013)

Article 8. Requirements for Mortgage Agents

1. A mortgage agent may only conduct activity related to the acquisition of claims under credits (loans) secured with mortgage and/or the acquisition of pledge instruments, or the issuance of mortgage-backed bonds.

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

Claims under credits (loans) secured with mortgages and/or pledge instruments may be acquired by a mortgage agent under an agreement of purchase, exchange, or cession (assignment of claim), or another transaction for the alienation of this property, including transactions related to paying up the mortgage agent's authorised capital (shares) with this property, and as a result of universal succession.

A mortgage agent may have civil rights and bear civil obligations as may be necessary to conduct said activities, including the right to dispose of the acquired monetary claims and other assets, to obtain credits (loans) with due regard to the restrictions established by the charter of the mortgage agent, to insure the risk of liability for the default on obligations under the mortgage agent's bonds and/or the risk of loss due to default on obligations under claims secured with mortgages and acquired by the mortgage agent, to perform other transactions aimed at increasing and maintaining the creditworthiness of the mortgage agent or reducing the risks of financial loss, and to bear obligations to third parties associated with the issuance of and performance under mortgage-backed bonds and with the maintenance of the mortgage agent's activities.

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

The above activities may be conducted only by a mortgage agent in the form of a joint-stock company or a limited liability company. The charter of the mortgage agent shall define its business profile and objectives in accordance with this Federal Law. No amendments and/or supplements may be introduced to the charter of the mortgage agent with respect to alteration and/or supplementation of its business profile or objectives.

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

The mortgage agent's full commercial name in Russian shall contain the words 'specialised mortgage organisation' or 'mortgage agent'.

The charter of a mortgage agent shall indicate the maximum number of issues of mortgage-backed bonds for the purpose of which the mortgage agent is established. The maximum number of issues of mortgage-backed bonds for the purpose of which a mortgage agent is established cannot be changed.
(as amended by Federal Law No. 281-FZ, dated 29 December 2012)

2. A mortgage agent may not have regular staff.

The powers of the sole executive body of a mortgage agent shall be transferred to a commercial organisation.

The bookkeeping of a mortgage agent shall be assigned to a specialised organisation.

The commercial organisation to which the powers of the sole executive body of a mortgage agent have been transferred may not maintain the bookkeeping of this mortgage agent.

The specialised organisation in charge of a mortgage agent's bookkeeping may not exercise the powers of the sole executive body of this mortgage agent.

3. Mortgage agents may not conclude commutative agreements with individuals or conduct business activities that are not stipulated by this Federal Law. The breach of this requirement will constitute grounds for the Bank of Russia to initiate legal proceedings for the mortgage agent's liquidation.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Transactions performed in breach of this requirement on behalf of a mortgage agent by the commercial organisation to which the powers of the sole executive body of the mortgage agent have been transferred shall incur, modify and terminate civil rights and obligations of the commercial organisation and shall entail no obligations for the mortgage agent, whether in respect of the commercial organisation or in respect of third parties.

4. Voluntary liquidation of the mortgage agent is allowed only after the retirement of all mortgage-backed bonds of this mortgage agent that have been placed or are in circulation.
(Part 4 introduced by Federal Law No. 281-FZ, dated 29 December 2012)

5. Mortgage agents shall be subject to the rules stipulated in Paragraph 2 of Clause 4 and Clauses 7 and 8 of Article 15.1, and Clauses 3, 5, 6, 7, and 10 of Article 15.2 of Federal Law No. 39-FZ, dated 22 April 1996, 'On the Securities Market'. Mortgage agents shall not be subject to the rules stipulated in Clause 4 of Article 90 and Clause 4 of Article 99 of the Civil Code of the Russian Federation; Clauses 4–12 of Article 35, Chapter IX (as regards the acquisition and redemption of outstanding shares by a joint-stock company), Chapters X, XI and XI.1 of Federal Law No. 208-FZ, dated 26 December 1995, 'On Joint-Stock Companies'; or Clauses 3–5 of Article 20, Articles 23 and 24, Clauses 3 and 4 of Article 30, and Articles 45 and 46 of Federal Law No. 14-FZ, dated 8 February 1998, 'On Limited Liability Companies'.
(Part 5 introduced by Federal Law No.379-FZ, dated 21 December 2013, as amended by Federal Law No. 461-FZ, dated 30 December 2015)

Article 9. Form of Certification of Rights that Constitute a Mortgage-Backed Bond

1. Mortgage-backed bonds may be issued in one of the forms stipulated by Federal Law No. 39-FZ, dated 22 April 1996, 'On the Securities Market' (hereinafter, the 'Federal Law On the Securities Market').

2. For certified mortgage-backed bonds, the certificate of a mortgage-backed bond shall indicate the procedure and terms for the payment of income to owners of mortgage-backed bonds, as well as the procedure and terms for their retirement.

Article 10. Interest on Mortgage-Backed Bonds

1. Mortgage-backed bonds shall document the right of their owners to receive interest in the amount determined by the decision on the issuance of the mortgage-backed bonds.
(Part 1 as amended by Federal Law No. 193-FZ, dated 29 December 2004)

2. Payment of interest on mortgage-backed bonds shall be made at least once a year, except as otherwise specified in Part 3 of this Article.
(as amended by Federal Law No. 281-FZ, dated 29 December 2012)

3. If two or more issues of bonds have the same mortgage coverage but different priorities of performance of obligations, the period of interest payment on the mortgage-backed bonds with lower priority may exceed one year.
(Part 3 introduced by Federal Law No. 281-FZ, dated 29 December 2012)

Article 11. Securing the Fulfilment of Obligations under Mortgage-Backed Bonds

1. The fulfilment of obligations under mortgage-backed bonds shall be secured by pledge of mortgage coverage from the moment the rights to such bonds arise for their first owner.

A mortgage-backed bond grants its owner all rights arising out of the pledge of the mortgage coverage. The transfer of rights to a mortgage-backed bond entails the transfer of all rights arising out of the pledge of the mortgage coverage to the new owner (acquirer). The transfer of rights arising out of the pledge of the mortgage coverage without transferring the rights to the mortgage-backed bond shall be void.

Each owner of a mortgage-backed bond of any one issue shall have equal rights with other owners of mortgage-backed bonds of the same issue with respect to claims and other assets comprising the mortgage coverage, and, in the event of the seizure of the pledged property through redemption for state or municipal needs, its requisition or nationalisation, also with respect to the insurance indemnity and amounts of indemnity due to the pledger, or with respect to the property provided to the pledger as a replacement.

2. Mortgage coverage may be pledged to secure performance under the bonds of two or more issues. The requirements stipulated by this Federal Law for the mortgage coverage securing performance under the bonds of the same issue shall also apply to the mortgage coverage securing performance under the bonds of two or more issues, with due regard to the special considerations established by Part 2 of Article 13 hereof.
(as amended by Federal Law No. 281-FZ, dated 29 December 2012)

The issuer of two or more issues with the same mortgage coverage shall have the right to establish the priority of performance of obligations under mortgage-backed bonds of different issues. In this case, performance of matured obligations under mortgage-backed bonds of each rank is allowed only after proper performance of matured obligations under mortgage-backed bonds of the previous rank.
(as amended by Federal Law No. 379-FZ, dated 21 December 2013)

The established priority of performance of obligations under mortgage-backed bonds of different issues shall also apply to the receipt of funds from the realisation of the mortgage coverage of bonds and to early retirement of bonds, unless otherwise stipulated by the decision on the issue of mortgage-backed bonds.
(Paragraph introduced by Federal Law No. 141-FZ, dated 27 July 2006)

Article 12. Issuance of Mortgage-Backed Bonds

(as amended by Federal Law No. 193-FZ, dated 29 December 2004)

1. Mortgage-backed bonds shall be issued in compliance with the Federal Law 'On the Securities Market', this Federal Law, and Bank of Russia regulations adopted in pursuance thereof.

