

FEDERAL LAW NO. 334-FZ OF DECEMBER 6, 2007 ON AMENDING THE FEDERAL LAW ON INVESTMENT FUNDS/TRUSTS AND SOME LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Adopted by the State Duma on November 16, 2007

Endorsed by the Federation Council on November 23, 2007

Article 1

The following amendments shall be made to Federal Law No. 156-FZ of November 29, 2001 on Investment Funds/Trusts (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 49, Article 4562; 2004, No. 27, Article 2711; 2006, No. 17, Article 1780):

1) Article 3 shall be stated in the following wording:

"Article 3. Requirements for a Joint-Stock Investment Fund

1. The amount of a joint-stock investment fund's resources as of the date of filing documents for obtainment of the licence for exercising the activities of an investment fund (hereinafter referred to as the licence of a joint-stock investment fund) shall comply with the requirements set by the federal executive body in charge of the securities market.

2. A specialised custodian, registrar, appraiser and auditor, as well as a natural person or legal entity with which in compliance with the requirements of Federal Law No. 135-FZ of July 29, 1998 on Valuation Activity in the Russian Federation a contract of valuation may be made (hereinafter referred to as the appraiser), if the persons cited in this item have concluded relevant contracts with a joint-stock investment fund, shall not be stockholders of the joint-stock investment fund.

3. The property of a joint-stock investment fund is subdivided as property intended for investment purposes (investment reserves) and property intended for the purpose of maintaining the operation of the managerial bodies and other bodies of the joint-stock investment fund, the ratio between them being set by the constitution of the joint-stock investment fund.

4. The investment reserves of a joint-stock investment fund (hereinafter referred to as "the assets of a joint-stock investment fund") shall be transferred for trust management to a management company that complies with the requirements of the present Federal Law, except as provided for by Item 6 of this Article.

5. To make settlements relating to operations connected with trust management of the assets of a joint-stock investment fund a separate bank account (accounts) shall be opened, while for accounting the rights to the securities constituting the assets of a joint-stock investment fund a separate depo account (accounts) shall be opened. Such accounts, except as established by the legislation of the Russian Federation, shall be opened in the name on the management company specifying that it acts in

the capacity of the trustee and citing the denomination of the joint-stock investment fund.

6. If a contract is concluded with a management company that satisfies the requirements of the present Federal Law whereby it is vested with the powers of the sole executive body of a joint-stock investment fund, the management company shall acquire the rights and duties as to management of the assets of the joint-stock investment fund under the said contract. With that, a separate bank account (accounts) shall be opened for making settlements relating to operations in assets of the joint-stock investment fund and a separate depo account (accounts) shall be opened for accounting rights to the securities constituting the assets of the joint-stock investment fund. Such accounts shall be opened in the name of a joint-stock investment fund.

7. A joint-stock investment fund is obliged to use, when interacting with the registrar, specialized custodian or management company engaged in trust management of assets of a joint-stock investment fund, documents made in an electronic digital form bearing an electronic digital signature.

8. A joint-stock investment fund is obliged to have its internet site whose electronic address includes the domain name, the rights to which are possessed by this fund.";

2) Article 4 shall be stated in the following wording:

"Article 4. Floatation of Shares of a Joint-Stock Investment Fund

1. A joint-stock investment fund is not entitled to float securities, other than ordinary registered shares. Shares of a joint-stock investment fund must be only floated by open subscription, except when shares intended for classified investors are floated.

2. An open joint-stock company whose company name contains the words "joint-stock investment fund" or "unit investment trust" and which does not hold the license of a joint-stock investment fund is not entitled to float additional shares and other serial securities.

3. The shares of a joint-stock investment fund may be only paid up in money or in the property specified in its investment declaration. Partial payment for such shares at the floatation thereof is hereby prohibited.";

3) Article 4.1 with the following content shall be added hereto:

"Article 4.1. The Shares of a Joint-Stock Investment Fund Intended for Classified Investors

1. The constitution of a joint-stock investment fund may provide or, where it is established by regulatory legal acts of the federal executive body in charge of the securities market, must provide that the stocks of this fund are intended for classified investors. It is not allowable to enter to the constitution of a joint-stock company or exclude therefrom the provision, that the stocks of the joint-stock company are intended for classified investors, after floatation of such fund's stocks.

2. The stocks of a joint-stock investment fund intended for classified investors (hereinafter referred to as stocks whose turnover is restricted) may be only possessed by classified investors. The said restriction must be contained in the appropriate decision on the issue of stocks of such joint-stock investment fund.

3. Transactions in securities whose turnover is restricted shall be made subject to the restrictions and rules stipulated by Federal Law No. 39-FZ of April 22, 1996 on the Securities Market (hereinafter referred to as the Federal Law on the Securities Market) for securities intended for classified investors.";

4) in Paragraph One of Item 4 of Article 7 the words ", amending the constitution of the joint-stock investment fund in as much as it concerns the investment declaration" shall be replaced by the words "amending and supplementing the investment declaration";

5) Article 8 shall be stated in the following wording:

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

1. The following persons cannot perform the functions of the sole executive body of a joint-stock investment fund or be a member of the board of directors (supervisory board) and the collective executive body of a joint-stock investment fund:

1) employees of a specialised custodian, registrar, auditor and appraiser of the joint-stock investment fund which is a legal entity, persons recruited by the said organisations to perform work (render services) under civil law agreements, as well as the appraiser of the joint-stock investment fund which is a natural person;

2) affiliated persons of a specialised custodian, registrar, appraiser and auditor of the joint-stock investment fund;

3) persons who have performed the functions of a sole executive body or have been members of a collective executive body of a management company, specialised custodian, joint-stock investment fund, professional participant in the securities market, credit organisation, insurance organisation, non-state pension fund (hereinafter referred to as financial organisations) at the time when these financial organisations were committing offences entailing cancellation of the organisations' licenses for the pursuance of relevant types of activity, if less than three years have passed since the date of such cancellation;

4) persons who have been subjected to the administrative sanction in the form of disqualification and the time period within which they are deemed as such has not yet expired;

5) persons who have a previous conviction for willful crimes.

2. The affiliated persons of a management company and also the employees of a management company or of its affiliated persons, in particular, persons recruited by them to perform work (render services)

under civil law agreements may not make up more than one quarter of members of the board of directors (supervisory board) and the collective executive body of a joint-stock investment fund.

3. The person exercising the functions of the sole executive body of a joint-stock investment fund, except when the authority of such management company's body are transferred to a management company, must have higher professional education and comply with the qualification requirements and requirements for the job-related experience which are established by the federal executive body in charge of the securities market.

4. A joint-stock investment fund is obliged to file with the federal executive body in charge of the securities market a notice of changes in the composition of the board of directors (supervisory board) and of executive bodies of the joint-stock investment fund at latest in five working days as of the date when the said events took place.

5. The documents (copies thereof) whose list is defined by normative legal acts of the federal executive body in charge of the securities market shall be attached to the notice provided for by Item 4 of this Article.

6. The scope of exceptional authority of the board of directors (supervisory board) of a joint-stock investment fund, along with settlement of the matters provided for by Federal Law No. 208-FZ of December 26, 1995 on Joint-Stock Companies, shall include adoption of decisions on making and terminating relevant agreements with a management company, specialised custodian, registrar, appraiser and auditor.";

6) Article 9 shall be stated in the following wording:

"Article 9. Re-Organisation and Liquidation of a Joint-Stock Investment Fund

1. Re-organisation of a joint-stock investment fund in the form of merger, division and detachment shall be allowable on condition that such re-organisation results in the establishment of a joint-stock investment fund (joint-stock investment funds).

2. Re-organisation of a joint-stock investment fund in the form of affiliation shall be allowable on condition of affiliation to the joint-stock investment fund to be re-organised another joint-stock fund (joint-stock funds).

3. Re-organisation of a joint-stock investment fund in the form of transformation is not allowable.

4. In the event of voluntary liquidation of a joint-stock investment fund, the liquidation commission (the liquidator) for this fund shall be appointed by approbation of the federal executive body in charge of the securities market.

5. A joint-stock investment fund is obliged to notify the federal executive body in charge of the securities market on the decision adopted in respect of re-organisation or liquidation thereof at latest in five working days as of the date when the said decision was adopted.

6. To the notice provided for by Item 5 of this Article shall be attached a copy (copies) of the adopted decision (decisions) on reorganisation or liquidation, a copy (copies) of the constitution (constitutions) of a newly established joint-stock investment fund (joint-stock investment funds) attested by the authorised body of the joint-stock investment fund.

7. Additional shares of joint-stock investment funds established by way of re)organisation, in particular in the form of merger, division and detachment, may be only floated after the state registration of an issue of such funds' stocks and obtainment of the licence of a joint-stock investment fund by newly established joint-stock companies.

8. In the event of consideration by a court of a claim for reorganisation or liquidation of a joint-stock investment fund, the federal executive body in charge of the securities market may be attracted by the court for participation in the case or may join the case on its own initiative or on the initiative of the persons participating in it,";

7) Item 3 with the following content shall be added to Article 10:

"3. The name (individual designation) of a unit investment trust must indicate the composition and structure of its assets (hereinafter referred to as the category of a unit investment trust) in compliance with regulatory legal acts of the federal executive body in charge of the securities market and may not contain unfair, unethical, wittingly false, concealed or misleading information,";

8) in Article 11:

a) Item 4.1 with the following content shall be added hereto:

"4.1. Contracts made by a management company with a specialised custodian, the person keeping the register of owners of investment shares of a unit investment trust (hereinafter referred to as the register of owners of investment shares), the appraiser and auditor before filing the trust administration rules of the unit investment trust for registration shall be made by the management company without mentioning that it acts in the capacity of the trustee of the unit investment trust and shall contain the condition that such contracts as of the date of completion (termination) of the unit investment trust's forming shall be deemed made by the management company as by the trustee of the unit investment trust with the name of the unit investment trust being specified.";

b) the words "(hereinafter referred to as types of unit investment trusts)" shall be added to Paragraph Five of Item 6;

c) Item 7 with the following content shall be added hereto:

"7. it is allowable to change the type of a unit investment trust by making it an interval unit investment trust or an open unit investment trust instead of a closed unit investment trust or by making it an interval investment fund instead an open investment fund. The said changes shall be made by way of amending and supplementing the rules for trust management of a unit investment trust.";

9) in Article 12:

a) the words "from the start of the time period of its forming" shall be added to Part One;

b) in Part Three the words "one year" shall be replaced by the words "three years";

10) Article 13 shall be stated in the following wording:

"Article 13. Property Transferred to a Unit Investment Trust

1. Only monetary funds shall be transferred to an open and interval unit investment trust for trust administration thereof.

2. Monetary funds and also, if there is a provision to this effect in the trust administration rules of a unit investment trust contained in the trust administration rules thereof, other property specified in the investment declaration may be transferred to a closed unit investment trust for trust administration where the possibility of such property's transfer is established by normative legal acts of the federal executive body in charge of the securities market.

3. It is not allowable to transfer to a unit investment trust for trust administration property which is put in pledge.";

11) Articles 13.1 and 13.2 with the following content shall be added hereto:

"Article 13.1. Procedure for Property Inclusion into the Composition of a Unit Investment Trust after Completion (Termination) of Its Forming

1. Monetary funds transferred in return for investment shares of a unit investment trust must be entered to a separate bank account opened by the management company of this trust on the basis of the agreement made without specifying that the management company acts in the capacity of the trustee (hereinafter referred to as a transit account). The requirement of this item shall not apply in the event of transfer of monetary funds in return for the unpaid part of investment shares.

2. A management company is obliged to keep records of monetary funds of each person which has transferred them in return for investment shares and which are kept on the transit account.

3. A management company is not entitled to give an order to remit to the transit account its own monetary funds or monetary funds kept by it for other reasons.

4. Execution related to debts of a management company may not be levied against the monetary funds kept on the transit account. In the event of declaring a management company bankrupt, the monetary funds kept on the transit account shall not be included into the bankruptcy assets.

5. A management company is not entitled to dispose of the monetary funds kept on the transit account, except for the following:

1) when monetary funds are transferred to the separate bank account cited in Item 2 of Article 15 of this Federal Law for inclusion into the composition of a unit investment trust;

2) when an extra payment over the estimated value of investment shares is made, if such extra payment is provided for by the trust administration rules of a unit investment trust;

3) when they are returned to the person which has entered them in return for investment shares where it is provided by this Federal Law;

4) in the event of payment of compensation to investment shares' owners when investment shares of this unit investment trust are repaid, of making obligatory payments connected with the said compensation payment where the possibility of paying the monetary compensation and making payments from the transit account is provided for by the trust administration rules of the unit investment trust. With that, such payments shall be made in the procedure established by regulatory legal acts of the federal executive body in charge of the securities market within the limits of the amount which is subject to inclusion into the composition of the unit investment trust.

6. Monetary funds transferred in return for investment takes shall be included into the composition of a unit investment trust on the basis of a properly drawn-up application for acquisition of investment shares and documents which are necessary for opening a personal account in the register of investment shares' owners for the acquirer (nominal holder) thereof.

7. When issuing investment shares of a closed unit investment trust after completion (termination) of its forming, if the trust administration rules of the said trust provide for the possibility of payment for such shares by non-monetary assets, property in return for investment shares shall be transferred and it shall be included into the composition of a unit investment trust in compliance with the rules provided for by Article 13.2 of this Federal Law.

Article 13.2. Forming of a Unit Investment Trust

1. Forming of a unit investment trust shall start at latest in six months as of the date of registration of the trust administration rules of the unit investment trust. With that, the time period for forming of a unit investment trust may not exceed three months and the time periods for forming a closed unit investment trust may not exceed six months where it is provided for by regulatory legal acts of the federal executive body in charge of the securities market.

2. Monetary funds transferred in return for investment shares of a unit investment trust when it is being formed must be entered to the transit account opened for this unit investment trust's forming, while uncertified securities shall be entered to the separate depo account opened with a specialised custodian of this trust (hereinafter referred to as depo account) and certified securities shall be transferred to the said specialized custodian for custody.

3. A transit account agreement (a transit depo account agreement), as well as an agreement of custody of certified securities, shall be made by a management company for forming a unit investment trust without specifying that such management company acts in the capacity of the trustee.

4. The transit depo account shall be opened by a specialized custodian in the name of a management company. The management company shall not be the owner of the securities the rights to which are registered on the transit depo account.

5. A specialized custodian, when securities are entered to the transit depo account, is obliged to open for the person which has transferred the said securities a depo sub-account for registration of rights thereof to the said securities (hereinafter referred to as depo sub-account). The depo sub-account shall be opened on the basis of this Federal Law without making a deposit agreement.

6. As of the time of entering securities to the depo sub-account, operations of writing off and/or charging of securities on this depo subaccount shall be blocked, except for operations of writing off securities when execution is levied against these securities in connection with their owner's debts, when serial securities are converted, as well as where it is provided for by Item 7 of this Article.

7. Securities kept on the transit depo account shall be only written off by a specialized custodian by order of a management company in the event of their inclusion into the composition of a unit investment trust or return thereof to the person which has transferred them in return for investment shares.

8. The person whose rights to securities are registered on the depo sub-account shall exercise all the rights which are consolidated by the said securities.

9. Prior to completion (termination) of the time period for forming a unit investment trust income and other payments relating to the securities transferred in return for investment shares shall be entered to the transit account and after completion (termination) of the time period for its forming shall be included into the composition of this trust, except when the securities transferred in return for investment shares were returned to the person which have transferred them in return for investment shares.

10. The property transferred in return for investment shares when forming a unit investment trust shall be accounted in respect of each person which has transferred such property in return for investment shares. A management company is obliged to keep records of monetary funds of each person which has transferred them in return for the investment shares kept on the transit account.

11. A management company is not entitled to remit (transfer) to the transit account (transit depo account) its own monetary funds (securities) or monetary funds (securities) kept by it for other reasons.

12. Execution relating to debts of a management company or debts of a specialised custodian may not be levied against the property transferred in return for investment shares, in particular against the one kept on the transit account (transit depo account).

13. In the event of declaring a management company or a specialised custodian bankrupt, the monetary funds (securities) kept on the transit account (transit depo account) and other property transferred in return for investment shares shall not be included into the bankrupt assets and are subject to return to the persons which have transferred the said property in return for investment shares.

14. A managing company cannot dispose of any property transferred in payment of investment shares, except for the case of inclusion of such property in the composition of a share investment fund or its return to the person that has transferred the said property in payment of investment shares.

15. The property transferred in return for investment shares shall be only included into the composition of a unit investment trust when it is being formed, if the below-stated conditions are observed:

1) if applications for acquisition of investment shares and the documents necessary for opening personal accounts in the register of investment shares' owners are accepted;

2) if the property transferred in return for investment shares according to the said applications has been received by a management company and, where such property are monetary funds, the consent of a specialized custodian has been also received to the inclusion of such property into the composition of a unit investment trust;

3) if the value of the property transferred in return for investment shares has reached the level necessary for completion (termination) of forming a unit investment trust.

16. When forming a unit investment trust, investment shares must be allocated on the date of inclusion into the composition of this fund of all the property transferred in return for investment shares which is subject to inclusion thereto or on the following working day.

17. As the date of completion (termination) of a unit investment trust's forming shall be deemed the date of sending by the management company to the federal executive body in charge of the securities market a report on completion (termination) of forming the unit investment trust or, as regards closed unit investment trusts, the date of registration of amendments and addenda made to the trust administration rules of a closed unit investment trust insofar as the number of allocated investment shares of this fund is concerned.

18. A report on completion (termination) of forming a unit investment trust shall be signed by authorised persons of a management company and a specialized depository, this to be sent to the federal executive body in charge of the securities market at latest in three working days as of the

date of allocation of investment shares. Concurrently with a report on completion (termination) of forming a closed unit investment trust to the federal executive body in charge of the securities market shall be sent the amendments and addenda made to the trust administration rules of the closed unit investment trust, insofar as the number of issued investment shares of this trust is concerned, for registration thereof.

19. The federal executive body in charge of the securities market on the basis of a report on completion (termination) of forming a unit investment trust shall make an appropriate entry to the register of unit investment trusts, as well as shall register amendments and addenda made to the rules of the closed unit investment trust insofar as the number of allocated investment shares of such unit investment trust is concerned.

20. Where on the end date of the time period for forming a unit investment trust fixed by the trust administration rules of the unit investment trust the value of the property transferred in return for investment shares turned out to be less than the property value required for completion (termination) of its forming, the management company is obliged to do the following:

1) to send to the federal executive body in charge of the securities market a notice of it at latest on the following working day after the end date of the time period for forming the unit investment trust;

2) to return the property transferred in return for investment shares, as well as receipts, in particular receipts and payments related to securities, to the persons which have transferred the said property in return for investment shares in the procedure and at the time which are established by the trust administration rules of the unit investment trust.

21. A procedure for and terms of opening a transit depo account, of making operations on the said account, a procedure for accounting monetary funds, securities and other property of each person which have transferred the said property in return for investment shares, as well as a procedure for transfer of property, except for monetary funds, for inclusion into the composition of a unit investment trust, a procedure for estimating the value of the property transferred in return for investment shares, shall be established by regulatory legal acts of the federal executive body in charge of the securities market.";

12) in Article 14:

a) Paragraph Two of Item 5 shall be stated in the following wording:

"The rights to investment shares shall be recorded on personal accounts in the register of investment shares' owners of the unit investment trust (hereinafter referred to as "register of investment shares' owners), and, if there is a provision to this effect in the trust administration rules of the unit investment trust, on depo accounts by custodians for which nominal owners' personal accounts shall be opened in the register of investment shares' owners. In such a case, custodians, except for settlement custodians, shall not be entitled to account rights to investment

shares of unit investment trusts on depo accounts opened for other custodians exercising the functions of nominal holders of investment shares of unit investment trusts possessed by their clients (depositors).";

b) Item 6 with the following content shall be added hereto:

"6. Where under this Federal Law, other federal laws and other normative legal acts of the Russian Federation it is necessary to compose a list of investment shares' owners, the custodian, for which the nominal holder's account is opened in a register of investment shares' owners, is obliged to provide the person keeping the said register with the data which are required for composing the list of investment shares' owners at latest in two working days as of the date of receiving an appropriate request.";

13) Article 14.1 with the following content shall be added hereto:

"Article 14.1. Investment Shares of a Closed Unit Investment Trust and an Interval Unit Investment Trust Which Are Intended for Classified investors

1. The trust administration rules of a closed unit investment trust and an interval unit investment trust may stipulate or, where it is established by regulatory legal acts of the federal executive body in charge of the securities market, must stipulate that investment shares of such trusts are intended for classified investors.

2. Investment shares of a unit investment trust intended for classified investors (hereinafter referred to as investments shares whose turnover is restricted) may be only issued (alienated) to classified investors, except as provided for by this Federal Law. Solely a management company is entitled to recognize persons as classified investors when allocating investment shares whose turnover is restricted. Effects of such investment shares' allocation to a person which is not a classified investor (hereinafter referred to as an unclassified investor) are provided for by this Article.

3. Transactions in investment shares whose turnover is restricted shall be made in the course of their turnover subject to the restrictions and the rules provided for by the Federal Law on the Securities Market for securities intended for classified investors.

4. The effect of allocation by the management company of a unit investment trust of investment shares whose turnover is restricted to an unclassified investor shall be the imposition of the following duties upon the management company:

1) to pay off the investment shares of an interval unit investment trust whose turnover is restricted, which are possessed by the unclassified investor, at the earliest time after the day of detecting the fact of allocation of investment shares to the unclassified investor when under the trust administration rules of this trust investment shares' owners obtain the right to demand of the management company their payment off and to do this in respect of investment shares of a closed unit investment trust whose

turnover is restricted at latest in six months after the date when the fact of allocation of investment shares to an unclassified investor was detected;

2) to pay at its own expense the amount of money transferred by an unclassified investor in return for investment shares whose turnover is restricted (including the sum of the extra charge deducted when allocating them) and interest on the said amount, whose rate and time period of accrual shall be determined in compliance with the rules of Article 395 of the Civil Code of the Russian Federation, less the amount of the monetary compensation paid when paying off the investment shares whose turnover is limited possessed by the unclassified investor.

5. A management company shall discharge the duty provided for by Subitem 1 of Item 4 of this Article, regardless of whether the owner of investment shares has raised a claim for paying them off or not.

6. The effects provided for by Item 4 of this Article shall not apply, if a management company has recognized a person as a classified investor on the basis of the unreliable information provided by this person. The recognition by a management company of a person as a classified investor as a result of providing by this person unreliable information shall not serve as a ground for declaring invalid the transaction of acquisition of investment shares whose turnover is limited by this person when they are being allocated.

7. Specifics of accounting and transfer of rights to investment shares whose turnover is restricted by the persons engaged in keeping the register of owners of investment shares whose turnover is restricted and by custodians shall be established by the federal executive body in charge of the securities market.";

14) Item 2 of Article 15 shall be stated in the following wording:

"2. A separate bank account(s) shall be opened for settlements in respect of transactions relating to the trust administration of the unit investment trust, and a separate depo account (accounts) shall be opened for keeping record of the rights to the securities making up the unit investment trust. Except as established by the legislation of the Russian Federation, such accounts shall be opened in the name of the management company of the unit investment trust with an indication of the fact that it acts as a trustee and of the name of the unit investment trust. With that, no indication shall be made of the names (denominations) of owners of investment shares. In case of the state registration of rights to immovable property incorporated in the unit investment trust to Subsection II of the Comprehensive State Register of Rights to Immovable Property and Transactions Therewith shall be entered the name of the unit investment trust that holds this property and the following entry shall be made: "The owners of this piece of immovable property and the details in respect of the owners specified in the Federal Law on the State Registration of Rights to Immovable Property and Transactions Therewith shall be established on the basis of the data available in the personal

accounts of the owners of investment shares in the register of owners of investment shares and the depo accounts of the owners of investment shares. The body responsible for registration of rights to immovable property after completion (termination) of forming a unit investment trust is entitled to demand of the person engaged in keeping the register of investment shares' owners a list of the investment shares' owners containing the data on them which are provided for by the said Federal Law. The said person is obliged to present this list at latest in five working days as of the date of receiving a request for it.

15) the words ", or, in case of failure to comply with the requirements established by Article 14.1 of this Federal Law, in the amount provided for by cited Article" shall be added to Item 1 of Article 16;

16) Article 17 shall be stated in the following wording:

"Article 17. The Trust Administration Rules of a Unit Investment Trust

1. The trust administration rules of a unit investment trust shall comprise the following information:

- 1) the full and shortened name of the unit investment trust;
- 2) the type or category of the unit investment trust;
- 3) the full company name of the management company;
- 4) the full company name of the specialised custodian;
- 5) the full company name of the person responsible for keeping the register of owners of investment shares;
- 6) the full company name of the auditor;
- 7) the investment declaration;
- 8) a procedure for and time period of forming the unit investment trust, including the value of the property transferred in return for investment shares which is necessary for completion (termination) of this funds' forming;
- 9) the rights of investment shares' owners;
- 10) the rights and duties of the management company;
- 11) the effective term of the trust deed;
- 12) the procedure for filing applications for acquisition, redemption and exchange of investment shares;
- 13) the procedure and term for transfer of property in return for investment shares, as well as for their return, if the investment shares may not be allocated in compliance with this Federal Law;
- 14) the procedure and term for inclusion of property into the unit investment trust;
- 15) the procedure and term for disbursement of pecuniary compensation in connection with the redemption of investment shares;
- 16) the procedure for determining the rated value of an investment share, the amount for which an investment share is allocated and also the amount of pecuniary compensation disbursable in connection with redemption of an investment share;

17) the procedure and term for making entries to the register of owners of investment shares on acquisition, exchange and redemption of investment shares;

18) the amount of fee payable to the management company and the total amount of remuneration to be paid to the specialised custodian, person responsible for keeping the register of owners of investment shares, auditor, as well as to the appraiser where the investment declaration of a unit investment trust provides for the possibility of making investments into the property which under this Federal Law has to be valued by the appraiser;

19) the amount of remuneration for the person terminating the unit investment trust;

20) a list of outlays to be covered on account of the property constituting the unit investment trust;

21) basic data on the procedure for taxing investors' revenues;

22) a procedure for disclosing and/or providing information about the unit investment trust;

23) other terms and/or data in compliance with this Federal Law.

2. The trust administration rules of an interval unit investment trust, along with the data cited in Item 1 of this Article, must also contain the following information:

1) about the time for acceptance of applications for acquisition and of applications for redemption of investment shares, as well as, if the said rules provide for an exchange of investment shares, data on the time for acceptance of applications for exchange of investment shares;

2) about the appraiser, if the investment declaration of this trust provides for making investments in the property which has to be valued by the appraiser.

3. The trust administration rules of a closed unit investment trust, along with the data cited in Item 1 of this Article, must also contain the following:

1) data on the number of allocated investment shares of the investment fund;

2) regulations on a procedure for convocation and holding of a general meeting of investment shares' owners;

3) data on the appraiser, if the investment declaration of this trust provides for making investments in the property which has to be valued by the appraiser;

4) the provision as to payment at least once a year of income derived from trust administration of the property constituting this trust, if the investment declaration of this fund provides for letting immovable property on lease and the said trust pertains to the category of rental unit investment trusts under normative legal acts of the federal executive body in charge of the securities market;

5) the time for acceptance of applications for acquisition and applications for redemption of investment shares in compliance with normative legal acts of the federal executive body in charge of the securities market;

6) the provision as to the priority right of investment shares' owners to acquire investment shares of this fund allocated after completion (termination) of its forming, as well as a procedure for the exercise of this right.

4. The model trust administration rules of a unit investment fund of each type shall be endorsed by the Government of the Russian Federation. The Government of the Russian Federation is entitled to establish additional conditions and/or data, apart from those provided for by this Federal Law, which must be contained in the trust administration rules of a trust investment fund. The trust administration rules of a unit investment fund must comply with the model ones.

5. The trust administration rules of an investment fund may provide for the rights of a management company to split investment shares of a unit investment trust. The terms of and procedure for splitting investment shares shall be established by normative legal acts of the federal executive body in charge of the securities market.

6. The trust administration rules of a unit investment trust may provide for the following provisions:

1) on the number of investment shares which the management company is entitled to issue after completion (termination) of the unit investment trust's forming in addition to the number of issued investment shares cited in the trust administration rules of this unit investment trust (hereinafter referred to as additional investment shares);

2) on the possibility of payment for investment shares to be issued after completion (termination) of forming a closed unit investment fund in non-monetary assets where it is established by normative legal acts of the federal executive body in charge of the securities market;

3) on the possibility of preschedule partial redemption of investment shares in the cases and in the procedure which are established by normative legal acts of the federal executive body in charge of the securities market;

4) on a management company's restrictions as to the disposal of the immovable property constituting a unit investment trust;

5) other provisions provided for by this Federal Law and model rules for trust administration of a closed unit investment trust.

7. A management company is entitled to make amendments and addenda to the trust administration rules of a unit investment trust. Where it is provided for by this Federal Law, amendments and addenda to be made to the trust administration rules of a closed unit investment trust shall be endorsed by a general meeting of investment shares' owners of this trust.

8. It is not allowable to enter to the trust administration rules of a unit investment trust or to delete therefrom an indication to the effect that investment shares of this unit investment trust are intended for classified investors.

9. A management company is obliged to make amendments and addenda to the trust administration rules of a closed unit investment trust, insofar as the number of issued investment shares is concerned, within six months as of the date of redemption of a part of investment shares of this fund, if upon the expiry of the said time period the number of allocated investment shares does not comply with the data contained in the rules.";

17) Article 17.1.1 with the following content shall be added hereto:

"Article 17.1.1. The Trust Administration Rules of a Unit Investment Trust Whose Investment Shares' Turnover Is Restricted

1. The trust administration rules of a closed unit investment trust whose investment shares' turnover is restricted, along with the provisions of Article 17 of this Federal Law, may provide for the following:

1) incomplete payment for investment shares when being allocated;
2) necessity of approval by all or several investment shares' owners of transactions in the property constituting the unit investment trust.

2. Investment shares of a closed unit investment trust whose trust administration rules provide for incomplete payment for investment shares when being allocated may be only paid for in non-monetary assets. The trust administration rules of such trust must provide for the duty of investment shares' owners to cover an unpaid part of each investment share and the time for discharge of this duty or, if such time is determined by the time when the management company made the claim, the time period must be fixed within which the investment shares' owners are obliged to satisfy the said claim. With that, the trust administration rules of such fund may provide for recovery of a forfeit for failure to discharge the duty of covering unpaid parts of investment shares.

3. In the event of failure of an investment shares' owner to discharge the duty of covering unpaid parts of investment shares in due time, the part of the investment shares possessed by him shall be redeemed without paying a monetary compensation, regardless of whether the owner of such investment shares has raised a claim for their redemption. The number of investment shares to be redeemed shall be determined by way of dividing the amount of monetary funds to be transferred in return for the investment shares in respect of which the duty of transfer thereof is not discharged in due time (with a forfeit taken into account) by the value of one investment share. With that, the value of one investment share shall be determined as of the end date of the time period for proper discharge of the said duty. A procedure for estimation of the said value shall be established by normative legal acts of the federal executive body in charge of the securities market.

4. Investment shares which are not paid for in time may be only alienated for investment shares' owners of this unit investment trust or for other persons with the consent of all investment shares' owners of this fund in the procedure provided for by the trust administration rules of this trust, or in the event of universal legal succession, or when the property of a legal entity to be liquidated is being distributed.

5. Pending full payment for all investment shares of a closed unit investment trust, investment shares of this fund shall be allocated after completion (termination) of its forming at the value determined in compliance with the trust administration rules of this fund.

6. If the trust administration rules of a closed unit investment trust provide for the necessity of approval by all or several investment shares' owners (hereinafter referred to as the investment committee) of transactions in the property constituting the unit investment trust, the said rules must determine the following:

1) transactions whose making has to be approved, as well as a procedure for their approval;

2) a procedure for forming an investment committee.

7. As regards transactions made in defiance of the provisions of the trust administration rules of a unit investment trust provided for by Item 6 of this Article, a management company shall be held personally responsible and shall be only liable within the limits of the property possessed by it. Debts related to such obligations shall be repaid on account of the property constituting an investment trust.