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

2. The terms of issuance of mortgage-backed bonds may set a limitation on the total number of issues of such bonds under which performance is secured by such mortgage coverage. The breach of this limitation by the issuer of mortgage-backed bonds shall serve as grounds for the refusal of state registration of bond issues with this mortgage coverage.

3. The decision on the issuance of mortgage-backed bonds shall define their maturity (partial maturity) date and the value (procedure for determining the value) paid for each bond upon its maturity (partial maturity).

(Part 3 introduced by Federal Law No. 141-FZ, dated 27 July 2006)

3.1. The decision to issue housing mortgage-backed bonds may consist of the first part, which contains generally defined rights of bond owners and other general terms for one or several issues of such bonds (hereinafter, the 'programme of housing mortgage-backed bonds'), and the second part, which contains specific terms and conditions of a particular issue of said bonds.

(Part 3.1 introduced by Federal Law No. 461-FZ, dated 30 December 2015)

3.2. The programme of housing mortgage-backed bonds shall contain the following information apart from the details stipulated by Article 17 of the Federal Law 'On the Securities Market':

Indication that the bonds are secured with the pledge of mortgage coverage;

Indication of presence or absence of restriction on the total number of issues of housing bonds with the same mortgage coverage that may be placed under of the programme of housing mortgage-backed bonds;

Information on the priority of performance of obligations under housing bonds with the same mortgage coverage if the programme of housing mortgage-backed bonds provides for the possibility of the issuance of such bonds;

Information about the entity providing additional security under housing mortgage-backed bonds (housing mortgage-backed bonds of a certain rank) that may be placed under the programme of housing mortgage-backed bonds, and information about the terms and conditions of such additional security (if applicable).

(Part 3.2 introduced by Federal Law No. 461-FZ, dated 30 December 2015)

3.3. The Bank of Russia shall set additional requirements for the programme of housing mortgage-backed bonds.

(Part 3.3 introduced by Federal Law No. 461-FZ, dated 30 December 2015)

4. The rules set forth by Articles 27.3, 27.3-1, and 27.5-6 of the Federal Law 'On the Securities Market' shall not apply to mortgage securities.

(Part 4 introduced by Federal Law No. 379-FZ, dated 21 December 2013)

Article 13. Requirements for the Mortgage Coverage of Bonds

1. The mortgage coverage of bonds may include the property stipulated by this Federal Law, as well as government securities and real estate.

Paragraph invalid since 1 January 2013. — Federal Law No. 281-FZ, dated 29 December 2012.

Real estate may constitute the mortgage coverage of bonds only in the event of its acquisition (reservation) by the issuer in accordance with the civil laws of the Russian Federation upon its seizure in the event of non-fulfilment or improper fulfilment of the obligation secured with mortgage, unless such acquisition is in conflict with the requirements established by federal laws, and within no more than two

years following such acquisition.

2. The mortgage coverage of bonds and the terms and conditions of obligations, the claims under which constitute the mortgage coverage, shall secure proper performance of obligations under the bonds with such mortgage coverage.

For the purpose of securing proper performance of obligations under mortgage-backed bonds, the amount of the mortgage coverage of such bonds during the period of their circulation shall be no less than their total outstanding face value. The decision on the issuance of mortgage-backed bonds may provide for larger security under such bonds. In this case, the amount of the mortgage coverage of said bonds during the period of their circulation shall be no less than the amount established by the decision on the issuance of mortgage-backed bonds.

In the case of the issuance of two or more issues of bonds with the same mortgage coverage but different priority of performance of obligations, the adequacy of the mortgage coverage for performance of obligations under the bonds shall be determined separately for each rank. The amount of mortgage coverage shall be deemed adequate to secure proper performance of obligations under the bonds of the respective rank if this amount is equal to or exceeds the sum of the outstanding face value of bonds of this rank and the outstanding face value of bonds of previous ranks, or is equal to or exceeds the amount of the mortgage coverage established by the decision on the issuance of mortgage-backed bonds or exceeds it if a decision was made on the issuance of mortgage-backed bonds which provides for larger security under such bonds.
(Part 2 as amended by Federal Law No. 141-FZ, dated 27 July 2006)

3. When documents for state registration of an issue of mortgage-backed bonds are submitted, the size (amount) of claims, which constitute the mortgage coverage of such bonds, for the repayment of the principal debt secured with mortgage shall be no less than their total face value.

The amount of the mortgage coverage of the bonds issued by a credit institution may exceed the amount of liabilities under such bonds by no more than 20 per cent during the entire period of their circulation.
(Part 3 as amended by Federal Law No. 141-FZ, dated 27 July 2006)

4. Funds received towards performance of obligations secured with mortgage, the claims under which constitute the mortgage coverage of bonds, shall be included in the mortgage coverage of the bonds in the amount needed to comply with the requirements for the amount of mortgage coverage, as established by this Federal Law and Bank of Russia regulations, unless a greater amount is provided for by the decision on the issuance of such bonds.
(Part 4 introduced by Federal Law No.141-FZ, dated 27 July 2006, as amended by Federal Law No. 251-FZ, dated 23 July 2013)

5. The decision on the issuance of mortgage-backed bonds may provide for the possibility for the issuer to incur certain expenses (remuneration of a specialised depository or registrar that maintains the register of the owners of mortgage-backed bonds, expenses associated with the management of the mortgage coverage, and other expenses) at the cost of assets that constitute the mortgage coverage of such bonds. In this case, the decision on the issuance of mortgage-backed bonds shall include an exhaustive list of such expenses and indicate the maximum amount of funds to be allocated to cover such expenses at the cost of assets that constitute the mortgage coverage of the bonds. Payment of the said expenses is allowed only subject to the compliance by the issuer of mortgage-backed bonds with the requirements for the amount of the mortgage coverage of bonds, as established by this Federal Law.
(Part 5 introduced by Federal Law No. 141-FZ, dated 27 July 2006)

6. If two or more issues of bonds are issued with the same mortgage coverage but different priority of performance of obligations, the requirements for mortgage coverage, as established by Part 2 of this Article, may not apply to mortgage-backed bonds, the obligations under which are to be performed last, if this is provided for by the decision on the issuance of such bonds.

(Part 6 introduced by Federal Law No. 281-FZ, dated 29 December 2012)

Article 14. Replacement of Claims and/or Other Assets that Constitute the Mortgage Coverage of Bonds

(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

1. The claims that constitute the mortgage coverage of bonds may be replaced:

Upon the occurrence of at least one of the grounds in respect of such claims provided for by Part 4 of Article 3 hereof;

If such claims do not meet the requirements for inclusion in mortgage coverage as provided for by Paragraph 4 in Part 2 of Article 3 hereof, or in the event of the breach of the payment terms under the obligation, the claim under which constitutes the mortgage coverage of the bonds, by more than three months or more than three times within twelve months, even if each such delay is insignificant;

In other cases stipulated by the decision on the issuance of mortgage-backed bonds.
(Part 1 as amended by Federal Law No. 461-FZ, dated 30 December 2015)

2. Replacement of claims that constitute the mortgage coverage of bonds is allowed only after the state registration of the report or after submitting to the Bank of Russia a notice on the results of the issue of mortgage-backed bonds, and, in the case of issuance of bonds with the same mortgage coverage but different priority of performance of obligations, only after the state registration of the report or after submitting to the Bank of Russia a notice on the results of the issue of mortgage-backed bonds of the first rank.

(Part 2 as amended by Federal Law No. 461-FZ, dated 30 December 2015)

3. Claims and/or other assets that constitute mortgage coverage may be replaced by way of their sale or other alienation for compensation to third parties, subject to the mandatory inclusion of the assets obtained as a result of such alienation in the mortgage coverage of the bonds.

(Part 3 introduced by Federal Law No. 141-FZ, dated 27 July 2006)

Article 15. Levy of Execution on the Mortgage Coverage of Bonds

1. In the case of non-performance or improper performance of obligations under mortgage-backed bonds, claims and other assets that constitute the mortgage coverage of the bonds shall be levied in execution of a court decision.