8. The trust administration rules of an interval unit investment trust whose investment shares' turnover is restricted may provide for the maximum number of investment shares which are subject to redemption upon the expiry of the time period for acceptance of applications for acquisition and applications for redemption of investment shares which may not be less than 20 per cent of the total number of allocated investment shares of this fund as of the starting day of the time period for acceptance of applications for acquisition and applications for redemption of investment shares. If the total number of investment shares for whose redemption applications are filed exceeds the number of investment shares which can be redeemed in compliance with the trust administration rules of the unit investment trust, applications for redemption of investment shares shall be satisfied in proportion to the claims raised.";

18) Article 18 shall be stated in the following wording:

"Article 18. A General Meeting of Investment Shares' Owners of a Closed Unit Investment Trust

1. A general meeting of investment shares' owners of a closed unit investment trust (hereinafter referred to as a general meeting) shall be

convened by the management company or, where it is provided for by this Article, by a specialized custodian or investment shares' owners.

2. A general meeting shall be convened by a management company on its own initiative or on a written request of owners of investment shares constituting at least ten per cent of the total number of investment shares as of the date of filing the request for convocation of the general meeting. A general meeting shall be convened by request of investment shares' owners at the time which is fixed by the trust administration rules of a unit investment trust and may not exceed 40 days as of the date of receiving such request, except when the convocation of a general meeting is denied, With that, such denial is allowable when the request of investment shares' owners for convocation of a general meeting does not comply with this Federal Law and none of the items proposed for the agendas thereof pertains to the scope of authority of the general meeting.

3. A general meeting shall be convened by a specialized custodian for settling the issue of transfer of rights and duties under a contract of trust administration of a unit investment trust to another management company on a written request of owners of investment shares constituting at least 10 per cent of the total number of investment shares as of the date of filing a request for convocation of the general meeting or, in the event of cancellation of the licence of the management company for exercising the activity of administration of investment funds, unit investment trusts and non-governmental pension funds (hereinafter referred to as the licence of a management company) or of rendering by court a decision to liquidate a management company, on their own initiative. A general meeting shall be convened by request of investment shares' owners within the time period determined by the trust administration rules of a unit investment trust which may not exceed 40 days as of the date of receiving such request, except when the convocation of a general meeting is denied. With that, such denial is allowable, if the request of investment shares' owners for convocation of a general meeting does not comply with this Federal Law.

4. In the event of cancellation of the licence of a management company and the licence of a specialised custodian, a general meeting for adoption of the decision to transfer the rights and duties under a contract of trust management of a unit investment trust to another management company may be convened by owners of investment shares constituting at least 10 per cent of the total number of investment shares as of the date of filing a request for convocation of the general meeting.

5. A specialized depository and owners of investment shares which are entitled to convene a general meeting are vested with the authority required for convocation and holding of the general meeting.

6. Expenses relating to convocation and holding by a management company of a general meeting shall be reimbursed from the property making up a closed unit investment trust and, in the event of holding a general meeting by a specialized depository or by investment shares'

owners which are entitled to convene a general meeting, shall be reimbursed on account of the said property.

7. A written request by investment shares' owners for convocation of a general meeting must contain the agenda of the general meeting. A written request for convocation of a general meeting must be sent to the management company and specialized depository of a closed unit investment trust.

8. An announcement in respect of convocation of a general meeting must be disclosed in compliance with the requirements of this Federal Law and, if all investment shares of a closed unit investment trust have restrictions as to the turnover thereof, a notice of it shall be delivered to all owners of investment shares in the procedure and form which are provided for by the trust administration rules of such unit investment trust. A specialized depository of this trust, as well as the federal executive body in charge of the securities market, must be notified of convocation of a general meeting.

9. A general meeting shall adopt decisions on the following items:

1) endorsement of amendments and addenda to be made to the trust administration rules of a unit investment trust connected with the following:

changes in the investment declaration, except when such changes are caused by changes in normative legal acts of the federal executive body in charge of the securities market which impose additional restrictions as to the composition and structure of assets of unit investment trusts;

an increase in the rate of remuneration of the management company, specialized depository and the person engaged in keeping the register of investment shares' owners, appraiser and auditor;

expansion of the list of outlays of the management company payable on account of the property constituting a closed unit investment trust;

introduction of discount in connection with redemption of investment shares or an increase of their amount;

modification of the type of a unit investment trust;

introduction, deletion or modification of provisions on the necessity of approval by investment shares' owners of transactions with the property making up a unit investment trust;

determination of the number of additional investment shares of a unit investment trust which can be allocated after completion (termination) of its forming;

with amendment of other provisions of the rules for trust management of a share investment fund stipulated by normative legal acts of the federal body of executive power of for the securities market;

2) transfer of the rights and duties under a contract of trust management of a closed unit investment trust to another management company;

3) preschedule termination or prolongation of the term of validity of a contract of trust management of this unit investment trust.

10. A general meeting's decision may be adopted by way of absent voting.

11. A general meeting's decision shall be rendered by the majority of total votes granted to their owners according to the number of investment shares possessed by them as of the date of rendering a decision on convocation of a general meeting, if a greater number of votes is not provided for by the trust administration rules of a unit investment trust. With that, the number of votes to be granted to each owner of investment shares when voting shall be determined on the basis of the number of investment shares possessed by him.

12. A copy of the minutes of a general meeting must be sent to the federal executive body in charge of the securities market at latest in three working days as of the date of holding it.

13. In the event of rendering a decision on endorsement of amendments and addenda to be made to the trust administration rules of a closed unit investment trust or a decision on the transfer of rights and duties under a contract of trust management of unit investment trust to another management company, the investment shares' owners which have voted against the appropriate decision shall acquire the right to demand redemption of investment shares. A procedure for paying monetary compensation in the said cases shall be determined in compliance with normative legal acts of the federal executive body in charge of the securities market.

14. Additional requirements for the procedure for preparation, convocation and holding of a general meeting shall be established by the federal body in charge of the securities market.";

19) in Article 19:

a) Items 4-6 shall be stated in the following wording:

"4. The federal executive body in charge of the securities market must adopt a decision on registration of the trust administration rules of a unit investment trust or amendments and addenda to be made thereto, or to render a decision to deny their registration:

1) at latest in 25 days as of the date of acceptance of documents, except as provided for by Subitem 2 of this item;

2) at latest in five working days as of the date of acceptance of documents, if these amendments and addenda exclusively concern the following items:

alteration of the name of a management company, specialized depository, the person engaged in keeping the register of investment shares' owners, appraiser and auditor, as well as of other data on the said persons;

number of allocated investment shares of a closed unit investment trust;

decrease of the rate of remuneration for a management company, specialised custodian, the person engaged in keeping the register of

investment shares' owners, appraiser and auditor, as well as decrease of the rate and/or reduction of the list of outlays to be covered on account of the property constituting a unit investment trust;

abolition of discounts (extra charges) or reduction of their rates;

other items provided for by normative legal acts of the federal executive body in charge of the securities market.

5. The federal executive body in charge of the securities market is entitled to check within the time period provided for by Item 4 of this Article the data contained in the trust administration rules of an investment fund and in other submitted documents. A notice of the federal executive body in charge of the securities market of the adopted decision on registration of the trust administration rules of an investment fund or of amendments and addenda to be made thereto or on the refusal to register them shall be sent to the management company within three working days as of the date of adoption of an appropriate decision.

6. The registration of the trust administration rules of an investment fund or of amendments and addenda to be made thereto may be denied in the following cases:

1) non-compliance of presented documents with this Federal Law, model trust administration rules of a unit investment trust and normative legal acts of the federal executive body in charge of the securities market, as well as non-compliance of the name of a unit investment trust with the requirements of this Federal Law;

2) presence in submitted documents of data which are not true or are misleading;

3) when a management company, specialized custodian, person engaged in keeping the register of investment shares' owners of this trust do not have appropriate licences, as well as when the appraiser or auditor of this trust do not comply with the requirements of the federal laws regulating their activities;

4) excess of the number of additional investment shares of a closed unit investment trust determined on the basis of the results of their allocation over the number of investment shares which may be allocated in compliance with the trust administration rules of this trust.";

b) Items 7 and 8 with the following content shall be added hereto:

"7. The refusal to register the trust administration rules of a unit investment trust or amendments and addenda to be made thereof, as well as avoidance of adoption of a decision on registration thereof may be appealed against with court.

8. The federal executive body in charge of the securities market shall keep the register of the unit investment trusts whose trust administration rules are registered by it. A procedure for keeping the register of unit investment trusts and allocation of extracts therefrom shall be established by the federal executive body in charge of the securities market.";

20) Article 20 shall be stated in the following wording:

"Article 20. Entry into Force of Amendments and Addenda to Be Made to the Trust Administration Rules of a Unit Investment Trust

1. A notice of registration of the amendments and addenda to be made to the trust administration rules of a unit investment trust shall be disclosed in compliance with the requirements of this Federal Law and, if there are restrictions imposed in respect investment shares' turnover, the said notice shall be delivered to all owners of such investment shares in the procedure and in the form which are provided for by the trust administration rules of the unit investment trust.

2. Amendments and addenda to be made to the trust administration rules of a unit investment trust shall enter into force as of the date of disclosure of a notice of their registration, except for the amendments and addenda provided for by Items 4 and 5 of this Article, and also of amendments and addenda connected with the following:

- 1) alteration of the investment declaration;
- 2) an increase in the rate of remuneration for a management company, specialized custodian, person engaged in keeping the register of investment shares' owners, appraiser and auditor;
- 3) an increase of outlays and/or expansion of the list of outlays to be covered on account of the property constituting a unit investment trust;
- 4) introduction of discounts in connection of redemption of investment shares or increase of their rates;
- 5) other amendments and addenda provided for by normative legal acts of the federal executive body in charge of the securities market.

3. The amendments and addenda to be made to the trust administration rules of a unit investment trust which are provided for by Item 2 of this Article shall enter into force:

- 1) in respect of an open and closed unit investment funds - upon the expiry of one month as of the date of disclosing a notice of registration of such amendments and addenda;
- 2) in respect of an interval unit investment trust - as of the day following the expiry date of the time period for acceptance of applications which is the earliest after the disclosure of the said notice but at earliest in three months as of the date of disclosing the said notice.

4. The amendments and addenda to be made to the trust administration rules of a unit investment trust provided for by Subitem 2 of Item 4 of Article 19 of this Federal Law shall enter into force as of the date of their registration.

5. Amendments and addenda to be made to the trust administration rules of a unit investment trust whose investment shares' turnover is restricted shall enter into force as of the date of their registration, if a later time is not provided for by the said rules.";

21) Article 21 shall be stated in the following wording:

"Article 21. Allocation of Investment Shares

1. Investment shares shall be issued on the basis of applications for acquisition of investment shares by way of making an entry on the personal account in the register of investment shares' owners. Applications for acquisition of investment shares shall be irrevocable.

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

1) non-observance of the a procedure for and time of filing applications which are provided for by the trust administration rules of a unit investment trust;

2) absence of properly drawn up documents which are required for opening in the register of investment shares' owners of the personal account whereto acquired investment shares must be entered, if such account has not been opened;

3) acquisition of an investment share by the person which under this Federal Law may not be the owner of investment shares;

4) suspension of investment shares' allocation.

3. Investment shares must be allocated on the date of inclusion into the composition of a unit investment trust of the property subject to such inclusion which has been transferred in return for investment shares or on the working day which follows it, except as provided for by Article 13.2 of this Federal Law.

4. The property transferred in payment for investment shares is subject to return, if the inclusion of such property into the composition of a unit investment trust is at variance with the requirements of this Federal Law, regulatory legal acts adopted in compliance with it and/or the trust administration rules of this trust.

5. Investment shares of an interval or closed unit investment trust after completion (termination) of its forming shall be issued within one day upon termination of the time period for acceptance of applications for acquisition of investment shares of an interval unit investment trust or of additional investment shares of a closed unit investment trust.

6. On the basis of the results of allocation of additional investment shares of a closed unit investment trust the management company shall draw up a report on the number of additionally issued investment shares which shall be sent to the federal executive body in charge of the securities market at latest in three working days as of the date of allocation of additional investment shares. Concurrently with the said report shall be sent for registration amendments and addenda to be made to the trust administration rules of a closed investment fund, as regards the provisions concerning the number of allocated investment shares of this fund and reduction of the number of investment shares which may be additionally allocated by the management company after completion (termination) of its forming.";

22) Article 22 shall be stated in the following wording:

"Article 22. Exchange of Investment Shares

1. The trust administration rules of an open or interval unit investment trust may provide for the possibility of exchanging investment shares by request of the owner thereof for investment shares of another opened or interval unit investment trust which is under trust administration of the same management company.

2. Investment shares shall be exchanged by way of converting investment shares of a unit investment trust (convertible investment shares) into investment shares of another unit investment trust (investment shares into which conversion shall be made) without paying a monetary compensation to owners thereof. With that, the property whose value corresponds to the estimated value of investment shares to be converted shall be transferred from the unit investment trust whose investment shares are to be converted for inclusion in the unit investment trust into whose investment shares conversion is to be made.

3. Investment shares of a unit investment trust may be only exchanged for investment shares of another fund, if the date of redemption of the investment shares to be exchanged coincides with the date of allocation of the investment shares for which they are exchanged.

4. A request for exchange of investment shares shall be filed in the form of an application for exchange of the investment shares. Applications for exchange of investment shares shall be irrevocable.

5. Applications for exchange of investment shares shall be filed by their owners, while rights to investment shares shall be recorded on the nominal holders' personal account by the appropriate nominal holder. The nominal holder shall file applications for the exchange of investment shares on the basis of an order of the investment shares' owners.

6. The acceptance of applications for the exchange of investment shares must be denied in the following cases:

1) non-observance of the procedure and time for filing applications which are established by the trust administration rules of a unit investment trust;

2) adoption of a decision on simultaneous suspension of allocation, redemption and exchange of investment shares of a unit investment trust;

3) if as a result of such exchange a person which under this Federal Law may not be the owner of investment shares will become their owner;

4) adoption of a decision to suspend allocation of the investment shares for which it is requested in the application to make an exchange.";

23) Article 23 shall be stated in the following wording:

"Article 23. Redemption of Investment Shares

1. Requests for redemption of investment shares shall be filed in the form of applications for redemption of investment shares. Applications for

redemption of investment shares shall be irrevocable. Applications for redemption of investment shall be filed by investment shares' owners or, if investment shares are recorded in the register of investment shares' owners on the personal account of the nominal holder thereof, by the appropriate nominal holder. The nominal holder shall file applications for redemption of investment shares on the basis of the appropriate order of investment shares' owner.

2. Applications for redemption of investment shares shall be allowed within the limits of the number of the investment shares recorded on the appropriate personal account.

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

1) non-observance of the procedure and time for filing applications which are established by the trust administration rules of a unit investment trust;

2) adoption of a decision on simultaneous suspension of allocation, redemption and exchange of investment shares of a unit investment trust.

4. The acceptance within one working day of an application (applications) for redemption or exchange of 75 and more per cent of investment shares of an open unit investment trust shall be a ground for termination of this trust.

5. The acceptance within the time period established by the trust administration rules of an interval or closed unit investment trust for acceptance of applications for redemption or exchange of investment shares, an application (applications) for redemption or exchange of 75 and more per cent of investment shares of an interval or closed unit investment trust shall be a ground for termination of this trust.

6. The acceptance of an application (applications) for redemption or exchange of investment shares where it is provided for by Items 4 and 5 of this Article shall be a ground for termination of a unit investment trust, if concurrently there are no reasons for allocation of investment shares of this trust or exchange for them of investment shares of other unit investment trusts.

7. Where it is provided for by this Federal Law, investment shares shall be redeemed without raising a claim by investment shares' owners for redemption thereof.";

24) in Item 3 of Article 24 after the words "the possibility of filing investment share" shall be added the word "acquisition,";

25) in Article 25:

a) in Part Two the words "within 15 days" shall be replaced by the words "within 10 working days";

b) in Part Three the words "within 15 days" shall be replaced by the words "within 10 working days";

26) Article 26 shall be stated in the following wording:

"Article 26. Determining the Amount of Monetary Funds (the Value of Property) for Which an Investment Share Is Allocated and the Amount of Pecuniary Compensation Disbursable in Connection with the Redemption of an Investment Share

1. Before the completion of formation of a unit investment trust the amount of money (the value of property) for which one investment share is allocated shall be determined by the trust administration rules of the unit investment trust and it shall be the same for all acquirers.

2. After the completion (termination) of formation of a unit investment trust the amount of money (the value of property) contributed to the unit investment trust for which one investment share is allocated shall be determined on the basis of the rated value of an investment share, except as provided for by Item 3 of this Article.