Levy of execution on claims and other assets that constitute the mortgage coverage of the bonds, including their realisation, shall take place in accordance with the procedure established by Federal Law No. 102-FZ, dated 16 July 1998, 'On Mortgage (Pledge of Real Estate)' for the levying of execution on pledged property and its realisation, with due regard to the special considerations established by this Article.

If two or more issues of bonds are issued with the same mortgage coverage, levy of execution on the mortgage coverage shall take place based on the application of a representative of the owners of bonds, the obligations under which are to be performed first relative to bonds of other issues secured by such mortgage coverage. No decision of the general meeting of the holders of bonds of other issues with the same mortgage coverage is required.

(paragraph introduced by Federal Law No. 379-FZ, dated 21 December 2013)

2. Invalid since 1 July 2014. — Federal Law No. 379-FZ, dated 21 December 2013.

3. If two or more issues of bonds are issued with the same mortgage coverage but a different priority of performance of obligations, the claims of owners of mortgage-backed bonds of each rank for levying of execution on the mortgage coverage of such bonds shall be satisfied in the order established by the decision

on the issuance of the said bonds.

(Part 3 introduced by Federal Law No. 141-FZ, dated 27 July 2006)

Article 16. Redemption of Mortgage-Backed Bonds at the Request of Their Owners

1. The owners of mortgage-backed bonds may demand that their issuer redeem these bonds early in the case of a breach of requirements for the amount of the mortgage coverage of the bonds as established by Article 13 hereof, a breach of the established procedure for the replacement of assets that constitute the mortgage coverage, a breach of conditions securing proper performance of obligations under mortgage-backed bonds, and/or if the issuer of such bonds conducts business activity or performs transactions it is not allowed to perform, as well as in other cases stipulated by the decision on the issuance of mortgage-backed bonds. The right to demand early redemption of mortgage-backed bonds shall be terminated upon the expiry of the time specified in Part 3 of this Article.

(as amended by Federal Laws No. 141-FZ, dated 27 July 2006; No. 281-FZ, dated 29 December 2012)

2. The issuer of mortgage-backed bonds shall inform the owners of such bonds of the creation of their right to demand early redemption of their mortgage-backed bonds, their value and the redemption procedure, and of the termination of this right by way of disclosing or providing the relevant information to the owners of such bonds in the manner and within the time stipulated by Bank of Russia regulations.

(as amended by Federal Laws No. 281-FZ, dated 29 December 2012; No. 251-FZ, dated 23 July 2013)

3. The period when the owner of mortgage-backed bonds may demand their early redemption shall be established in the decision on their issuance, but shall not be less than 30 days of the date of the issuer's disclosure or provision of information about the creation of right of mortgage-backed bond owners to demand their early redemption. The right to demand early redemption of mortgage-backed bonds, which has arisen in connection with the breach of the established requirements for the amount of the mortgage coverage of bonds and/or with the breach of the conditions securing proper performance under mortgage-backed bonds, as established by Article 13 hereof, shall be terminated from the date of the issuer's disclosure or provision of information about the elimination of the violations discovered.

(Part 3 as amended by Federal Law No. 281-FZ, dated 29 December 2012)

4. If two or more issues of bonds are issued with the same mortgage coverage but a different priority of performance of obligations, the owners' demands for early redemption of their bonds of each rank shall be satisfied in the order established by the decision on the issuance of the said bonds, unless otherwise established by this decision.

(Part 4 introduced by Federal Law No. 281-FZ, dated 29 December 2012)

Article 16.1. Realisation of Mortgage Coverage of Mortgage-Backed Bonds in the Event of Insolvency (Bankruptcy) of Their Issuer

(introduced by Federal Law No. 193-FZ, dated 29 December 2004)

1. If an arbitration court rules to recognise a company that issued mortgage-backed bonds as insolvent (bankrupt) and to initiate bankruptcy proceedings, the property that constitutes the mortgage coverage pledged to secure performance of obligations under the mortgage-backed bonds shall be excluded from its bankruptcy estate.

The claims of creditors who own mortgage-backed bonds shall not be included in the register of claims of creditors of the bonds issuer. The register of claims of creditors who own mortgage-backed bonds shall be drawn up based on the data from the register of the owners of mortgage-backed bonds drawn up in accordance with the procedure stipulated in Part 5 of this Article.

The owners of mortgage-backed bonds shall have the right to apply for the satisfaction of their claims in the course of bankruptcy proceedings only to the extent of the amount not received upon the realisation of the mortgage coverage of the bonds in accordance with the procedure stipulated by this Article.

2. Realisation of the mortgage coverage of bonds may take place through its sale with the buyer's obligation to fulfil all conditions set forth in the decision on the issuance of mortgage-backed bonds (hereinafter, 'replacement of the issuer'), or through the sale of the property that constitutes the mortgage coverage and allocating the funds received from the sale among the owners of the mortgage-backed bonds (hereinafter, 'sale of the mortgage coverage').

Replacement of the issuer of mortgage-backed bonds shall take place in the manner established by federal law.

Sale of the mortgage coverage shall take place in accordance with the procedure stipulated by Article 16.2 hereof.

3. The method of the realisation of the mortgage coverage of bonds to satisfy the claims of mortgage-backed bonds owners shall be determined by the receiver in accordance with this Article.

4. From the effective day of arbitration court ruling on recognising the mortgage-backed bonds issuer as insolvent (bankrupt) and on the initiation of bankruptcy proceedings, no replacement of claims that constitute the mortgage coverage shall be allowed.

5. After the effective day of arbitration court ruling on recognising the mortgage-backed bonds issuer as insolvent (bankrupt) and on initiating bankruptcy proceedings, the receiver shall send an order to prepare the register of mortgage-backed bond owners to the registrar that maintains the register of owners of mortgage-backed registered bonds, or, in the event of mortgage-backed bearer bonds with mandatory centralised custody, to the depository responsible for their centralised custody. This order shall specify the date as of which the said register is to be drawn up. This date shall not be earlier than 30 days and later than 45 days of the effective date of the arbitration court ruling on recognising the mortgage-backed bonds issuer as insolvent (bankrupt) and on the initiation of bankruptcy proceedings.

For the purpose of drawing up the register of mortgage-backed bond owners, a nominal holder of bonds shall submit data on persons for whose benefit it holds the bonds as of the date this register is drawn up.

The registrar that maintains the register of owners of mortgage-backed registered bonds, or, in the case of issuance of mortgage-backed bearer bonds with mandatory centralised custody, the depository conducting their centralised custody shall transfer this register to the receiver within no more than 10 days of the date the register of mortgage-backed bond owners is drawn up.

In the case of issuance of mortgage-backed certified bearer bonds without mandatory centralised custody, the register of claims of creditors owning said bonds shall be prepared by the receiver as of the date established in accordance with this Part based on orders of the owners of said bonds who present their certificates.

6. Information about the date as of which the register of claims of creditors owning mortgage-backed bonds is to be drawn up shall be published by the receiver in the printed periodical medium specified in the decision on the issuance of such bonds, no later than 20 days before the date this register is to be drawn up.

If the decision on the issuance of mortgage-backed bonds contains no reference to a specific printed periodical medium, this information shall be published in the periodical medium stipulated by the legislation of the Russian Federation on insolvency (bankruptcy).

7. Information that is to be published in connection with the realisation of the mortgage coverage of bonds shall be published by the receiver in the periodical medium determined in accordance with Part 6 of this Article.

8. Current liabilities associated with the realisation of the mortgage coverage of bonds, including receiver's fees, shall be discharged at the cost of funds that constitute the mortgage coverage, in accordance

with the procedure established by Federal Law No.127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)' for compensation of expenses associated with the discharge of current liabilities.

Article 16.2. Sale of Mortgage Coverage in the Event of Insolvency (Bankruptcy) of Mortgage-Backed Bonds Issuer

(introduced by Federal Law No. 193-FZ, dated 29 December 2004)

1. The receiver shall sell the property that constitutes the mortgage coverage and make settlements in accordance with this Article within no more than nine months after the effective date of the arbitration court ruling on the recognition of the mortgage-backed bonds issuer as insolvent (bankrupt) and on the initiation of bankruptcy proceedings.

2. The property that constitutes the mortgage coverage shall be sold in accordance with the procedure established by Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)'.

3. After discharging current liabilities in accordance with the procedure established by Article 16.1 hereof, the funds that constitute the mortgage coverage and the proceeds from sale of the mortgage coverage shall be allocated to satisfy the claims of mortgage-backed bonds owners included in the register of creditors owning mortgage-backed bonds drawn up in the manner described in Article 16.1 hereof, and, in the case of issuance of mortgage-backed certified bearer bonds without mandatory centralised custody, to satisfy claims of owners of such bonds, who present their certificates.

If during the issuance of mortgage-backed bonds the priority of performance of obligations under two or more issues with the same mortgage coverage was established, the claims of the owners of such bonds shall be satisfied in accordance with the established priority. The claims of the owners of mortgage-backed bonds of each rank shall be satisfied after the full satisfaction of the claims of the owners of mortgage-backed bonds of the previous rank.

If the interests of creditors owning mortgage-backed bonds are represented in the debtor's bankruptcy proceedings by a representative of the owners of such bonds, as determined in accordance with the legislation of the Russian Federation, then after the realisation of assets that constitute the mortgage coverage, the funds allocated to satisfy the claim of the representative of bond owners shall be credited by the receiver to the special account of such representative for the purpose of further settlements with the creditors owning mortgage-backed bonds in accordance with the decision on the issuance of bonds.
(paragraph introduced by Federal Law No. 379-FZ, dated 21 December 2013)

If two or more issues of bonds are issued with the same mortgage coverage, the claims of the owners of bonds of each issue shall be satisfied by crediting the funds that constitute the mortgage coverage and the proceeds from the realisation of assets that constitute the mortgage coverage by the receiver to the special account of the representative of owners of the bonds of each issue, in accordance with the priority established by the conditions of the issue of such bonds, for the purpose of subsequent settlements between the representative and the mortgage-backed bonds owners under each issue in accordance with the law, unless otherwise agreed upon between them.
(paragraph introduced by Federal Law No. 379-FZ, dated 21 December 2013)

4. Property remaining after the satisfaction of claims of the mortgage-backed bonds owners and the discharge of current liabilities associated with the sale of the mortgage coverage shall be included in the bankruptcy estate of the mortgage-backed bonds issuer.

Chapter 3. ISSUANCE AND CIRCULATION OF MORTGAGE PARTICIPATION CERTIFICATES

Article 17. Entities Entitled to Issue Mortgage Participation Certificates

1. Mortgage participation certificates may be issued only by commercial organisations duly licenced for the management of investment funds, unit investment funds and non-governmental pension funds, as well as by credit institutions.

(as amended by Federal Law No. 193-FZ, dated 29 December 2004)

2. Issuance of mortgage participation certificates shall serve as grounds for the creation of common shared ownership by the owners of mortgage participation certificates with regard to the mortgage coverage under which they are issued, and for the establishment of trust management of such mortgage coverage. Common shared ownership of the mortgage coverage arises simultaneously with the establishment of trust management of such mortgage coverage.

3. Trust management of mortgage coverage shall be established by way of concluding an agreement for the trust management of mortgage coverage.

Article 18. Agreement for the trust management of mortgage coverage

1. The terms and conditions of an agreement for the trust management of mortgage coverage (hereinafter, the 'rules of trust management of the mortgage coverage') shall be determined by the entity that issues mortgage participation certificates (hereinafter, the 'manager of mortgage coverage') in standard forms, and may be accepted by the acquirer of mortgage participation certificates that is the trustor of the mortgage coverage for which mortgage participation certificates are issued only by way of acceding to the said agreement in whole.

Accession to the agreement for the trust management of mortgage coverage shall take place by way of acquiring mortgage participation certificates issued by the manager of mortgage coverage.

2. Claims and other assets that constitute the mortgage coverage shall be the common property of the owners of mortgage participation certificates and shall belong to them based on the right of common shared ownership. Division of the assets that constitute the mortgage coverage and the separation of its share in kind shall not be allowed.

The agreement for the trust management of mortgage coverage requires that an individual or a legal entity waive their pre-emptive right to acquire a share in the right of common shared ownership of the assets that constitute the mortgage coverage. Such a pre-emptive right shall be terminated.

The owners of mortgage participation certificates bear the risk of non-fulfilment or improper fulfilment of the obligations, claims under which constitute the mortgage coverage.

3. The manager of mortgage coverage shall exercise the trust management of the mortgage coverage by receiving (accepting) payments on obligations claims under which constitute the mortgage coverage, transferring (paying) the funds to owners of mortgage participation certificates at the cost of said payments, securing proper fulfilment of the obligations claims under which constitute the mortgage coverage, including seizure of debtor's assets, in particular assets pledged to secure said obligations, in the event of non-fulfilment or improper fulfilment of such obligations, and by way of taking other related actions that are not in conflict with this Federal Law or with the rules of trust management of the mortgage coverage.

The manager of mortgage coverage may file claims and act as a defendant in court in connection with the activities of trust management of mortgage coverage.

4. Apart from the material terms of the agreement for the trust management of mortgage coverage, as stipulated by the Civil Code of the Russian Federation and this Federal Law, the rules of trust management of mortgage coverage shall indicate that the owner of a mortgage participation certificate has no right to demand that the manager of mortgage coverage terminate the agreement for the trust management of mortgage coverage before its expiry otherwise than in the cases stipulated by this Federal Law.

Article 19. Effective Period of the Agreement for the Trust Management of Mortgage Coverage

The effective period of the agreement for the trust management of mortgage coverage, as established by the rules of trust management of the mortgage coverage, shall be no less than one year and no more than forty years.

Article 20. Mortgage Participation Certificate

1. Each mortgage participation certificate shall certify the same scope of rights, including the same share in the common ownership of the mortgage coverage.

2. A mortgage participation certificate is not an issue-grade security.

The rights certified by the mortgage participation certificate shall be recorded in book-entry form.

The number of mortgage participation certificates that certify a share in the common ownership of the mortgage coverage shall be specified in the rules of trust management of this mortgage coverage.

3. A mortgage participation certificate shall have no face value.

4. The issuance of derivative securities based on mortgage participation certificates is not allowed.

5. Mortgage participation certificates shall be freely traded, including through on-exchange trading. (as amended by Federal Law No. 327-FZ, dated 21 November 2011)

Rights to mortgage participation certificates shall be accounted in personal accounts in the register of mortgage participation certificate owners and, if provided for by the rules of trust management of the mortgage coverage, in depository accounts by depositories, for which personal accounts of nominal holders are opened for this purpose in the register of mortgage participation certificate owners. Depositories, except for depositories accounting for the rights to mortgage participation certificates traded through on-exchange trading, are not allowed to open depository accounts for other depositories performing the functions of nominal holders of their customers' securities (depositors).

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

The registrar that maintains the register of mortgage participation certificate owners shall confirm their rights to the mortgage participation certificates by issuing an extract from the register of mortgage participation certificates within five days upon the request of a mortgage participation certificate owner, a person authorised by the latter, or a nominal holder.

Article 21. Requirements for Mortgage Coverage of Mortgage Participation Certificates

1. Mortgage coverage of mortgage participation certificates may include only claims under obligations secured with mortgage, mortgage participation certificates that certify a share in the common ownership of other mortgage coverage, real estate and funds received in connection with the fulfilment of obligations, claims under which constitute the mortgage coverage, levying of execution under such claims, their sale, performance of obligations under mortgage participation certificates that constitute the mortgage coverage, realisation of real estate that constitutes the mortgage coverage, and other exercise of trust management of such mortgage coverage.

Real estate may constitute the mortgage coverage of mortgage participation certificates only as a result of its acquisition (reservation) in connection with it being subject to levy of execution in the event of non-fulfilment or improper fulfilment of obligations secured with mortgage, claims under which constitute the mortgage coverage.