3. The amount of money (the value of property) for which an investment share is allocated after completion (termination) of formation of a closed unit investment trust whose investment shares' turnover is restricted, as well as the amount of money (the value of property) for which an investment share is allocated pending the full payment for all investment funds, shall be determined in compliance with the trust administration rules of such trust.

4. The amount of monetary compensation payable in connection with redemption of an investment share, in particular in compliance with Subitem 1 of Item of Item 4 of Article 14.1 of this Federal Law, shall be determined on the basis of the estimated value of an investment share, except as provided for by Item 5 of this Article.

5. The amount of monetary compensation payable in connection with redemption of an investment share of a closed unit investment trust whose investment shares' turnover is restricted shall be determined in compliance with the trust administration rules of this fund.

6. The estimated value of an investment share shall be determined in compliance with normative legal acts of the federal executive body in charge of the securities market by way of dividing the net wealth value of a unit investment trust estimated as of a date which is not earlier than the date of acceptance of applications for acquisition, applications for redemption or applications for exchange of investment shares by the number of investment shares cited in the register of investment shares' owners of this unit investment trust as of the same date.

7. The trust administration rules of a unit investment trust may provide for extra charges on the estimated value of investment shares when issued or discounts of the estimated value of investment shares when redeemed. The rate of the extra charge may not exceed 1,5 per cent of the estimated value of an investment share. The maximum rate of discount may not exceed 3 per cent of the estimated value of an investment share.";

27) in Article 27:

a) Item 1 shall be stated in the following wording:

"1. Solely specialized custodians and professional participants of the securities market holding the licence for the exercise of brokerage activity or the activity of keeping the register of securities owners may act as agents engaged in allocation, redemption and exchange of investment shares.";

b) Item 3 shall be stated in the following wording:

"3. Agents responsible for allocation, redemption and exchange of investment shares are be entitled to accept applications for investment share acquisition, redemption and exchange beginning from the date when the trust management company discloses data on these agents in compliance with this Federal Law, while agents responsible for allocation and redemption of investment shares whose turnover is restricted are entitled to do it from the date specified in the trust administration rules of a unit investment trust.";

28) in Article 28:

a) Item 1 shall be stated in the following wording:

"1. An agent responsible for allocation, redemption and exchange of investment shares under the present Federal Law, normative legal acts of the federal executive governmental body in charge of the securities market and contracts concluded with a management company is obliged to do the following:

to accept investment share acquisition, redemption and exchange applications;

to take necessary measures for identifying the persons who file investment share acquisition, redemption and exchange applications;

to keep a record of investment share acquisition, redemption and exchange applications accepted and of the other documents attached thereto, separately for each specific unit investment trust;

to disclose the information specified in Chapter XII of the present Federal Law;

to provide access to the agent's records at the request of the management company, specialised custodian and also the federal executive governmental body in charge of the securities market;

to observe the non-disclosure status of information received in connection with the pursuance of the activities of allocation, redemption and exchange of investment shares;

to meet other requirements established by regulatory legal acts of the federal executive body in charge of the securities market.";

b) in Paragraph Two of Item 3 after the word "acquire" shall be added the word "at the agent's own expense";

29) in Article 29:

a) Paragraph Three of Item 2 shall be stated in the following wording:

"In the event of a simultaneous suspension of allocation, redemption and exchange of investment shares, the management company is obliged

to notify of it in writing on the same day the federal executive governmental body in charge of the securities market specifying the reasons for the suspension and also disclose the information about allocation, redemption and exchange of investment shares in compliance with this Federal Law and, if the turnover of such investment shares is restricted, to provide such information to investment shares' owners.";

b) Item 3 shall be stated in the following wording:

"3. The management company is obliged to suspend allocation, redemption and exchange of investment shares of a unit investment trust at latest on the day following the date when it learned or had to learn about the following circumstances:

1) a relevant licence of the person responsible for keeping the register of owners of investment shares has been suspended or annulled or the contract made with this person has been terminated;

2) a relevant license of the management company, specialised custodian of this unit investment trust has been annulled;

3) it is impossible to assess the value of this unit investment trust's assets for reasons which are beyond control of the management company;

4) in other cases specified in the present Federal Law.";

30) Article 30 shall be stated in the following wording:

"Article 30. Grounds for Termination of a Unit Investment Trust

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

1) an application (applications) has been accepted for redemption of all investment shares;

2) the licence of the management company of an open or interval unit investment trust has been annulled;

3) the licence of the management company of a closed unit investment trust has been annulled and the rights and duties of this management company under the contract of trust administration of this fund have not been transferred to another management company within three months as of the date when the said licence was annulled;

4) the specialised custodian's license has been annulled and the management company within three months as of the date of the licence's annulment has not taken measures aimed at the transfer to another specialised custodian of the unit investment trust's assets for their recording and custody, as well as at the transfer of the documents required for the exercise of activities by a new custodian;

5) the effective term of the trust deed of a closed unit investment trust has expired;

6) the appropriate decision has been adopted by the management company where the right to make such decisions is specified in the trust administration rules of the unit investment trust;

7) on the onset of the other grounds provided for by this Federal Law.";

31) Article 31 shall be stated in the following wording:

"Article 31. Procedure for Terminating a Unit Investment Trust

1. The duties of terminating a unit investment trust, in particular, of the sale of the property making up the trust, satisfaction of creditors' claims supposed to be satisfied from the property making up the trust and the distribution of amounts of money among the owners of investment shares shall be discharged by the management company, except as established by this Article.

2. In the event of annulment of the management company's license, the duties of terminating the unit investment trust shall be discharged by the specialised custodian of this unit investment trust in compliance with this Federal Law.

3. In the event of annulment of the licenses held by the management company and the specialised custodian, the duties of terminating the unit investment trust shall be discharged by the provisional administration appointed in compliance with this Federal Law.

4. The rate of fee payable to the person engaged in termination of a unit investment trust, except as established by this Article, shall be specified by the trust administration rules of the unit investment trust and may not exceed 3 per cent of the amount of money making up the unit investment trust and received by it after the sale of the property making it up, less the following:

1) debts to the creditors whose claims must be satisfied on account of the property making up the unit investment trust;

2) the amounts of fee to be paid to the management company, specialized custodian, person engaged in keeping the investment shares' register, appraiser and auditor which are accrued for them, as of the date of uprise of the grounds for termination of a unit investment trust;

3) the amounts intended for payment of monetary compensation to the investment shares' owners whose application for redemption of investment shares had been accepted before the date when the grounds for termination of the unit investment trust rose.

5. The federal executive governmental body in charge of the securities market is entitled to send its representative to verify the exercise of the duties of terminating a unit investment trust by the person responsible for the termination thereof.

6. The disposal of the property making up a unit investment trust shall be prohibited from the time of emergence of the grounds for termination of the unit investment trust, except for the sale and distribution thereof under the present Federal Law.

7. The person responsible for terminating a unit investment trust is obliged to do the following:

1) within five working days after the uprise of a ground for termination of the unit investment trust to forward an announcement of termination of

the unit investment trust to the federal executive governmental body in charge of the securities market;

2) to disclose a report on termination of the unit investment trust in compliance with this Federal Law;

3) to take measures aimed at detecting creditors whose claims must be satisfied on account of the property making up the unit investment trust and at redemption of debtor indebtedness.

8. The term for presentation of creditors' claims to be satisfied from the property making up a unit investment trust may not be less than two months after the date of publication of the announcement of termination of the unit investment trust.

9. Upon the expiration of the term for presentation of creditors' claims to be satisfied from the property making up a unit investment trust, until the beginning of settlements with the said creditors, the person responsible for terminating the unit investment trust shall compile and file with the federal executive governmental body in charge of the securities market a balance sheet of the property making up the unit investment trust which must contain information about the property making up the unit investment trust, the claims presented by the creditors and the results of consideration of these claims. If termination of a unit investment trust is carried out by the management company, the said balance sheet must be coordinated with the specialized custodian.

10. The person responsible for terminating a unit investment trust is obliged to sell the property making up the unit investment trust and to effect settlements in compliance with Article 32 of the present Federal Law within the time period of at most six months after the disclosure of the announcement of termination of the unit investment trust. The said time period may be extended by decision of the federal executive body in charge of the securities market, if a unit investment trust is terminated in connection with annulment of the management company's licence.

11. A specialized custodian when terminating a unit investment trust shall act in its own name and shall exercise the authority of the management company as to the termination of the unit investment trust, in particular it shall make in its own name transactions of selling the property making up the unit investment trust, including immovable property, shall dispose of the monetary funds kept on accounts and deposited with banks and other credit institutions, as well as shall make operations in the securities constituting the unit investment trust without the instructions (order) of the management company. The state registration of transactions and/or transfer of ownership of the immovable property constituting the unit investment trust shall be effected upon presentation by the specialized depository of a copy of the decision to annul the management company's licence attested by the federal executive body in charge of the securities market.

12. When a specialized custodian is engaged in terminating a unit investment trust, the monetary funds kept on the transit account or the bank account opened by the management company in compliance with Item 2 of Article 15 of this Federal Law shall be written off by order of the specialized custodian. The said operations shall be made by a bank or other credit institution upon presentation by the specialized custodian of a copy of the decision on annulment of the management company's licence attested by the federal executive body in charge of the securities market.

13. A provisional administration when terminating a unit investment trust shall act in the name of the management company without a letter of attorney and shall exercise the authority of the management company as to the termination of the unit investment trust, in particular it shall make in the name of the management company transactions of the sale of the property constituting the unit investment trust, including immovable property, shall dispose of the monetary funds kept on accounts and deposited with bank and other credit institutions, shall dispose of the securities making up the unit investment trust. The fee provided for by Item 4 of this Article shall not be paid to the provisional administration.";

32) in Article 32:

a) Paragraphs Four-Six of Item 1 shall be stated in the following wording:

"in the second place: the appropriate fee shall be paid to the person responsible for terminating the unit investment trust, except when under this Federal Law the fee is not paid;

in the third place: to the management company shall be paid the fee accrued for its benefit both as of the date when grounds for termination of the unit investment trust rose, as well as the fees shall be paid to the specialized depository, the person engaged in keeping the register of investment shares' owners, the appraiser and auditor accrued for their benefit after the date when grounds for termination of the unit investment trust rose;

in the fourth place: to the owners of investment shares shall be paid a pecuniary compensation by means of distribution of residual property pro rata to the number of investment shares they own.";

b) Item 3 with the following content shall be added hereto:

"3. Investment shares of a unit investment trust when it is terminated are subject to redemption concurrently with payment of a monetary compensation, regardless of whether the owner of such investment shares has raised a claim for their redemption or not.";

33) in Article 33:

a) Item 1 shall be stated in the following wording:

"1. The composition of the assets of joint-stock investment companies and the assets of unit investment trusts may include monetary funds, in particular, in foreign currency and also the below instruments that

comply with the provisions of regulatory legal acts of the federal executive governmental body in charge of the securities market:

- 1) state securities of the Russian Federation and state securities of constituent entities of the Russian Federation;
 - 2) municipal securities;
 - 3) shares and bonds of Russian business companies;
 - 4) securities of foreign states;
 - 5) shares of foreign joint-stock companies and bonds of foreign profit-making organisations;
 - 6) investment shares of unit investment trusts;
 - 7) mortgage notes issued in compliance with the legislation of the Russian Federation on mortgage notes;
 - 8) Russian depository receipts;
 - 9) other securities specified by regulatory legal acts of the federal executive governmental body in charge of the securities market.";
- b) the second sentence of Item 3 shall be deleted;
- 34) Article 37 shall be stated in the following wording:

"Article 37. Appraisal of Assets of Joint-Stock Investment Companies and Assets of Unit Investment Trusts

1. The assets of joint-stock investment companies and the assets of unit investment trusts shall be appraised in the manner set out in regulatory legal acts of the federal executive governmental body in charge of the securities market.

2. The immovable property, rights to immovable property, other property specified by regulatory legal acts of the federal executive governmental body in charge of the securities market which is owned by a joint-stock investment company or makes up a unit investment trust shall be effected by the appraiser appointed by the board of directors (supervisory board) of the joint-stock investment fund or specified in the trust administration rules of a unit investment trust.

3. The trust administration rules of a unit investment trust may provide for the appraisal of the property to be transferred for inclusion into the composition of a unit investment trust when being formed by an appraiser which is not cited in the trust administration rules of the unit investment trust.

4. The property provided for by Item 2 of this Article must be appraised when it is acquired, as well as at least once a year, if other periodicity thereof is not established by regulatory legal acts of the federal executive body in charge of the securities market.

5. Affiliated persons of a joint-stock investment fund, of the management company and of the specialized custodian of a joint-stock investment fund and a unit investment trust, of the auditor of a joint-stock investment fund and of the auditor of the management company of a unit

investment trust may not act as the appraiser of the joint-stock investment fund and the unit investment trust.

6. The appraiser shall be held liable towards a joint-stock investment fund and owners of investment shares for losses caused to them in connection with the use by the joint-stock investment fund or the management company of a unit investment trust of the total value of the market or other cost of the object of appraisal cited in the report signed by the appraiser:

1) when estimating the net wealth value of the joint-stock investment fund and assets of the unit investment trust;

2) when making transactions with the property of the joint-stock investment fund and the property constituting the unit investment trust.

7. The management company of a unit investment trust together with an appraiser shall bear the subsidiary responsibility provided for by Item 6 of this Article. The management company which has compensated for losses enjoys the right of exoneration (regress) in respect of the appraiser in the amount paid by it to investment shares' owners.

8. The property cited in this Article, if it is owned by a joint-stock investment fund or makes up a unit investment trust whose shares' (investment shares') turnover is restricted may not be appraised, except as provided for by normative legal acts of the federal executive body in charge of the securities market, the investment declaration of a joint-stock investment fund or the trust administration rules of a unit investment trust.";

35) Article 38 shall be stated in the following wording:

"Article 38. Requirements for the Management Company

1. The management company may only be a joint-stock company or a limited (supplementary) liability company formed under Russian law.

2. In its name the management company may use the words "unit investment trust/fund", "joint-stock investment fund/trust" or "unit investment trust" in combination with the words "management company".

3. The management (trust management) of assets of a joint-stock investment fund and trust management of a unit investment trust may be only effected on the basis of the management company's licence. On the basis of the said licence may be also effected trust management of other assets where it is provided for by federal laws.

4. The activities specified in Item 3 of this Article may be only combined with the activity of trust administration of securities exercised in compliance with the legislation of the Russian Federation on the securities market.

5. A management company is entitled to invest own assets, to make transactions of property transfer for use thereof, as well as to render consultation services in respect of investments, provided that the requirements of normative legal acts of the federal executive body in

charge of securities market for prevention of conflicts of interests are satisfied.

6. The amount of the management company's own resources must comply with the requirements of regulatory legal acts of the federal executive governmental body in charge of the securities market.

7. The management company must ensure administration of its current activities on a permanent basis. The authority of the sole executive body of a management company may not be transferred to a legal entity.

8. In the event of adopting a decision on suspension or preschedule termination of the authority of the sole executive body, the management company is obliged concurrently with adoption of the said decision to decide on the establishment of accordingly a provisional sole executive body or a new sole executive body. With that, the functions of a provisional sole executive body may be only exercised by the person who is on the staff of the management company or is a member of the board of directors (supervisory board) or the collective executive body. The person exercising the functions of the provisional sole executive body of the management company must comply with the requirements of Items 9 and 10 of this Article.

9. The person exercising the functions of the sole executive body of a management company must have higher professional education and comply with the qualification requirements and the requirements for the job-related experience established by the federal executive body in charge of the securities market.

10. It is prohibited for the following persons to exercise the functions of the sole executive body of a management company, of a member of the board of directors (supervisory board), of the collective executive body and of the head of a branch of a management company:

1) persons who performed the functions of the sole executive body or were members of a collective executive body of financial organisations at the time of annulment of those organisations' licenses for the pursuance of the respective types of activity in connection with a breach of the license terms and conditions, if less than three years have passed since the time of such annulment;

2) persons who were subjected to sanctions for an administrative offence in the form of disqualification, if the time period within which they are deemed subjected to the sanctions has not yet expired;

3) persons who have been previously convicted for willful crimes.

11. The Russian Federation, constituent entities of the Russian Federation and municipal formations are not entitled to participate in a management company.

12. The following persons may not be the ones possessing (having in trust management) 5 and more per cent of ordinary stocks (shares) of a management company:

1) a legal entity whose licence for the exercise of an appropriate kind of activity of a financial organisation has been annulled for committing an offence;

2) a legal entity whose principal company's or dominant company's licence for the exercise of an appropriate type of financial activity has been annulled for making an offence;

3) the natural person cited in Item 10 of this Article.

13. the person possessing (having in trust management) 5 and more per cent of ordinary stocks (shares) of a management company is obliged to notify the management company and the federal executive body in charge of the securities market in the procedure and at the time which are established by regulatory legal acts of the federal executive body in charge of the securities market:

1) of acquisition for ownership or for inclusion into the composition of the property which it has in its ownership of ordinary stocks (shares) of the management company;

2) on its compliance (non-compliance) with the requirements of Item 12 of this Article.

14. The person which has not send a notice to a management company in compliance with Item 13 of this Article or does not satisfy the requirements of Item 12 of this Article shall only have the right of vote in respect of the voting stocks (shares) of the management company which do not exceed 5 per cent of floated ordinary stocks (shares) of the management company. With this, the remaining stocks (shares) possessed by this person shall not be accounted when determining the quorum for holding a general meeting of the management company's participants.

15. The management company is obliged to arrange internal control over the compliance of the activities exercised on the basis of the management company's licence with the requirements of federal laws and other normative legal acts of the Russian Federation, the trust administration rules of an investment fund and other agreements made by the management company when exercising the said activity, as well as with the constituent documents and internal documents of the management company (hereinafter referred to as internal control).

16. Internal control must be exercised by an official (hereinafter referred to as an inspector) or by a separate structural unit of the management company (hereinafter referred to as the internal control service). An inspector (the head of the internal control service) shall be appointed to his/her office and dismissed on the basis of a decision of the board of directors (supervisory board) or, in the absence thereof, on the basis of a decision of a general meeting of the management company's stockholders (participants). An inspector (the head of the internal control service) shall be accountable to the board of directors (supervisory board) or a general meeting of the management company's stockholders (participants).

17. The inspector (the head of the internal control service) must have higher professional education and comply with the qualification requirements established by the federal executive body in charge of the securities market. The following persons may not be an inspector (the head of the internal control service) and officers of the internal control service engaged in the exercise of internal control:

- 1) the person exercising the functions of the sole executive body;
- 2) the persons cited in Item 10 of this Article.

18. The rules for arrangement and exercise of internal control in a management company (hereinafter referred to as the internal control rules) shall be endorsed by the board of directors (supervisory board) or, in the absence thereof, by a general meeting of stockholders (participants) of the management company and are subject to registration by the federal executive body in charge of the securities market.";

36) Article 39 shall be stated in the following wording:

"Article 39. The Duties of a Management Company

1. The management company is obliged to act reasonably and in good faith when it exercises its rights and duties.

2. The management company is obliged:

1) to pass the property owned by the joint-stock investment fund and the property making up the unit investment trust to a specialised custodian for the purposes of record-keeping and/or safekeeping, except as otherwise required for specific types of property by regulatory legal acts of the Russian Federation;

2) to pass to the specialised custodian immediately after their completion or receipt copies of all basic documents relating to the property owned by the joint-stock investment fund and the property making up the unit investment trust and also the original documents confirming rights to immovable property;

3) to file reports with the federal executive governmental body in charge of the securities market in the manner established by that body;

4) to disclose information concerning the joint-stock investment fund and the unit investment trust in compliance with the present Federal Law, except as provided for by this Federal Law;

5) to have its Internet WEB-site whose electronic address comprises the domain name, the rights to which are possessed by this management company (hereinafter referred to as the site of a management company);

6) to keep records of operations in the property making up the assets of the joint-stock investment fund and/or the assets of the unit investment trust, as well as in other property whose trust management it carries out on the basis of the licence of the management company in the procedure established by regulatory legal acts of the federal executive body in charge of the securities market;

7) to forward to the federal executive body in charge of the securities market a notice of changes in the composition of the board of directors (supervisory board) and executive bodies of the management company within five working days as of the date of happening of the said events;

8) to use documents made in an electronic digital form bearing an electronic digital signature in conjunction with the person engaged in keeping the register of investment shares' owners (with the registrar of the joint-stock investment fund), the specialized custodian, the agent engaged in allocation, exchange and redemption of investment shares, as well as with the persons whose property is has in its trust management on the basis of the licence of a management company, except for acquirers and owners of investment shares;

9) to satisfy other requirements provided for by the present Federal Law and regulatory legal acts of the federal executive governmental body in charge of the securities market.

3. Where it is specified by the present Federal Law, the management company of a joint-stock investment fund is entitled to waive the exercise of its duties provided for by the present Federal Law and the contract concluded with the joint-stock investment fund.

4. If the management company of a joint-stock investment fund waives its duties provided for by Item 3 of this Article, it is obliged to do the following:

1) to serve at least 60 days before the date when it stops discharging its duties a written notice to this effect to the board of directors (supervisory board) of the joint-stock investment fund and to the federal executive governmental body in charge of the securities market;

2) within five working days as of the date when it stops discharging its duties to pass over all the documents available to it and the property (including monetary funds) held by the joint stock investment fund to a newly appointed management company.

5. The decision on voluntary liquidation of the management company may not be adopted before termination of all the unit investment trusts which it has in its trust management and/or before the transfer of all rights and duties under all contracts of trust management made on the basis of the licence of a management company to another management company (other management companies).";

37) Article 40 shall be stated in the following wording:

"Article 40. Limitations on the Activities of a Management Company

1. The management company acting in the capacity of the trust manager of assets of a joint-stock investment fund or assets of a unit investment trust, or exercising the functions of the sole executive body of a joint-stock investment fund is not entitled to make the following transactions or give instructions to make the following transactions:

1) to acquire facilities which are not provided for by this Federal Law, regulatory legal acts of the federal executive body in charge of the securities market, the investment declaration of a joint-stock investment fund or the unit investment trust;

2) to alienate of a gratuitous basis assets of the joint-stock investment fund or the property making up the unit investment trust;

3) resulting in the assumption by it of the duty of transferring property, which as of the time of assumption of the duty does not form part of the assets of the joint-stock investment fund or of the unit investment trust, except for transactions in securities accomplished through a trade promoter in the securities market on condition that clearing transactions are made;

4) to acquire property which is put in pledge or represents other kind of security, this resulting in the inclusion into the composition of the assets of the joint-stock investment fund or into the composition of a unit investment trust of the property which is put in pledge or represents other kind of security;

5) to make contracts of loan or credit contracts, as well as transactions of purchase (sale) providing for the obligation to resale (repurchase) securities, or interconnected transactions of purchase and sale, made concurrently with the same person, of securities and subsequent sale (purchase) of the said securities or securities pertaining to the same issue or of the same unit investment trust (mortgage coverage) at the price agreed in advance (repo transactions). The said rule shall not extend to the cases where monetary funds are received for exchange or redemption of investment shares when the monetary resources making up this unit investment trust are insufficient or where repo accounts are made as provided for by regulatory legal acts of the federal executive body in charge of the securities market. With this, the total amount of debt to be repaid on account of the property making up the unit investment trust under all contracts of loan and credit contracts must not exceed 20 per cent of the net wealth value of this unit investment trust. The time period for attraction of borrowed assets under each contract of loan and credit contract (with the term of extension included therein) may not exceed six months;

6) to acquire the property that it has in trust management under other contracts and the property making up the assets of the joint-stock investment trust where the management company exercises the functions of the sole executive body, except as provided for by this Article;

7) to alienate the property making up assets of the joint-stock investment fund or the unit investment trust for inclusion into the composition of the property it has in its trust management under other contracts or into the composition of the property making up the assets of the joint-stock investment fund where the management company exercises the functions of the sole executive body, except as provided for by this Article;

8) to acquire securities issued (allocated) by its participants, by the principal and dominant business companies of its participant, by its branch and dependent companies, the specialized custodian, the auditor of the joint stock investment fund or the unit investment trust, the registrar of the joint-stock investment fund, the person engaged in keeping the register of investment shares owners or of stakes in the authorised capital of any of the said persons, except as provided for by this Article;

9) to acquire property owned by this management company, its participants, principal and dominant business companies of its participant, its branch and dependent companies or to alienate property owned by the said persons, except as provided for by this Article;

10) to acquire property of the specialized custodian, appraiser and auditor with which the management company has made contracts in compliance with this Federal Law, of investment shares' owners of the closed unit investment trust which this management company has in its trust management or to alienate property for the benefit of the said persons, except when investment shares are allocated to the said owners and except as provided for by this Article;

11) to acquire securities issued (allocated) by this management company, as well as by the joint-stock investment fund whose assets this management company has in its trust management or when this management company exercises the functions of the sole executive body.

2. A management company, while acting in the capacity of the trust manager of the assets of a joint-stock investment fund or a unit investment trust or exercising the functions of the sole executive body of a joint-stock investment fund, is entitled, on condition that it satisfies the requirement aimed at risk limitation established by regulatory legal acts of the federal executive body in charge of the securities market, to make transactions providing for the following:

1) the duty of a party or parties to a transaction to pay amounts of money depending on changes in the prices of commodities, securities, exchange rate of an appropriate currency, interest rates, inflation rate or on values estimated on the basis of the totality of the said indices or on the emergence of other circumstance which is provided for by laws and in respect of which it is not known whether it will emerge or not, in particular transactions also providing for the duty of one of the parties to pass over to the other party commodities, securities or currency;

2) the duty of either party, should the other party raise such claim, to buy or sell commodities, securities or currency under the terms and conditions determined when making such transaction.

3. A management company is not entitled to do the following:

1) to acquire shares of the joint-stock investment fund whose assets it has in its trust management or when it exercises the functions of the sole executive body, as well as the investment shares of a unit investment trust it has in its trust management;

2) to dispose of assets of the joint-stock investment fund or of the property making up the unit investment trust, without a preliminary consent of the specialized custodian, except for transactions made through sales held by a stock exchange or other trade promoter in the securities market;

3) to dispose of the monetary funds (securities) kept on the transit account (transit depo account), as well as of other property, which are transferred in return for investment shares and are not included into the composition of a unit investment trust without a preliminary consent of the specialised custodian;

4) to use the property possessed by the joint-stock investment fund as a security of discharging its own obligations or obligations of third persons, as well as the property making up the unit investment trust, as a security of discharging its own obligations which are not connected with trust management of the unit investment trust or as a security of discharging obligations of third persons;

5) to collect interest for using the monetary resources of the management company allocated for paying monetary compensation to investment shares owners or for exchange of investment shares, as provided for by Article 25 of this Federal Law.

4. The restrictions in respect of making transactions imposed by Subitem 6, 7, 9 and 10 of Item 1 of this Article shall not apply, where:

1) transactions in securities are made through sales arranged by trade promoters in the securities market on the basis of bids for purchase (sale) thereof at the best prices from among those cited in them on condition that bids are addressed to all sales participants and the information making possible to identify the sales participants that have filed the bids is not disclosed to the other sales participants in the course thereof;

2) transactions made with the securities forming part of a unit investment trust whose investment shares may be exchanged for investment shares of another fund, for inclusion into which the said securities are acquired.

5. The restrictions in respect of making transactions which are established by Subitem 8 of Item 1 of this Article shall not apply where the said transactions:

1) are made in the securities included into quotation lists of Russian stock exchanges;

2) are made in course of flotation of additional securities of a joint-stock company when the management company exercises a shareholder's right to primary acquisition of shares and serial securities convertible into shares of this joint-stock company;

3) are transactions of acquisition of shares (stakes) in business companies which at the time of making the transactions were dependent (branch) business companies of the management company by virtue of acquisition by the latter of the said shares (stakes) for inclusion into the

property making up the assets of the joint-stock investment fund or the unit investment trust.

6. The restriction as to making transactions which is established by Subitem 3 of Item 1 of this Article shall not apply to transactions of property alienation made by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting as the trust manager of assets of a joint-stock investment fund or a unit investment trust whose shares' (investment shares') turnover is restricted.

7. The restrictions as to making transactions established by Subitem 5 and 8 of Item 1 of this Article shall not apply to transactions made by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting in the capacity of the trust manager of assets of a joint-stock investment fund or of a unit investment trust whose shares' (investment shares') turnover is restricted, where it is so established by the federal executive body in charge of the securities market.

8. The restrictions as to making transactions with owners of investment shares of closed investment funds which are established by Subitem 10 of Item 1 of this Article shall not apply to the transactions made by the management company exercising the functions of the sole executive body of a joint-stock investment fund or acting in the capacity of the trust manager of the assets of a joint-stock investment fund or a unit investment trust whose shares' (investment shares') turnover is restricted, where it is so established by the federal executive body in charge of the securities market.

9. As regards the transactions made in defiance of the requirements contained in this Article, a management company shall only assume personal obligations in respect of third persons and shall be only liable within the limits of the property possessed by it.";

38) Article 41 shall be stated in the following wording:

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

1. Fees for the management company, specialised custodian, person responsible for keeping the register of owners of investment shares, appraiser and auditor shall be payable on account of the property of the joint-stock investment fund and the property making up the unit investment trust and their amount shall not exceed 10 per cent of the average annual net wealth value of the joint-stock investment fund and the net wealth value of the unit investment trust. The procedure for calculating the average annual net wealth value of the joint-stock investment fund and the net wealth value of the unit investment trust shall be established by the federal executive governmental body in charge of the securities market.

2. The rate of the fee to be paid to the management company and/or a procedure for determining it, as well as a list of outlays connected with trust management of assets of a joint-stock investment fund or a unit investment trust shall be provided for by the agreement made by the management company and the joint-stock investment fund or by the trust administration rules of a unit investment trust.

3. The fee for a management company may be established as a fixed amount of money or a share in the average annual net wealth value of assets of a joint-stock investment fund (a unit investment trust) and/or a share of the income derived from managing the joint-stock investment fund (from trust administration of a unit investment trust). The rate of the fee for the management company determined as a share of income derived from managing the joint-stock investment fund (of income derived from trust administration of the unit investment trust) may not exceed 20 per cent of the said income for which a procedure of estimation thereof is established by regulatory legal acts of the federal executive body in charge of the securities market.

4. If the management company terminates a unit investment trust, the rate of its remuneration shall be determined in compliance with Item 4 of Article 31 of this Federal Law as of the date of uprise of the ground for termination of the unit investment trust.

5. Where the turnover of shares of a joint-stock investment fund or of investment shares is restricted, the rules provided for by Items 1 and 3 of this Article shall not apply. With this, a procedure for determining the rate of the fee for the management company shall be established by the investment declaration of a joint-stock investment fund or the trust administration rules of a unit investment trust in compliance with the requirements contained in regulatory legal acts of the federal executive body in charge of the securities market.

6. Expenses relating to trust administration of the property making up assets a joint-stock investment fund or of the property making up a unit investment trust shall be disbursed from the said property. A list of such expenses shall be established by regulatory legal acts of the federal executive body in charger of the securities market. It is not allowable to cover and reimburse other expenses incurred by the management company in connection with trust management of assets of a joint-stock investment fund or of a unit investment trust on account of assets of the joint-stock investment fund or of the property making up the unit investment trust accordingly.

7. The forfeit and losses resulting from failure to discharge obligations under contracts made by the management company in the capacity of a the trust manager of a unit investment trust or assets of the joint-stock investment fund shall be paid and covered on account of the management company's own property.";

39) Article 43 shall be stated in the following wording:

"Article 43. Monitoring the Disposition of the Property Owned by a Joint-Stock Investment Fund and the Property Making Up a Unit Investment Trust

1. The specialised custodian of a joint-stock investment fund shall monitor the observance of the following:

1) by the management company of a joint-stock investment fund of the present Federal Law, regulatory legal acts of the federal executive governmental body in charge of the securities market adopted in compliance with it, the provisions of the investment declaration of the joint-stock investment fund and the contract made by the joint-stock investment fund and the management company;

2) by a joint-stock investment fund of this Federal law, regulatory legal acts of the federal executive governmental body in charge of the securities market adopted in compliance with it, as well as of the provisions of the investment declaration of the joint-stock investment fund in the event of transfer to the management company of the authority of the sole executive body of the joint-stock investment fund;

3) by the management company of a unit investment trust of this Federal Law, of regulatory legal acts of the federal executive governmental body in charge of the securities market adopted in compliance with it and of the trust administration rules of the unit investment trust.