(Part 1 as amended by Federal Law No. 281-FZ, dated 29 December 2012)

2. Sale of claims that constitute the mortgage coverage of mortgage participation certificates is

allowed in the cases stipulated by Part 1 of Article 14 hereof if such sale of claims is provided for by the rules of trust management of such mortgage coverage.
(Part 2 as amended by Federal Law No. 141-FZ, dated 27 July 2006)

Article 22. Separation of Assets that Constitute Mortgage Coverage

1. Claims and other assets that constitute the mortgage coverage shall be separated from the assets of the manager of mortgage coverage, the assets of mortgage participation certificate owners, and the assets that constitute other mortgage coverages held in trust management by the said manager, as well as from other assets held in trust management or on other grounds by the said manager. Assets that constitute mortgage coverage shall be accounted for by the manager of mortgage coverage on an individual balance sheet and shall be subject to independent accounting.

2. A separate bank account (separate bank accounts) shall be opened for settlements under operations related to the trust management of the mortgage coverage, and separate depository accounts shall be opened to record the rights to securities constituting the mortgage coverage. Such accounts, except as otherwise established by the legislation of the Russian Federation, shall be opened in the name of the manager of mortgage coverage, specifying that the latter is acting as a trust manager, and indicating a unique designator to identify mortgage participation certificates. The name(s) of mortgage participation certificate owners shall not be indicated.

When conducting state registration of a mortgage securing claims that constitute mortgage coverage, the share in common ownership of which is certified with a mortgage participation certificate, the information about limitation or encumbrance in the Unified State Register of Real Estate shall state that the pledge holders of the said real estate shall be the owners of mortgage participation certificates whose details shall be established based on personal account details in the register of mortgage participation certificate owners and depository accounts of mortgage participation certificate owners. The unique designator to identify mortgage participation certificates, for whose owners' benefit the trust management of such mortgage coverage is carried out, shall also be specified.

(as amended by Federal Law No. 361-FZ, dated 3 July 2016)

3. No levy of execution on assets that constitute mortgage coverage for debts of mortgage participation certificate owners, inter alia, in the event of their insolvency (bankruptcy), shall be allowed. With respect to the debts of mortgage participation certificate owners, levy of execution shall apply to their mortgage participation certificates. In the case of the insolvency (bankruptcy) of mortgage participation certificate owners, the bankruptcy estate shall include their mortgage participation certificates.

If mortgage participation certificates constitute mortgage coverage of other mortgage participation certificates and belong to their owners based on the right of common shared ownership, levy of execution under the debts of such owners shall apply to, and the bankruptcy estate shall include, the mortgage participation certificates that certify the share in the common ownership of such mortgage coverage.

4. If the manager of mortgage coverage is recognised as insolvent (bankrupt), the assets that constitute the mortgage coverage shall not be included in the bankruptcy estate.

If the manager of mortgage coverage is recognised as insolvent (bankrupt) or its licence is revoked, the assets that constitute the mortgage coverage shall be transferred in trust management to a public management company determined in accordance with the legislation of the Russian Federation on investing pension savings. Such trust management shall be established due to the need for continuous management of mortgage coverage for the purpose of securing the rights of mortgage participation certificate owners. In this case, conclusion of a new mortgage coverage trust management agreement is not required.

The assets that constitute the mortgage coverage shall be transferred to a public management company in accordance with the procedure defined by the Government of the Russian Federation. The funds that constitute the mortgage coverage shall be transferred to a public management company within no more

than three days after the manager of mortgage coverage has been declared insolvent (bankrupt).

Article 23. Limitations on the Activity of Manager of Mortgage Coverage

A manager of mortgage coverage may not:

Dispose of assets that constitute mortgage coverage without the consent of the specialised depository;

Acquire any other property at the cost of assets that constitute mortgage coverage;

Alienate the assets that constitute mortgage coverage without compensation;

Receive funds under loan or credit agreements to be repaid at the cost of assets that constitute mortgage coverage;

Provide loans at the cost of assets that constitute mortgage coverage;

Use the assets that constitute mortgage coverage to secure the fulfilment of its own obligations or third persons' obligations;

Acquire assets that constitute mortgage coverage, except as remuneration received in accordance with the rules of trust management of the mortgage coverage;

Alienate its own assets to the assets that constitute the mortgage coverage held in its trust management.

Article 24. Liability of Manager of Mortgage Coverage

The manager of mortgage coverage shall be liable to owners of mortgage participation certificates in the amount of actual damages if they incur any loss as a result of a breach of this Federal Law, other federal laws, or the rules of trust management of the mortgage coverage, including incorrect calculation of the amount of funds to be transferred (paid) to the mortgage participation certificate owner or the amount of funds to be paid in connection with the redemption of a mortgage participation certificate.

Article 25. Rules of Trust Management of Mortgage Coverage

1. The rules of trust management of the mortgage coverage shall contain:

Unique designation that identifies mortgage participation certificates with this mortgage coverage;

Full official name of the manager of mortgage coverage;

Full official name of the specialised depository;

Full official name of the registrar that maintains the register of mortgage participation certificate owners;

Rights and duties of the manager of mortgage coverage;

Effective period of the trust management agreement;

Number of mortgage participation certificates and the procedure for their issuance;

Procedure and terms for the payment of funds in connection with the redemption of mortgage participation certificates;

Procedure for the payment of funds under each mortgage participation certificate at the cost of

payments received under the obligations, the claims under which constitute the mortgage coverage, and the time for such payment, which shall not exceed three months following the receipt of respective payments;

Procedure for calculating the amount of funds to be paid in connection with the redemption of mortgage participation certificates;

Procedure and terms for making entries in the register of mortgage participation certificate owners on the acquisition, transfer and redemption of mortgage participation certificates;

Rights of mortgage participation certificate owners;

Procedure for convening and holding the general meeting of mortgage participation certificate owners;

Amount of remuneration due to the manager of mortgage coverage, the specialised depository, and the registrar that maintains the register of mortgage participation certificate owners;

Types and maximum amount of expenses associated with the trust management of mortgage coverage to be paid at the cost of assets that constitute the mortgage coverage;

Procedure for disclosing information associated with the trust management of mortgage coverage, including the name of the printed periodical medium where such information shall be published;

Other information in accordance with the requirements established by this Federal Law.

2. The manager of mortgage coverage shall have the right to introduce amendments and supplements to the rules of trust management of the mortgage coverage, which shall become effective only after their approval by the general meeting of mortgage participation certificate owners.

If the specialised depository that maintains the register of mortgage coverage has its licence revoked, the manager of mortgage coverage shall have the right to amend the rules of trust management of the mortgage coverage in connection with the replacement of the specialised depository. At the same time, the manager of mortgage coverage shall convene the general meeting of mortgage participation certificate owners to approve a new specialised depository.

3. The rules of trust management of the mortgage coverage shall comply with the standard rules of trust management of mortgage coverage approved by the Bank of Russia. In addition to the terms and/or list of information stipulated by this Federal Law, the Bank of Russia may establish other terms and/or information to be included in the rules of trust management of the mortgage coverage.
(Part 3 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 26. General Meeting of Mortgage Participation Certificate Owners

1. The general meeting of mortgage participation certificate owners shall be convened by the manager of mortgage coverage at its own initiative or based on the written demand of owners of at least 10 per cent of mortgage participation certificates as of the date of submission of a demand to convene the general meeting.

A written demand of mortgage participation certificate owners to convene the general meeting shall contain the reasons for convening it and the agenda of the general meeting. A notice on the convening of the general meeting shall be published in the printed periodical medium specified in the rules of trust management of the mortgage coverage.

2. During voting, each mortgage participation certificate shall grant its owner one vote.

The general meeting of mortgage participation certificate owners shall take decisions by the majority vote of mortgage participation certificate owners, unless otherwise established by this Federal Law.