2. The specialized custodian shall give to the management company its consent as to the disposal of assets of a joint-stock investment fund (a unit investment trust) or of the monetary funds (securities) kept on the transit account (the transit depo account), if such disposal does not contravene this Federal Law, regulatory legal acts of the federal executive body in charge of the securities market, the investment declaration of the joint-stock investment fund, the contract made by the joint-stock investment fund with the management company and the trust administration rules of the unit investment trust.

3. The consent to the disposal of monetary funds provided for by Item 2 of this Article shall be given by way of signing by the specialized depository the payment document whereby the management company gives an order to a bank or other credit institution to remit monetary funds. If the specialized depository is the credit institution where the transit accounts and the accounts cited in Item 2 of Article 15 of this Federal Law are opened, the specialised depository is entitled to follow the order concerning the remittance of monetary funds, provided that it complies with Item 2 of this Article. With that, it is not necessary for the specialized depository to sign the payment document.

4. The rules for recording and storing by the specialized custodian of the property provided for by Article 42 of this Federal Law, the rules for exercise of the control provided for by this Article, as well as requirements for the regulations of the specialized custodian shall be established by

regulatory legal acts of the federal executive body in charge of the securities market.

5. In the event of failure to discharge or improper discharge by the specialized depository of the duties related to recording and custody of the property possessed by a joint-stock investment fund (making up a unit investment trust), as well as to the exercise of the control provided for by this Article, the specialized custodian shall be jointly liable with the management company towards the joint-stock investment fund and towards owners of investment shares of the unit investment trust.";

40) Article 44 shall be stated in the following wording:

"Article 44. Requirements for the Specialised Custodian

1. The activity of recording and keeping the property possessed by a joint-stock investment fund or the property making up a unit investment trust, as well as of exercising control over the activities of a joint-stock investment fund or of the management company of a joint-stock investment fund or a unit investment trust (hereinafter referred to as the activities of a specialized custodian) may be only exercised on the basis of the licence for exercising the activity of a specialized custodian of investment funds, unit investment funds and nongovernmental pension funds (hereinafter referred to as the licence of a specialized custodian). The activity of recording and keeping other property (assets), of exercising control over the disposal of this property (assets), as well as of exercising other kinds of control in compliance with federal laws may be carried out on the basis of the licence of a specialized custodian where it is provided for by the cited federal laws.

2. As the specialized custodian of a joint-stock-investment fund and of a unit investment trust may only act the custodian which is a joint-stock company or a limited (supplementary) liability company which is established in compliance with the legislation of the Russian Federation and which holds the licence of a specialized custodian.

3. Solely a specialized custodian may use in its firms' name the words "investment fund", "joint-stock investment fund" or "unit investment trust" combined with the words "specialized custodian" or "custodian".

4. The activity of a specialized custodian may be exercised under the contract made:

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

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

3) with other persons where it is provided for by federal laws.

5. The validity term of the contract made by the specialized custodian and the management company of a closed unit investment trust may not be less than the validity term of the contract of trust management of this investment trust.

6. It is not allowed to make the contracts provided for by Item 4 of this Article, if:

1) the management company and the specialized custodian are principal and branch companies or dominant and dependent ones in respect of each other;

2) the specialised custodian is the owner of shares of the joint-stock investment fund with which or with whose management company the contract is made;

3) the specialized custodian is the owner of investment shares of the unit investment trust in respect of which the contract has been made with the management company.

7. The activity of a specialised custodian may be only combined with the following:

1) the activity of a credit institution;

2) professional activities in the securities market, except for the activity of keeping the register of securities' owners, clearing activity, activity of promoting trade in the securities market, as well as of depository activity, if the latter is connected with making depository operations subject to the results of transactions with securities made through a trade promoter in the securities market on the basis of contracts made with such trade promoter and/or a clearing organisation.

8. When credit institutions and professional participants of the securities market exercise the activity of a specialized custodian, the latter must be exercised by a separate structural unit thereof.

9. A specialized custodian is entitled to do the following in connection with the exercise of its activities:

1) to render to the persons, that have made the contract with it serving as ground for recording and keeping property (assets), as well as for exercising control over it (their) disposal, information and consultation services, as well as bookkeeping services;

2) to keep a register of investment shares' owners;

3) to act as the operator of the information system used by the persons which have made the contracts with a specialized custodian serving as a ground for exercising its activities;

4) to exercise other activities provided for by this Federal Law.

10. A specialized custodian is entitled to invest its own monetary funds, to make transactions of property transfer for use, as well as to exercise the activities provided for by Item 9 of this Article on condition of satisfaction of the requirements of regulatory legal acts of the federal executive body in charge of the securities market as to the prevention of a conflict of interests.

11. Solely the persons cited in Item 10 of Article 38 of this Federal Law may exercise the functions of the sole executive body of a specialised custodian, of a member of the collective executive body, the head of a

branch of a specialized custodian (the head of the separate structural unit of an organisation exercising the activities of a specialized custodian).

12. The person exercising the functions of the sole executive body, the head of a branch of a specialised custodian (the head of a separate structural unit of an organisation which exercises the activities of a specialized custodian) must have higher professional education and satisfy the qualification requirements and the requirements for job-related experience established by the federal executive body in charge of the securities market.

13. The following persons may not possess (have in trust management) 5 and more per cent of ordinary stocks (shares) of a specialized custodian:

1) a legal entity whose licence for the exercise of the appropriate kind of activities of a financial organisation has been annulled for making an offence;

2) a legal entity whose principal or dominant companies' licences for exercising the appropriate kind of activities of a financial organisation have been annulled for making an offence;

3) the legal entity cited in Item 10 of Article 38 of this Federal Law.

14. The person possessing (having in trust management) 5 and more per cent of ordinary stocks (shares) of a specialised custodian is obliged to notify the specialized custodian and the federal executive body in charge of the securities market in the procedure and at the time which are established by regulatory legal acts of the federal executive body in charge of the securities market:

1) of acquisition for ownership or for inclusion into the composition of the property which is has in its trust management ordinary stocks (shares) of the specialized custodian;

2) of its compliance (non-compliance) with the requirements of Item 13 of this Article.

15. A person which has not sent the notice to the specialized custodian in compliance with Item 14 of this Article and which does not comply with the requirements of Item 13 of this Article only enjoys the right of vote in respect of the voting stocks (shares) of the specialized custodian which do not exceed 5 per cent of floated ordinary stocks (shares) of the specialized depository. With this, the rest of the stocks (shares) possessed by this person shall not be taken into account when determining the quorum for holding a general meeting of the specialized custodian's participants.

16. The requirements provided for by Items 13-15 of this Article shall not extend to credit institutions exercising the activity of a specialised custodian.

17. A specialized custodian is obliged to arrange internal control over the compliance of its activities exercised on the basis of the licence of a specialized custodian with the requirements of federal laws and other

regulatory legal acts of the Russian Federation, with contracts made by the specialised custodian while exercising the said activities, as well as with the constituent documents and internal documents of a specialized custodian (hereinafter referred to as internal control of a specialised depository).

18. Internal control of a specialized depository must be exercised by an official (hereinafter referred to as an inspector) or by a separate structural unit of a specialized custodian (hereinafter referred to as the internal control service of a specialized custodian). An inspector of a specialized custodian or the head of the internal control service of a specialized custodian shall be appointed to his/her office and dismissed on the basis of a decision of the board of directors (supervisory board) or, in the absence thereof, on the basis of a decision of a general meeting of the specialized custodian's stockholders (participants). An inspector of a specialized custodian or the head of the internal control service of a specialised custodian shall be accountable to the board of directors (supervisory board) or a general meeting of the specialized depository's stockholders (participants).

19. The inspector of a specialized custodian or the head of the internal control service of a specialised custodian must have higher professional education and satisfy the qualification requirements established by the federal executive body in charge of the securities market. The following persons may not be an inspector of a specialized custodian, the head of the internal control service and officers of the internal control service of a specialized custodian engaged in the exercise of internal control:

1) the person exercising the functions of the sole executive body of the specialized custodian, as well as the head of a branch of the specialized custodian (the head of the separate structural unit of an organisation engaged in the activity of a specialized custodian);

2) the persons cited in Item 10 of Article 38 of this Federal Law.

20. The rules for arrangement and exercise of internal control of a specialized custodian (hereinafter referred to as the internal control rules of a specialized custodian) shall be endorsed by the board of directors (supervisory board) or, in the absence thereof, by a general meeting of the specialized custodian's stockholders (participants).

21. The rules for exercising the activity of a specialized custodian and for rendering services connected with the exercise thereof, forms of applicable documents and procedure for documents' flow when exercising the said activities shall be established by the regulations of the specialized custodian.

22. The internal control rules of a specialized custodian and the regulations of a specialized custodian, as well as amendments to be made thereto are subject to registration with the federal executive body in charge of the securities market in the procedure established by it.";

41) Items 2 and 3 of Article 45 shall be stated in the following wording:

"2. The specialised custodian is obliged to do the following:

1) to accept into custody and conduct the safekeeping of the property owned by a joint-stock investment fund and the property making up a unit investment trust, except as otherwise required by regulatory legal acts of the Russian Federation for specific types of property;

2) to accept and conduct the safekeeping of copies of all source documents relating to the property owned by a joint-stock investment fund and the property making up a unit investment trust, as well as original documents confirming rights to immovable property;

3) to file documents with the audit commission (in-house auditor) of a joint-stock investment fund as required for their activities;

4) to become registered as a nominal holder of securities owned by a joint-stock investment fund or the securities making up a unit investment trust, except as otherwise required by Russian law in respect of recording rights to securities;

5) to exercise control provided for by Article 43 of this Federal Law, in particular over calculation of the net wealth value of joint-stock investment funds and the net wealth value of unit investment trusts and also the rated value of an investment share, the number of investment shares to be allocated and the amount of pecuniary compensation in connection with the redemption of investment shares;

6) to send to the federal executive body in charge of the securities market a notice of violations detected by it in the course of exercising control at latest in three working days as of the date of detecting the said violations;

7) to send to the federal executive body in charge of the securities market a notice of changes made in the composition of the board of directors (supervisory board) and executive bodies of a specialized custodian, the head of its branch (the head of a separate structural unit of the organisation exercising the functions of a specialized depository) within five working days as of the date of happening of the said events;

8) to use together with the management company, registrar of a joint-stock investment fund, the person engaged in keeping the register of investment shares' owners, the agent responsible for allocation, exchange and redemption of investment shares, as well as with other persons while exercising its activities on the basis of the licence of a specialized custodian documents in an electronic digital form bearing an electronic digital signature;

9) to observe the other requirements provided for by the present Federal Law and regulatory legal acts of the federal executive governmental body in charge of the securities market.

3. The specialised custodian of a joint-stock investment fund (of a unit investment trust) is not entitled to acquire stocks (investment shares) of this fund (trust).";

42) in Article 46:

a) Item 1 shall be stated in the following wording:

"1. A contract made with a specialised custodian shall be terminated:

1) by agreement of the parties, effective from the time so agreed;

2) if a joint-stock investment fund is liquidated, effective from the time when the liquidation is completed;

3) if a unit investment trust is terminated, effective from the time of the termination;

4) if the license held by the specialised custodian is annulled, effective from the time of entry into force of the license annulment decision;

5) if the specialized custodian is liquidated, effective from the time of rendering the decision on such liquidation;

6) in the event of repudiation of the contract by either party, effective from the time provided for by the contract;

7) upon the expiry of the contract's validity term.";

b) Item 3 shall be stated in the following wording:

"3. In the event of termination of a contract with a specialized custodian, the latter is obliged to transfer all the documents available to it which are connected with execution of the said contract to another specialized custodian with which the joint-stock investment fund or the management company have made a contract.";

c) Item 4 with the following content shall be added hereto:

"4. In the event of renunciation by either party of the contract provided for by Item 4 of Article 44 of this Federal Law, the other party must be notified of it at least three months before termination of this contract, if other time is not provided for by federal laws.";

43) Items 5-7 with the following content shall be added to Article 47:

"5. The person engaged in keeping the register of investment shares' owners is obliged to register with the federal executive body in charge of the securities market the rules for keeping the register of investment shares' owners which contain a procedure for keeping the said register, forms of applicable documents and a procedure for documents' flow. Amendments and addenda to be made to the said rules shall enter into force on condition of their registration with the federal executive body in charge of the securities market.

6. On the basis of a contract of commission or a contract of agency made with the person engaged in keeping the register of investment shares' owners the agent responsible for allocation, redemption and exchange of investment shares is entitled to collect the documents which are required for making operations connected with the transfer of ownership of investment shares, to identify persons that file the said documents, as well as to pass over extracts and information from the

register of investment shares' owners received from the person engaged in keeping the register of investment shares' owners.

7. The person engaged in keeping the register of investment shares' owners is obliged to use together with the management company, specialized depository, agent responsible for allocation, exchange and redemption of investment shares and nominal holders of investment shares documents in an electronic digital form bearing an electronic digital signature.";

44) Article 48 shall be stated in the following wording:

"Article 48. The Liability of a Person Responsible for Keeping a Register of Owners of Investment Shares

1. The person responsible for keeping a register of investment shares' owners shall reimburse to the persons whose rights are recorded on personal accounts of the said register (in particular to nominal holders of investment shares, trust managers and other registered persons), as well as to acquirers of investment shares and other persons that have made a request to open a personal account the losses connected with the following:

1) impossibility to exercise the rights to investment shares, in particular as a result of wrongful writing-off of investment shares from the personal account of a registered person;

2) impossibility of exercising the rights consolidated by investment shares;

3) an unreasonable refusal to open a personal account in the said register.

2. The person engaged in keeping the register of investment shares' owners shall bear the responsibility provided for by Item 1 of this Article in case of failing to prove that a proper discharge of the duty of keeping the said register has proved to be impossible as a result of an act of God or the intent of the investment shares' owner or of other persons provided for by Item 1 of this Article.

3. The management company shall bear jointly with the person engaged in keeping the register of investment shares' owners the subsidiary liability provided for by Item 1 of this Article. The management company that has reimbursed losses shall have the right of exoneration (regress) in respect of the person engaged in keeping the register of investment shares' owners in the amount paid by it to the investment shares' owners or other persons provided for by Item 1 of this Article.

4. The management company shall reimburse to investment shares' acquirers or owners thereof the losses inflicted on them as a result of failure to discharge or improper discharge of the duty of allocation (redemption) of investment shares, if it cannot prove that a proper discharge by it of the said duties has proved to be impossible as a result of an act of God or the intent of the acquirer or holder of investment shares.

5. The management company that has reimbursed losses where it is provided for by Item 4 of this Article shall have the right of exoneration (regress) in respect of the person engaged in keeping the register of investment shares' owners in the amount paid by it to the acquirer or owner of investment shares, if the losses have been caused by an action (omission to act) of the person engaged in keeping the register of investment shares' owners.

6. A contract of keeping the register of investment shares' owners may not restrict the right of exoneration (regress).

7. A court is empowered to reduce the rate of the reimbursement provided for by this Article, if the acquirer or the holder of an investment share willfully or through negligence has contributed to the increase of the losses inflicted on it or has not taken reasonable measures aimed at reduction thereof.";

45) Item 1 of Article 49 shall be stated in the following wording:

"1. A joint-stock investment fund and the management company of a unit investment trust are obliged to conclude audit contracts. It is not allowable to make audit contracts with an auditor, if:

1) the management company of a unit investment trust, a joint-stock investment fund, specialised custodian or the person engaged in keeping the register of investment shares' owners is the principal or branch company, or the dominant or dependent company with respect to this auditor;

2) the auditor owns stocks of the joint-stock investment fund with which or with whose management company a contract is to be made;

3) the auditor is the owner of investment shares of the unit investment fund with whose management company a contract is to be made.";

46) Article 51 shall be stated in the following wording:

"Article 51. Requirements for the Content of Information to Be Disseminated, Supplied and Disclosed

1. Dissemination of information about a joint-stock investment fund or about a unit investment trust, about a management company or a specialised custodian means actions which are aimed at obtainment of such information by an indefinite circle of persons or at the transfer of such information to an indefinite circle of persons, while the supply of such information means actions aimed at obtainment thereof by a definite circle of persons or transfer thereof to a definite circle of persons.