3. By a decision made by three-fourths of the votes of all mortgage participation certificate owners present at the meeting, the rights and obligations of the manager of mortgage coverage may be transferred to another entity which is entitled in accordance with this Federal Law to issue mortgage participation certificates, and the rules of trust management of the mortgage coverage may be amended as regards supplementing the mortgage coverage with new claims and/or pledge instruments and proportional issuance of additional mortgage participation certificates.

4. Decisions of the general meeting of mortgage participation certificate owners shall be documented in the minutes, a copy of which shall be sent to the Bank of Russia within no more than three days of the day of the general meeting.

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

5. Additional requirements for the procedure for preparing, convening, and holding a general meeting of mortgage participation certificate owners shall be established by Bank of Russia regulations.

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

6. The expenses associated with the convening and holding a general meeting of mortgage participation certificate owners shall be compensated at the cost of mortgage coverage.

Article 27. Registration of Rules of Trust Management of Mortgage Coverage and Amendments and Supplements Thereto

1. The manager of mortgage coverage shall have the right to issue mortgage participation certificates only subject to registration by the Bank of Russia of the rules of trust management of the mortgage coverage the share in the common ownership of which these certificates attest.

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

Amendments and supplements introduced to the rules of trust management of the mortgage coverage shall become effective subject to their registration by the Bank of Russia.

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

2. Registration of the rules of trust management of the mortgage coverage and of amendments and supplements thereto shall take place at the request of an entity entitled in accordance with this Federal Law to issue mortgage participation certificates.

Paragraph is no longer valid. — Federal Law No. 141-FZ , dated 27 July 2006.

3. A decision to register the rules of trust management of the mortgage coverage or amendments and supplements thereto or to deny their registration shall be made within no more than thirty days following the acceptance of documents submitted for their registration. A decision to deny registration of the rules of trust management of the mortgage coverage or amendments and supplements thereto shall be duly justified.

During the said period of time, the Bank of Russia shall be entitled to verify the information contained in the rules of trust management of the mortgage coverage and other documents submitted.

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

A notice of the decision to register the rules of trust management of the mortgage coverage or amendments and supplements thereto or to deny their registration shall be sent to the applicant within three days of the day of such decision.

4. The registration of the rules of trust management of the mortgage coverage and of amendments and supplements thereto may be denied if:

The documents submitted do not comply with this Federal Law and the standard rules of trust management of the mortgage coverage;

The rules of trust management of the mortgage coverage, amendments and supplements thereto, and other documents submitted for their registration contain inaccurate or misleading information;

The applicant, the specialised depository that maintains the register of mortgage coverage, or the registrar intending to maintain the register of mortgage participation certificate owners do not have the appropriate licences.

The denial of registration of the rules of trust management of the mortgage coverage or amendments and supplements thereto or avoidance of adopting a decision on their registration may be appealed in court.

5. The requirements for the scope and contents of the documents submitted for registration of the rules of trust management of the mortgage coverage and of amendments and supplements thereto 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 maintain the register of the rules of trust management of the mortgage coverage registered by the Bank of Russia, and shall be liable for the conformity of such registered rules of trust management of the mortgage coverage and amendments and supplements thereto to the requirements of this Federal Law.

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

Article 28. Entry into Force of Amendments and Supplements to Rules of Trust Management of Mortgage Coverage

1. A notice of registration of amendments and supplements to the rules of trust management of the mortgage coverage, including the full text of these amendments and supplements, shall be published in the printed periodical medium specified in the rules of trust management of the mortgage coverage.

2. Amendments and supplements to the rules of trust management of the mortgage coverage associated with an increase in the remuneration paid to the manager of mortgage coverage, the specialised depository, or the registrar maintaining the register of mortgage participation certificate owners, with an increase in the types of expenses or an increase in the maximum amount of expenses associated with the trust management of mortgage coverage shall enter into force upon the expiry of one month after the notice of the registration has been published.

3. Other amendments and supplements to the rules of trust management of the mortgage coverage shall enter into force from the day the notice of their registration is published.

Article 29. Issuance of Mortgage Participation Certificates

1. Mortgage participation certificates shall be issued to a person who owns claims that constitute the mortgage coverage.

2. Invalid since 1 January 2013. — Federal Law No. 281-FZ, dated 29 December 2012.

Article 30. Remuneration and Expenses Associated with Trust Management of Mortgage Coverage

1. Remuneration of the manager of mortgage coverage, the specialised depository, or the registrar maintaining the register of mortgage participation certificate owners shall be paid at the cost of assets that constitute the mortgage coverage, and the amount of such remuneration shall not exceed five per cent of the amount of fulfilled obligations, the claims under which constitute the mortgage coverage.

2. The expenses associated with the trust management of mortgage coverage, including levying of execution on real estate pledged to secure the fulfilment of obligations, the claims under which constitute the mortgage coverage, and with the settlement of transactions with the said property in the cases

stipulated by this Federal Law and by the rules of trust management of the mortgage coverage, shall be paid at the cost of assets that constitute the mortgage coverage.

Article 31. Register of Mortgage Participation Certificate Owners

1. The register of mortgage participation certificate owners is a system of records about the mortgage participation certificates issued according to the applicable rules of trust management of the mortgage coverage, about the total number of mortgage participation certificates issued and redeemed, about the mortgage participation certificate owners, and about the number of mortgage participation certificates owned by them, about nominal holders and other registered persons, and about the number of mortgage participation certificates registered in their name, as well as records of acquisition, transfer, encumbrance or redemption of mortgage participation certificates.

2. The register of mortgage participation certificate owners shall be maintained only by a legal entity duly licensed to conduct professional activity in the securities market related to the maintenance of a register of mortgage participation certificate owners (hereinafter, the 'registrar').

3. The agreement on the maintenance of the register of mortgage participation certificate owners may be concluded with only one legal entity.

4. No longer valid. — Federal Law No. 210-FZ, dated 29 June 2015.

5. The registrar maintaining the register of mortgage participation certificate owners and the manager of mortgage coverage shall bear subsidiary liability to mortgage participation certificate owners for the non-performance or improper performance of their obligations to maintain the said register as provided for by this Federal Law, the rules of trust management of the mortgage coverage, and the agreement with the manager of mortgage coverage.

The registrar maintaining the register of mortgage participation certificate owners shall be liable to the manager of mortgage coverage for the non-performance or improper performance of its obligations to maintain the said register as provided for by this Federal Law, the rules of trust management of the mortgage coverage, and the agreement with the manager of mortgage coverage.

Chapter 4. CONTROL OVER DISPOSAL OF PROPERTY THAT CONSTITUTES MORTGAGE COVERAGE

Article 32. Specialised Depository of Mortgage Coverage

1. Accounting and storage of assets that constitute mortgage coverage, as well as control over the disposal of such assets, shall be carried out by a specialised depository, unless otherwise stipulated by this Federal Law.

2. A specialised depository shall be a commercial organisation licenced to conduct the activity of specialised depositories of investment funds, unit investment funds and non-governmental pension funds, and to conduct depository activity in the securities market.

Article 33. Accounting and Custody of Assets that Constitute Mortgage Coverage

1. Assets that constitute mortgage coverage shall be accounted for by the specialised depository by way of maintaining a register of mortgage coverage.

The specialised depository shall keep documents supporting the claims secured with mortgage and the rights to other assets accounted for in the register of mortgage coverage.

2. Certified securities that constitute mortgage coverage shall be kept in the specialised depository,

except for government securities, if the regulatory legal acts of the Russian Federation provide for a different custody procedure for them.

3. Accounting and custody of assets that constitute the same mortgage coverage may be performed by only one specialised depository.

Accounting and custody of assets that constitute mortgage coverage may not be performed by a specialised depository affiliated with the issuer of mortgage-backed bonds or with the manager of mortgage coverage.

The specialised depository is not entitled to use or dispose of assets that constitute mortgage coverage or to perform transactions with mortgage securities the register of whose mortgage coverage such depository maintains.

4. The specialised depository is entitled to engage another depository to perform its obligations related to the custody of and/or accounting of rights to the securities that constitute mortgage coverage if this is provided for by the decision to issue mortgage-backed bonds or by the rules of trust management of the mortgage coverage. In this case, the specialised depository shall be liable for the actions of its designated depository as for its own actions.