2. Where it is established by normative legal acts of the federal executive body in charge of the securities market, information about a joint-stock investment fund or a unit investment trust must contain the following:

1) the full or an abbreviated company name of the joint-stock investment fund, the full and shortened name of the management company thereof, the number and registration date of the stocks prospectus of the joint-stock investment fund, the licence number of the joint-stock investment fund, the licence number of the management company of this fund and accordingly the name of the unit investment trust, the full or shortened company name of the management company of this trust, the number and date of registration of the trust administration rules of the unit investment trust and the licence number of the management company of this trust;

2) information on the place or places (including street addresses, addresses of the Internet site of the joint-stock investment fund or the management company of the unit investment trust and/or phone numbers) where the information to be disclosed and supplied in compliance with this Federal law is available;

3) provisions stating that the value of shares and the value of investment shares may increase or decrease, as well as an indication that the results of investment in the past do not rule future earnings, that the state does not guarantee yield on investments in investment funds/trusts and the warning that one ought to thoroughly read the constitution of the joint-stock investment fund, its investment declaration and the stocks prospectus and the trust administration rules of the unit investment trust before acquiring shares or investment shares.

3. It is not allowable to disseminate information about a joint-stock investment fund or a unit investment trust whose or stocks' or investment shares' turnover is restricted, except when it is disclosed in compliance with federal laws. An information about a joint-stock investment fund or a unit investment trust whose stocks' or shares' turnover is restricted must contain a reference to this circumstance.

4. A joint-stock investment fund and the management company of a unit investment trust shall be held liable for failure to satisfy the requirements for the procedure, time of disclosure and content of information to be disseminated, supplied or disclosed which are established by this Federal Law and normative legal acts of the federal executive body in charge of the securities market.

5. The federal executive body in charge of the securities market or the self-regulated organisation is entitled to demand of its members, or a joint-stock investment fund or the management company of a unit investment trust are obliged to present the documents proving the reliability of information to be disseminated, supplied and disclosed.

6. Data contained in the information to be disseminated, supplied or disclosed must comply with the articles of a joint-stock investment fund, investment declaration and the stocks prospectus, the trust administration rules of a unit investment trust which are registered in the established procedure.

7. Any information on a joint-stock investment fund, on a unit investment trust and the management company of a unit investment trust to be disseminated, supplied or disclosed must not contain:

1) unfair, unreliable, unethical, deliberately false, concealed or misleading information;

2) any guarantees and promises of would-be effectiveness and yield level of the investment activity of the joint-stock investment fund or the management company of the unit investment trust, in particular, those based on their actual past performance;

3) information not supported by documents;

4) information having no direct relation to the joint-stock investment fund, the management company of the unit investment trust or to the unit investment trust;

5) references to an approval or endorsement by the state authorities of any information on the activities on the joint-stock investment fund or the management company of the unit investment trust;

6) false or improperly formulated statements or assertions on factors significantly affecting the results of investment activities of the joint-stock investment fund or the management company of the unit investment trust, in particular, supported by documents but relating to some other period of time or event;

7) statements or assertions on a change or other comparisons of the results of investment activities of the joint-stock investment company and the management company of the unit investment trust at present and in the past (a description of yield variation, asset variation or growth) not based on the yield calculations made in compliance with regulatory legal acts of the federal executive governmental body in charge of the securities market;

8) statements on future investments containing a guarantee of safety of the investments and stable level of would-be yield or costs relating to the said investments;

9) assertions or statements on possible gains relating to the services or methods of operation of the joint-stock investment fund and the management company of the unit investment trust;

10) overstated or unsubstantiated statements on the managerial skills or characteristics of the joint-stock investment fund and the management company of the unit investment trust and also on their connections with the state authorities and local self-government bodies;

11) statements to the effect that the results of activities of the joint-stock investment fund and the management company of the unit investment trust that have been attained before can be repeated in the future.

8. The management company, before it obtains a license, shall not be entitled to disseminate information concerning its future activity as the management company of a joint-stock investment fund and unit investment trust.

9. Before disseminating, supplying or disclosing information a joint-stock investment fund and the management company of a unit investment trust shall file the said information with the federal executive governmental body in charge of the securities market or an organisation authorised by this body in the cases and in the procedure which are established by regulatory legal acts of the federal executive governmental body in charge of the securities market.

10. The federal executive governmental body in charge of the securities market is entitled:

1) to demand the rebuttal of disseminated, supplied or disclosed information which does not satisfy the requirements of this Federal Law or regulatory legal acts of the federal executive body in charge of the securities market, as well as dissemination, supply or disclosure of corrected information;

2) to prohibit dissemination, supply or disclosure of the information provided in compliance with Item 9 of this Article, if such information does not satisfy the requirements of this Federal Law or normative legal acts of the federal executive body in charge of the securities market.";

47) Article 52 shall be stated in the following wording:

"Article 52. Information to Be Provided at the Request of Persons Concerned

1. A joint-stock investment fund, the management company of a unit investment trust and also agents engaged in allocation, redemption and exchange of investment shares at the places of acceptance of investment share acquisition, redemption and exchange applications shall show the following to all persons concerned at their request:

1) the constitution of the joint-stock investment fund, its investment declaration or the trust administration rules of the unit investment trust, as well as the full text of registered amendments thereto;

2) the rules for keeping the register of owners of investment shares;

3) a statement of the value of assets of the joint-stock investment fund or the value of the property making up the investment trust and relevant annexes thereto;

4) a statement of the net wealth value of the joint-stock investment fund or the net wealth value of the unit investment trust and the rated value of an investment share according to the latest valuation;

5) the balance sheet and the profit-and-loss account of the joint-stock investment fund, the balance sheet of the property making up the unit investment trust, the balance sheet and profit-and-loss statement of the management company of the investment trust, the balance sheet and profit-and-loss statement of the specialised custodian, the auditor's report compiled as of the last accounting date;

6) a statement of increment (reduction) of the value of property owned by the joint-stock investment fund, the property making up the

investment trust, information on the fee payable to the management company and the expenses reimbursable from the property owned by the joint-stock investment fund and the property making up the investment trust, as of the latest accounting date;

7) other information disclosed in compliance with this Federal Law.

2. Information on the amount of money for which one investment share is allocated and the amount of pecuniary compensation disburseable in connection with the redemption of an investment share, the method of calculating the rated value of one investment share, the net wealth value of the joint-stock investment fund and the net wealth value of an investment trust per share or per investment share respectively as of the latest accounting date, on the hours for commencement and termination of acceptance of investment share acquisition, redemption and exchange applications during the business day, on the term for acceptance of said applications for interval investment trusts, cases of suspension or resumption of floatation of shares of a joint-stock investment fund, the allocation, redemption and exchange of investment shares or on the simultaneous suspension of allocation, redemption and exchange of investment shares, the resumption of allocation, redemption and exchange of investment shares, the agents engaged in allocation, redemption and exchange of investment shares shall be provided by a joint-stock investment fund, or by the management company of a unit investment trust, or by the agent engaged in allocation, supply and exchange of investment shares to persons concerned by telephone or by another means. The said requirement shall not apply, if turnover of stocks of a joint-stock investment fund or of investment shares of a unit investment fund is restricted.

3. Information about a joint-stock investment fund and a unit investment fund whose stocks' and investment shares' turnover is restricted may be only supplied to owners of the said stocks and investment shares and to other classified investors.";

48) in Article 53:

a) the title thereof shall be stated in the following wording:

"Article 53. Information to Be Disclosed"

b) Item 1 shall be stated in the following wording:

"1. Disclosure of information by a joint-stock investment fund, by a management company or specialized custodian means ensuring availability of the information to an indefinite circle of persons in compliance with a procedure which guarantees its finding and receiving. Information to be disclosed, as well as a procedure, method and time for its disclosure, shall be established by regulatory legal acts of the federal executive body in charge of the securities market.";

c) Item 2 shall be declared invalidated;

d) Item 2.1 with the following content shall be added hereto:

"2.1. The federal executive body in charge of the securities market shall ensure the disclosure of information and the creation of a generally accessible system of disclosing information about the activities of joint-stock investment funds and management companies of unit investment trusts, specialized custodians and agents engaged in allocation, redemption and exchange of investment shares, as well as about regulation of the said kinds of activities.";

e) Items 3-6 shall be declared invalidated;

49) in Article 54:

a) in Item 1 the words "shall file their statements/reports with" shall be replaced by the words "and a specialized custodian shall file statements/reports with and shall send notices to";

b) in Item 2 the word "reporting" shall be replaced by the word "reports";

c) Item 3 with the following content shall be added hereto:

"3. The statements/reports cited in this Article, as well as notices and documents to be presented for registration in compliance with this Federal Law, must be filed with the federal executive body in charge of the securities market in an electronic digital form bearing an electronic digital signature.";

50) Article 55 shall be stated in the following wording:

"Article 55. The Authority of the Federal Executive Governmental Body in Charge of the Securities Market

1. The state regulation of activities of joint-stock investment funds, management companies, specialized custodians, agents engaged in allocation, redemption and exchange of investment shares, persons engaged in keeping registers of investment shares owners and the state control over the said kinds of activities shall be the responsibility of the federal executive governmental body in charge of the securities market.

2. The federal executive body in charge of the securities market shall do the following:

1) adopt normative legal acts where it is provided for by this Federal Law and other regulatory legal acts of the Russian Federation;

2) establish requirements aimed at preventing conflicts of interest of management companies, specialised custodians and stockholders of joint-stock investment funds (owners of investment shares);

3) establish the requirements for the rules for keeping the register of investment shares' owners, for the rules for the exercise of internal control of a management company and specialized custodian;

4) establish a procedure and time for registration of the documents which are subject to registration in compliance with this Federal Law;

5) establish a procedure for submitting, and time and forms of, reports drawn up by joint-stock investment funds, management companies, specialised custodians, as well as by persons holding (having in trust

management) 5 and more per cent of ordinary stocks (shares) of management companies or specialized custodians, to the federal governmental executive body in charge of the securities market;

6) establish, jointly with the federal executive body exercising the functions of developing governmental policy and of normative legal regulation in respect of accounting and accounting reports, the rules for accounting and for submission of accounting reports by joint-stock investment funds and management companies;

7) establish qualification standards and requirements for job-related experience applicable to persons exercising the functions of the sole executive bodies of a joint-stock investment fund, a management company or a specialised custodian (the head of a separate structural unit of the organisation exercising the activity of a specialized custodian), for inspectors (heads of the internal control services) of a management company and specialized custodian, as well as qualification requirements for employees of a management company and specialized custodian;

8) approve programmes of qualification examinations for attestation of individuals in the field of the activities of joint-stock investment funds, management companies and specialized depositories and determine conditions and a procedure for accrediting organisations engaged in the said attestation to be carried out in the form of holding qualification examinations and issuance of qualification certificates, as well as effect accreditation of such organisations, determine the types and forms of qualification certificates and keep the register of attested persons;

9) establish, jointly with the federal executive body in charge of exercising the functions of developing state policy and of normative legal regulation in respect of audit activity, requirements with respect to auditors entitled to render auditing services to joint-stock investment funds, management companies and specialized custodians;

10) exercise control and supervision over the activities of joint-stock investment funds, management companies, specialised custodians, agents engaged in allocation, redemption and exchange of investment shares, or registrars of joint-stock investment funds and of persons engaged in keeping registers of investment shares' owners;

11) consider complaints (applications, petitions) of individuals and legal entities connected with failures to satisfy the requirements of this Federal Law, regulatory legal acts of the federal executive body in charge of the securities market;

12) monitor in the established procedure the observance by joint-stock investment funds, management companies and specialized custodians of the present Federal Law, other federal laws regulating their activities exercised on the basis of appropriate licences and of regulatory legal acts of the Russian Federation adopted in compliance with them, as well as monitor the observance by agents engaged in allocation, redemption and exchange of investment shares, by registrars of joint-stock

investment funds and persons engaged in keeping registers of investment shares' owners of the requirements of this Federal Law and of regulatory legal acts of the Russian Federation adopted in compliance with it;

13) issue orders to be followed without fail to joint-stock investment funds, management companies, specialised depositories, agents engaged in allocation, redemption and exchange of investment shares, registrars of joint-stock investment funds and persons engaged in keeping registers of investment shares' owners to present information, including information whereto access is restricted or prohibited in compliance with federal laws, explanations and documents which are required for the exercise of the functions placed upon it, to eliminate violations of requirements of this Federal Law and regulatory legal acts of the federal executive body in charge of the securities market and to prohibit making operations;

14) make decisions suspending allocation, redemption and exchange of investment shares under the present Federal Law;

15) file claims with a court for liquidation of legal entities exercising the activities, specified in the present Federal Law, without appropriate licences and in other cases provided for by federal laws;

16) file claims with a court in the interests of stockholders of joint-stock investment funds and holders of investment shares in the event of breaches of their rights and legitimate interests provided for by this Federal Law;

17) cancel qualification certificates in the event of repeated or gross violation by certified persons of requirements of this Federal Law and of the legislation of the Russian Federation on securities;

18) introduce to the Central Bank of the Russian Federation proposals as to the imposition of sanctions established by federal laws upon credit institutions whose licences of a specialized custodian have been cancelled, if it does not comply with the requirements of Articles 61.2 and 61.4 of this Federal Law;

19) exercise other powers provided for by federal laws and other normative legal acts of the Russian Federation.

3. When exercising control over the persons cited in Subitem 10 of Item 2 of this Article, the federal executive body in charge of the securities market is entitled to do the following:

1) to hold planned inspections once a year at most;

2) to hold extraordinary inspections in the event of detecting the signs of appropriate violations, in particular on the basis of statements/reports and notices of a specialized depository of detecting violations, complaints (applications, petitions) of individuals and legal entities and data provided by mass media;

3) to receive from the said persons and employees thereof required documents and information, including information whereto access is restricted or prohibited in compliance with federal laws, explanations in written and oral forms;

4) to make a request in the procedure established by the legislation of the Russian Federation to the agencies engaged in operative search activity for taking operative search measures.

4. The officials of the federal executive governmental body in charge of the securities market in compliance with the authority placed on them, upon producing official identification cards and the decision of the head (deputy head) of the said body on conducting an inspection shall enjoy the right of unfettered access to the premises of the organisations cited in Subitem 10 of Item 2 of this Article, the right of access to the documents and information (including information whereto access is restricted or prohibited in compliance with federal laws) which are required for the exercise of control, as well as the right of access to the soft hardware which is used for recording processing and storing the said information.";

51) Article 60 shall be declared invalidated;

52) Article 60.1 with the following content shall be added hereto:

"Article 60.1. Licencing the Activities of Joint-Stock Investment Funds, Management Companies and Specialised Custodians

1. The licence of a joint-stock investment fund, the licence of a management company and the licence of a specialized depository (hereinafter also referred to as the licence) shall be issued by the federal executive body in charge of the securities market without any limitations as to the duration of the said licences. The licence shall be issued to the person intending to obtain the appropriate licence (hereinafter referred to as an applicant for the licence) provided that the said person observes the licencing terms and conditions.

2. As licencing terms and conditions, as regards the issuance of the licence of a joint-stock investment fund, shall be deemed the requirements of this Federal Law for the following:

1) for organisational and legal form;

2) for the amount of own assets;

3) for the articles thereof;

4) for the content and procedure for endorsement of the investment declaration;

5) for the person exercising the functions of the sole executive body, for members of the board of directors (supervisory board) and members of the collective executive body.

3. As licencing terms and conditions, as regards the issuance of the licence of a management company, shall be deemed the requirements of this Federal Law for the following:

1) for organisational and legal form;

2) for founders (participants);

3) for the amount of own assets;

4) for the person exercising the functions of the sole executive body, for members of the board of directors (supervisory board), members of the

collective executive body (the head and employees of the internal control service);

5) for arrangement of internal control.

4. As licencing terms and conditions, as regards the issuance of the licence of a specialized custodian, shall be deemed the requirements of this Federal Law for the following:

1) for organisational and legal form;

2) for founders (participants);

3) for the availability of a separate structural unit exercising the activities of a specialized custodian, when the said activities are combined with other kinds of activities;

4) for the person exercising the functions of the sole executive body (the head of the structural unit of an organisation or of the branch thereof exercising the activities of a specialized custodian), for members of the board of directors (supervisory board), members of the collective executive body (the head and employees of the internal control service);

5) for regulations of a specialized custodian;

6) for arrangement of internal control.