The manager of mortgage coverage shall be liable for the actions of its designated depository if the latter was engaged based on the manager's written instruction.

Article 34. Control over Disposal of Assets that Constitute Mortgage Coverage

1. The specialised depository shall control the compliance of the issuer of mortgage-backed bonds with the requirements of this Federal Law, the Federal Law 'On the Securities Market', other regulatory legal acts of the Russian Federation, and the terms and conditions of the issue, as established by the duly registered decision on the issuance of such bonds.

The specialised depository shall control the compliance of the manager of mortgage coverage with this Federal Law, other regulatory legal acts of the Russian Federation, and the rules of trust management of the mortgage coverage.

The specialised depository shall not be entitled to give the issuer of mortgage-backed bonds or the manager of mortgage coverage its consent to the disposal of assets that constitute mortgage coverage or to execute orders of the said persons to transfer securities if such order and/or transfer are in conflict with this Federal Law, other regulatory legal acts of the Russian Federation, or with the duly registered decision to issue such bonds or with the rules of trust management of the mortgage coverage.

2. In the case of non-performance of obligations stipulated by this Article, the specialised depository shall bear joint and several liability with the issuer of mortgage-backed bonds or with the manager of mortgage coverage to the owners of the mortgage-backed bonds or mortgage participation certificates, respectively.

Article 35. Obligations of the Specialised Depository

1. The specialised depository shall act solely for the benefit of the owners of mortgage securities the register mortgage coverage of which it maintains.

2. The specialised depository shall:

Accept for custody and store documents confirming the claims secured with the mortgage, certified securities and documents attesting the rights to other assets that constitute mortgage coverage, except for government securities, if regulatory legal acts of the Russian Federation provide for a different custody procedure for them;

Provide the issuer of mortgage-backed bonds or the manager of mortgage coverage with its consent to the disposal of assets that constitute mortgage coverage or execute orders of the said entities to transfer the securities that constitute mortgage coverage if such orders and/or transfer are not in conflict with the requirements of this Federal Law;

Submit reports to the Bank of Russia in accordance with the established procedure established by the latter;

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

Provide the issuer of mortgage-backed bonds or the manager of mortgage coverage with information and documents required for the exercise of rights under the mortgage securities and for the disclosure of information on mortgage securities;

Paragraph no longer valid. — Federal Law No. 141-FZ, dated 27 July 2006;

Register itself as a nominal holder of securities that constitute mortgage coverage, unless a different procedure for accounting of the rights to the securities is established by the legislation of the Russian Federation;

Inform owners of mortgage-backed bonds in accordance with the procedure stipulated in Article 16 hereof about their right to demand early redemption of such bonds within no more than ten days following the receipt of documentary confirmation of the occurrence of an event or performance of an action as a result of which said rights arose for the owners of mortgage-backed bonds, and in the absence of evidence attesting proper notification of the owners of mortgage-backed bonds by the issuer of such bonds;

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. The specialised depository shall notify the Bank of Russia of the violations discovered by the depository in the course of control in accordance with this Federal Law within no more than three days of the day when such violations are discovered.

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

Article 36. Insurance of Liability of Issuer of Mortgage-Backed Bonds, Manager of Mortgage Coverage, Specialised Depository, and Registrar to Owners of Mortgage Securities

The issuer of mortgage-backed bonds, the manager of mortgage coverage, the specialised depository, and the registrar shall have the right to insure at their own cost their liability to owners of mortgage securities (risk of liability to owners of mortgage securities). If a policy insuring the liability to owners of mortgage securities is concluded, the insurance details shall be included, respectively, in the decision on the issuance of mortgage-backed bonds and in the rules of trust management of the mortgage coverage.

Chapter 5. DISCLOSURE OF INFORMATION ON MORTGAGE SECURITIES

Article 37. Disclosure and Provision of Information about Mortgage-Backed Bonds

1. Issuers of mortgage-backed bonds shall disclose and provide information about mortgage-backed bonds in accordance with the Federal Law 'On the Securities Market', with due regard to the requirements of this Federal Law.

2. In the event of assessment of mortgage-backed bonds by a rating agency duly acknowledged in accordance with the procedure established by the legislation of the Russian Federation, the issuer of mortgage-backed bonds shall disclose and provide the details of such assessment.

Article 38. Requirements for the Content of Distributed or Published Information about Mortgage Securities

1. The distributed or published information about mortgage participation certificates and about the trust management of their mortgage coverage shall contain:

Full or short commercial name of the manager of mortgage coverage, the unique designation that identifies the mortgage participation certificates attesting the share of their owners in common ownership of the mortgage coverage, the number and date of registration of the rules of trust management of mortgage coverage, and number and date of issuance of the respective licence to the manager of mortgage coverage;

Information about the places (including address and/or telephone number) where one may acquaint oneself with the rules of trust management of the mortgage coverage, the register of mortgage coverage, and other documents stipulated by this Federal Law and Bank of Russia regulations before the acquisition of mortgage participation certificates;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Information about the assessment of mortgage participation certificates by a rating agency duly acknowledged in accordance with the procedure established by the legislation of the Russian Federation, in the event that such assessment has been performed;

Provision stating that the cost of mortgage participation certificates may increase and decrease and that the state does not guarantee the profitability of investment in mortgage participation certificates, as well as information on the fact that one should acquaint oneself thoroughly with the rules of trust management of the mortgage coverage before acquiring a mortgage participation certificate.

2. The issuer of mortgage-backed bonds and the manager of mortgage coverage shall be liable for the content and form of distributed or published information about the issue of mortgage securities and about their mortgage coverage, including for the distribution or publication of inaccurate, incomplete or misleading information, or for its delayed distribution or publication.

3. Any information about the issue of mortgage securities and about their mortgage coverage provided for distribution or publication shall not contain any inaccurate, incomplete, and/or misleading details.
(Part 3 as amended by Federal Law No. 141-FZ, dated 27 July 2006)

4. Prior to obtaining a licence granting it the right to issue mortgage participation certificates under this Federal Law, a commercial organisation shall not be entitled to provide information for distribution or publication about its activity as a manager of mortgage coverage.

5. Concurrently with the distribution or publication of information, a manager of mortgage coverage shall submit copies of the documents containing such information to the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

6. Failure by the manager of mortgage coverage, the specialised depository or the registrar to comply with the requirements of this Federal Law and regulatory legal acts of the Russian Federation adopted in pursuance hereof, as well as failure by any of them to eliminate violations within the prescribed time period, shall constitute grounds for the suspension or revocation of its licence, or for the revocation of its banking licence, if it is a credit institution, in accordance with the Federal Law 'On Banks and Banking Activity' (as amended by Federal Law No. 17-FZ, dated 3 February 1996).
(Part 6 as amended by Federal Law No. 193-FZ, dated 29 December 2004)

7. The Bank of Russia shall have the right to file lawsuits in court in the event of violation of rights of mortgage security owners as a result of a failure to comply with the requirements established by this Chapter.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 39. Information on Mortgage Securities to be Presented at the Request of Interested Parties

1. The issuer of mortgage-backed bonds shall allow all interested parties at their request to acquaint themselves with the information contained in the register of mortgage coverage and to obtain copies of the register or extracts from it.

(Part 1 as amended by Federal Law No. 141-FZ, dated 27 July 2006)

2. The manager of mortgage coverage shall show all interested persons at their request the following original documents or their notarised copies in the places for accepting requests for the acquisition and redemption of mortgage participation certificates:

Charter of the manager of mortgage coverage, rules of trust management of the mortgage coverage, and the full text of registered amendments and supplements introduced thereto;

Rules for the maintenance of the register of mortgage participation certificate owners;

Paragraph no longer valid. — Federal Law No. 141-FZ, dated 27 July 2006;

Certificate of the amount of mortgage coverage, calculated in accordance with the procedure established by the Bank of Russia;

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

Balance sheet of the assets that constitute the mortgage coverage, the balance sheet and the statement of profit and loss of the manager of mortgage coverage, the balance sheet and the statement of profit and loss of the specialised depository, and the auditor's report executed as of the last reporting date;

Report on the fulfilment of obligations, claims under which constitute the mortgage coverage, and documents containing information about the remuneration of the manager of mortgage coverage and expenses to be reimbursed at the cost of assets that constitute the mortgage coverage, as of the last reporting date;

Documents containing other information distributed or published by the manager of mortgage coverage in accordance with the requirements of this Federal Law, Bank of Russia regulations, the charter of the manager of mortgage coverage, or the rules of trust management of the mortgage coverage.

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

The manager of mortgage coverage shall allow all interested parties at their request to acquaint themselves with the information contained in the register of mortgage coverage, and to obtain copies of the register or extracts from it.

(Paragraph introduced by Federal Law No. 141-FZ, dated 27 July 2006)

3. The fee charged by the issuer of mortgage-backed bonds or by the manager of mortgage coverage for providing copies of documents as stipulated by this Article may not exceed the cost of their production.

(Part 3 introduced by Federal Law No. 141-FZ, dated 27 July 2006)

Article 40. Information Subject to Disclosure

1. The issuer of mortgage-backed bonds shall publish information on the issuance of such bonds in accordance with Federal Law 'On the Securities Market', other federal laws, and regulatory legal acts of the Russian Federation on issue-grade securities.

2. The manager of mortgage coverage shall publish the rules of trust management of the mortgage coverage before the start of issuance of mortgage participation certificates.

3. The manager of mortgage coverage shall publish notices of registration of amendments and supplements to the rules of trust management of the mortgage coverage.

4. The following shall be subject to publication in accordance with the requirements of Bank of Russia regulations:
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Balance sheet of the assets that constitute the mortgage coverage and the balance sheet and the statement of profit and loss of the manager of mortgage coverage;

Report on the fulfilment of obligations, claims under which constitute the mortgage coverage, and information about the remuneration of the manager of mortgage coverage and expenses to be reimbursed at the cost of assets that constitute the mortgage coverage;

Other documents in accordance with this Federal Law;

Information on the adoption of a decision to transfer the rights and obligations under the mortgage coverage trust management agreement to another entity entitled in accordance with this Federal Law to issue mortgage participation certificates.

5. Information related to the activity of the manager of mortgage coverage shall be disclosed in accordance with this Federal Law and Bank of Russia regulations.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 41. Reports Submitted to the Bank of Russia

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

1. The scope, deadlines, forms and procedure for the submission of reports of issuers of mortgage-backed bonds, managers of mortgage coverage, and specialised depositories shall be determined by the Bank of Russia.

2. The reports specified in Part 1 of this Article shall be submitted to the Bank of Russia.

Chapter 6. AUTHORITIES OF THE BANK OF RUSSIA IN THE MORTGAGE SECURITIES MARKET

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

Article 42. Regulation and Supervision in the Mortgage Securities Market

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

Regulation of issuance of mortgage securities and the activity of mortgage agents and managers of mortgage coverage, as well as the supervision of their activity, shall be conducted by the Bank of Russia in compliance with the legislation of the Russian Federation.

Article 43. Rights of the Bank of Russia

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

1. The Bank of Russia shall have the right to:
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Establish requirements for the size of equity of mortgage agents and for the procedure for its calculation;

Regulate the activity of mortgage agents, managers of mortgage coverage, and specialised depositories of mortgage coverage in accordance with this Federal Law;
(as amended by Federal Law No. 141-FZ, dated 27 July 2006)

Establish requirements aimed to prevent conflict of interest between managers of mortgage coverage and specialised depositories;

Paragraph no longer valid. — Federal Law No. 362-FZ , dated 30 November 2011;

Establish qualification requirements for employees of managers of mortgage coverage and specialised depositories, and requirements for the professional experience of the persons performing the functions of the sole executive body of managers of mortgage coverage and specialised depositories;

Establish requirements for the procedure for the redemption of mortgage participation certificates, including requirements for determining the amount payable upon redemption of mortgage participation certificates;

Supervise the activity of mortgage agents, managers of mortgage coverage, and specialised depositories;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Paragraph no longer valid. — Federal Law No. 362-FZ , dated 30 November 2011;

Monitor compliance with this Federal Law and to process complaints of citizens and legal entities associated with the violations of this Federal Law;

Inspect the activity of mortgage agents, managers of mortgage coverage, and specialised depositories;

Paragraph no longer valid. — Federal Law No. 210-FZ, dated 29 June 2015;

Send orders to mortgage agents, managers of mortgage coverage and specialised depositories to eliminate violations of this Federal Law and regulations of the Bank of Russia, and to set deadlines for the elimination of such violations;
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

File claims in court for the liquidation of legal entities conducting the activity stipulated by this Federal Law without the appropriate licences or the activity that they are not allowed to conduct in accordance with this Federal Law or in accordance with the procedure established by the Bank of Russia;

File lawsuits in court for the benefit of owners of mortgage securities in the event that their rights stipulated by this Federal Law have been violated;

Establish the procedure for determining the amount of mortgage coverage;

Establish additional requirements for the scope of information and rules for maintaining the register of mortgage coverage;

Establish additional requirements for the structure and minimum amount of mortgage coverage;

Exercise other powers stipulated by this Federal Law.

Paragraph no longer valid. — Federal Law No. 251-FZ, dated 23 July 2013.

2. The employees of the Bank of Russia, duly authorised by the Bank of Russia in accordance with the procedure established by the latter, shall have the right of free access, upon presentation of an official ID, to the premises of the issuers of mortgage-backed bonds, managers of mortgage coverage, specialised depositories, and registrars, for the purpose of performing their official duties and studying, based on a written request, the necessary documents and information specified in such a request, subject to their non-disclosure of state, business, and commercial secrets.

Issuers of mortgage-backed bonds, managers of mortgage coverage, specialised depositories, and

registrars shall submit documents and other information to the Bank of Russia and provide written and/or verbal explanations necessary for the Bank of Russia to conduct its activity.
(Part 2 as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 44. Liability of the Bank of Russia for Preserving Commercial Secrets
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1. The Bank of Russia shall not disclose information that constitutes a commercial secret obtained in connection with the activity conducted in accordance with this Federal Law.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. If employees of the Bank of Russia disclose information constituting a commercial secret, they shall bear liability in accordance with the procedure established by the legislation of the Russian Federation. The loss incurred by the organisation due to such disclosure shall be reimbursed in accordance with the civil legislation.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 45. The Bank of Russia's Order to Eliminate Violations

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

If the Bank of Russia identifies a breach of this Federal Law, the laws of the Russian Federation on securities, and/or regulations of the Bank of Russia by an issuer of mortgage-backed bonds, a manager of mortgage coverage, or a specialised depository, it shall send the violator a binding order to eliminate the violation committed in accordance with the procedure established by a federal law.

Article 46. Measures Applied by the Bank of Russia

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

1. If an issuer of mortgage-backed bonds, a manager of mortgage coverage, or a specialised depository violates this Federal Law, other federal laws, and other regulatory legal acts of the Russian Federation on securities or regulations of the Bank of Russia, fails to execute an order of the Bank of Russia, refuses to provide information or provides incomplete, inaccurate false or misleading information, the Bank of Russia shall have the right to demand that these entities eliminate such violations, and to take measures established by the legislation of the Russian Federation on administrative offences.

2. In the case of failure to execute the order to eliminate violations within the time established by the Bank of Russia, and if such violations have created a real threat to the lawful interests of mortgage participation certificate owners, the Bank of Russia shall have the right to suspend the issuance of mortgage participation certificates for up to six months.

Chapter 7. FINAL PROVISIONS

Article 47. Procedure for Entry into Force of this Federal Law

This Federal Law shall enter into force upon its official publication.

President
of the Russian Federation
V. PUTIN

Moscow, the Kremlin

11 November 2003