5. To obtain a licence an applicant for the licence shall file the following documents with the federal executive body in charge of the securities market:

1) application of the applicant for the licence for issuance of the licence according to the form established by the federal executive body in charge of the securities market;

2) copies of the constituent documents of the applicant for the licence attested and certified by a notary;

3) document proving the fact of entering data on the applicant to the comprehensive state register of legal entities or a copy thereof attested and certified by a notary;

4) a copy of the document proving the applicant's registration with tax authorities which is attested and certified by a notary;

5) copies of the documents proving the election (appointment) of the person exercising the functions of the sole executive body, of the persons who are members of the board of directors and of the persons that are members of the collective executive body of the applicant which are attested and certified by a notary;

6) document proving payment of the state duty for consideration of the application for issuance of the licence;

7) data on the person exercising the functions of the sole executive body, on members of the board of directors and on members of the collective executive body of the applicant, as well as copies of the documents proving satisfaction of the requirements for the said persons under this Federal Law;

8) estimation of the amount of own funds of the applicant for the licence made in the procedure established by regulatory legal acts of the federal executive body in charge of the securities market;

9) other documents proving compliance with the licencing requirements whose list is established by the Government of the Russian Federation.

6. To obtain the licence of a management company or the licence of a specialized custodian the following shall be submitted to the federal executive body in charge of the securities market:

1) data on the persons that possess or have in their trust management 5 or more per cent of ordinary stocks (shares) of the applicant for the licence, as well as on the persons which are principal and branch ones or dominant and dependent ones in respect of each other which jointly possess (have in trust management) 5 and more per cent of ordinary stocks (shares) of the applicant for the licence;

2) data on the inspector (the head and employees of the internal control service) of the applicant for the licence;

3) internal control rules endorsed in compliance with this Federal Law.

7. To obtain the licence of a management company it shall be necessary to additionally submit to the federal executive governmental body in charge of the securities market the internal control rules devised for the purpose of resistance to legalization (laundering) of earnings derived in a criminal way and to financing terrorism (in two copies) in compliance with Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Illegal Earnings (Money Laundering) and Financing Terrorism.

8. To obtain the licence of a specialized custodian, the following shall be additionally submitted to the federal executive body in charge of the securities market:

1) regulations of the specialised custodian endorsed by an authorised body of the applicant for the licence;

2) a copy of the internal document in respect of the structural subdivision exercising the activities of a specialized custodian, if the applicant for the licence combines the activities of a specialized custodian with other kinds of activity;

3) data on chiefs of the structural unit of an organisation and/or of branches thereof which are to exercise the activities of a specialized custodian, as well as copies of the documents proving satisfaction of the requirements for the said persons in compliance with this Federal law, if the applicant for the licence combines the activity of a specialized depository with other kinds of activities.

9. An application for issuance of a licence must be signed by the person exercising the functions of the sole executive body or the chairman of the collective executive body of the applicant for the licence thereby

confirming the reliability of the data contained in the documents submitted for issuance of the licence.

10. The composition of data on the persons which are owners or trust managers of 5 and more per cent of ordinary stocks (shares) of the applicant for the licence, as well as on the persons exercising the functions of the sole executive body, on members of the board of directors (supervisory board), members of the collective executive body, the inspector (the head of the internal control service) of the applicant for the licence and the form for submission thereof shall be established by the federal executive body in charge of the securities market.

11. The federal executive body in charge of the securities market shall check if an applicant for a licence satisfies the requirements of this Federal Law and other normative legal acts of the Russian Federation regulating the activities of joint-stock investment funds, management companies and specialized custodians and, where necessary, shall request him for information proving this.

12. The federal executive body in charge of the securities market shall render a decision on granting a licence or on the refusal to grant it within two months as of the date of receiving all necessary documents and, if the federal executive body in charge of the securities market has demanded the submission of additional documents and/or information, the running of the said time period shall be suspended pending the receipt of the said documents and/or information.

13. The decision on issuance of a licence and the document proving the availability of a licence shall specify, among other things, the name of the licencing authority, the full and shortened firm's names of the licensee, its location, taxpayer's identification number, the kind of activity to be licenced and the date of the decision on granting the licence, as well as shall indicate that the licence's duration is unlimited. The document proving the availability of a licence shall be drawn up in two copies using the letterhead of the federal executive body in charge of the securities market according to the form endorsed by the Government of the Russian Federation, one of them to be forwarded (handed in) to the applicant for the licence and the other one to be kept in the licencing case-file of the licensee.

14. The federal executive body in charge of the securities market within five working days as of the date of adoption of the appropriate decision shall forward (hand in) to the applicant for a licence a notice of issuance of the licence attaching thereto the document proving the availability of the licence or a notice of the refusal to grant the licence specifying the reason for such refusal.

15. The following shall be deemed grounds for the refusal to grant a licence:

1) if the documents submitted for issuance of the licence contain incomplete or unreliable information;

2) non-compliance of the applicant for the licence with licencing terms and conditions;

3) if the documents submitted for issuance of the licence do not satisfy the requirements of this Article.

16. An applicant for a licence is entitled to appeal in the procedure established by the legislation of the Russian Federation against the refusal of the federal executive body in charge of the securities market to grant the licence or its omission to act.

17. The document proving the availability of a licence is subject to re-drawing up, if the firm's name and/or location of a joint-stock investment fund, management company or specialized custodian have been changed, as well as if a management company or a specialized custodian have been transformed, provided that the organisational and legal form of the newly-established legal entity satisfies the requirements of this Federal Law.

18. The document proving the availability of a licence shall be redrawn up on the basis of an application of the licensee or of the legal successor thereof which states new data on the licensee or on the legal successor thereof and to which shall be attached the documents that prove making an entry to the comprehensive state register of legal entities on changing its firm's name and/or location or an entry on establishment of a legal entity as a result of transformation of a management company or a specialized depository, as well as payment of the state duty for re-drawing up of the document proving the availability of the licence. An application for re-drawing up the document proving the availability of a licence shall be filed by a licensee with the federal executive body in charge of the securities market at latest in 10 working days as of the date when appropriate amendments were made to the comprehensive state register of legal entities.

19. The document proving the availability of a licence shall be redrawn up within 10 working days as of the date when all necessary documents were received. It is not allowable to re-draw up the document proving the availability of a licence where there are no grounds provided for by Item 17 of this Article, as well as when incomplete or unreliable data are presented.

20. The federal executive body in charge of the securities market within five working days as of the date when the appropriate decision was adopted shall forward (hand in) to a licensee or to the legal entity established as result of transformation of a management company or specialized depository a notice of re-drawing up the document proving the availability of the licence with a new document proving the availability of the licence or a notice of the refusal to re-draw it up containing a reason for the refusal attached thereto.

21. A procedure for granting a licence, for re-drawing the document proving the availability of a licence, for drawing up and submitting the documents required for obtainment of a licence and re-drawing up of the

document proving the availability of a licence shall be established by a regulatory legal act of the federal executive body in charge of the securities market.

22. The federal executive body in charge of the securities market shall keep registers of licences of joint-stock investment funds, management companies and specialized depositories (hereinafter referred to as registers of licences). A procedure for keeping registers of licences, including the composition of the data included therein and a procedure for issuance of extracts therefrom shall be established by the federal executive body in charge of the securities market.

23. The data to be included in registers of licences must be inserted to the official Internet site of the federal executive body in charge of the securities market. The following, in particular, shall pertain to the said data:

- 1) licencee's full and shortened firm's name;
- 2) licence number;
- 3) date when the decision on granting the licence was adopted;
- 4) kind of activity to be licenced;
- 5) licencee's location;
- 6) taxpayer's identification number of licencee.

24. The federal executive body in charge of the securities market shall present extracts from registers of licencees on the basis of an application of any person concerned.

25. Extracts from registers of licencees shall be presented within five working days as of the date when the appropriate application for their presentation was received.";

53) Article 61 shall be stated in the following wording:

"Article 61. Sanctions Applicable by the Federal Executive Body in Charge of the Securities Market

1. The federal executive body in charge of the securities market, in the event of detecting a licencee's failure to satisfy the requirements of this Federal Law and of regulatory legal acts of the Russian Federation adopted in compliance with it and, if a licencee is engaged under a licence in carrying out in compliance with federal laws in trust management of other assets or in rendering services of a specialized custodian in respect of other assets, the requirements of these federal laws and regulatory legal acts of the Russian Federation adopted in compliance with them, is entitled to forbid the licencee by its order to make all or a part of operations and to impose other sanctions established by federal laws, as well as, where it is provided for by this Federal Law, to annul an appropriate licence and to appoint the provisional administration.

2. The prohibition to make all or a part of operations provided for by this Article may be imposed in respect of an agent engaged in allocation, redemption and exchange of investment shares and the person engaged in keeping the register of investment shares' owners, if they fail to satisfy the

requirements of this Federal Law and normative legal acts of the Russian Federation adopted in compliance with it.

3. The prohibition to make all or a part of operations may be imposed where it is provided for by Item 3 of Article 61.1 of this Federal Law.";

54) Articles 61.1-61.4 with the following content shall be added to Chapter XIII:

"Article 61.1. Prohibition to Make All or a Part of Operations

1. The federal executive body in charge of the securities market is entitled to prohibit by its order the performance of the following operations:

- 1) floatation of stocks of a joint-stock investment fund;
- 2) transfer of assets of a joint-stock investment fund to a management company for trust management or transfer to a management company of the authority of the sole executive body of a joint-stock investment fund;
- 3) payment dividends on stocks of a joint-stock investment fund;
- 4) redemption of stocks of a joint-stock investment fund;
- 5) allocation or simultaneous allocation, exchange and redemption of investment shares of an investment trust;
- 6) acceptance of applications for acquisition or simultaneously applications for acquisition, applications for exchange and applications for redemption of investment shares;
- 7) conclusion by a management company of other contracts of trust management that may be effected on the basis of the licence of a management company;
- 8) inclusion of property into the composition of a unit investment trust, in particular when allocating and exchanging investment shares;
- 9) transfer by the management company of the assets of a joint-stock investment fund which it has in its trust management to the joint-stock investment fund which is the trust founder;
- 10) administration of assets of a joint-stock investment fund, of the property making up a unit investment trust, as well as of the monetary resources kept on the transit account, or of other property which a management company has in its trust management on the basis of the licence of a management company, in particular payment of remuneration and/or discharge of obligations in respect of transactions on account of the said property;
- 11) payment of income derived from trust management of the property constituting a unit investment trust or other property which a management company has in its trust management on the basis of the licence of a management company;
- 12) making entries to the register of owners of investment shares, except for the entries connected with the transfer of rights as a result of universal legal succession and when distributing property of a legal entity being liquidated;

13) issuance of extracts, notices and information contained in the register of investment shares' owners;

14) exercise of control by a specialized custodian under one or several contracts made by it while exercising activities on the basis of the licence of a specialized custodian.

2. The prohibition to make all or a part of the operations provided for by Item 1 of this Article may be imposed in the following cases:

1) failure to execute or improper execution of an order of the federal executive body in charge of the securities market to eliminate a violation or to provide information, explanations and documents which are required for exercising the functions of the said body;

2) suspension of the licence for exercising depository activity of a specialized custodian or the licence for exercising the activity of keeping the register of investment shares' owners, as well as the annulment of the said licences;

3) receiving by the federal executive body in charge of the securities market notices of a specialized custodian of the violations made by a management company which have been detected by it and which can serve as a ground for annulment of the management company's licence;

4) impeding the conduct by the federal executive body in charge of the securities market of an inspection of the activities of a joint-stock investment fund, management company, person engaged in keeping the register of investment shares' owners, specialized custodian or an agent engaged in allocation, redemption and exchange of investment shares;

5) failure to observe the procedure for and time of assessing the net wealth value of a joint-stock investment fund and/or a unit investment trust and for assessment of the estimated value of one investment shares and/or the net wealth value of a joint-stock investment fund as per one stock;

6) a management company's failure to satisfy the requirements of this Federal Law for suspension of allocation or simultaneously allocation, exchange and redemption of investment shares of a unit investment trust;

7) absence of the contract made by a management company with a specialized custodian and/or the person engaged in keeping the register of investment shares' owners;

8) allocation by a management company of additional investment shares of a closed unit investment trust in the number exceeding the number of investment shares which may be allocated in compliance with the trust administration rules of this trust.

3. The prohibition to make all or a part of operations of a management company, specialized depository, agent engaged in allocation, redemption or exchange of investment shares, person engaged in keeping the register of investment shares' owners may be imposed pending elimination by them of a violation or termination of operation of the circumstances which have served as a basis for sending an order in respect of an appropriate prohibition. The said prohibition may be imposed

for a time period of six months at most. If the performance of the operations in respect of which the prohibition has been imposed is an obligatory condition of conducting other operations, the prohibition shall be likewise imposed in respect of the latter.

4. An order to prohibit making all or a part of operations shall be issued by the federal executive body in charge of the securities market in the procedure established by regulatory legal acts of the federal executive body in charge of the securities market and shall be sent to the person in respect of which the prohibition to make the operations has been imposed by way of guard mail (by a registered postal sending with notification of delivery) and by way of facsimile telegraph (electronic message). Information about sending such order shall be disclosed in the official Internet site of the federal executive body in charge of the securities market at latest on the following working day after issuance thereof.

Article 61.2. Licence's Annulment

1. The following violations shall serve as a ground for annulment of the licence of a joint-stock investment fund, management company and specialized depository:

1) failure to follow an order of the federal executive body in charge of the securities market to eliminate non-compliance with the requirements of federal laws and regulatory legal acts of the Russian Federation adopted in compliance with them when exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized depository, if such violation has entailed the prohibition to make all or a part of operations;

2) repeated failures within a year to follow orders of the federal executive body in charge of the securities market when exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized custodian, except for an order concerning the prohibition of all or a part of operations;

3) single failure to follow an order of the federal executive body in charge of the securities market concerning the prohibition to make all or a part of operations;

4) repeated failures within a year to submit in due time with a delay exceeding 15 working days the reports provided for by federal laws and by regulatory legal acts adopted in compliance with them, while exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized depository;

5) single failure to submit in due time with a delay exceeding 15 working days notices to the federal executive body in charge of the securities market and the Pension Fund of the Russian Federation, the duty of their submission being provided for by federal laws and regulatory legal acts of the Russian Federation adopted in compliance with them,

while exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized depository, as well as repeated failures to discharge the said duty within a year;

6) repeated failures within a year to satisfy the requirements for dissemination, supply and disclosure of information provided for by federal laws and regulatory legal acts adopted in compliance with them while exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized depository;

7) termination of management of a licensee's current activities (adoption of a decision on suspension or preschedule termination of the authority of the sole executive body without a concurrent adoption of the decision on establishment of a provisional executive body or of a new sole executive body, or absence of the persons exercising the functions of the sole executive body for over one month without vesting with his/her authority another person satisfying the requirements for the person exercising the functions of the sole executive body), except when management of current activities of a specialized depository is terminated, if the activities of the latter is exercised by a separate structural unit;

8) repeated failures within a year to discharge properly by a specialized custodian of the duties related to the exercise of control when it exercises activities on the basis of the licence of a specialized custodian;

9) repeated failures within a year of a specialized custodian to follow the procedure for keeping the register of investment shares' owners, as well as a single failure to follow the procedure for registration of rights while making transactions with investment shares whose turnover is restricted;

10) annulment of a specialized custodian's licence for making depository activities;

11) failure of a joint-stock investment fund to satisfy the requirements of Paragraph Three of Item 1 of Article 2, Item 1 of Article 4 and Article 6 of this Federal Law;

12) single failure of a management company to discharge the duty of transferring the property which it has in its trust management on the basis of the licence of a management company to a specialized depository for recording and/or storage, if such transfer is provided for by federal laws;

13) failure to satisfy the requirements of Items 1 and 3 of Article 40 of this Federal Law;

14) inclusion into the composition of a closed unit investment fund when it is being established (when additional investment shares are being issued) of property which does not satisfy the requirements for the composition of assets of a unit investment trust established by this Federal Law and by regulatory legal acts of the federal executive body in charge of the securities market adopted in compliance with it, as well as a specialized custodian's giving its consent to inclusion of the said property into the fund's composition;

15) making a transaction resulting in a failure to satisfy the requirements for the composition of assets which are established by federal laws and by regulatory legal acts of the Government of the Russian Federation and of federal executive bodies which are adopted in compliance with them, while exercising activities on the basis of the licence of a joint-stock investment fund, management company and specialized custodian, as well as a specialized custodian's giving its consent to the performance of such transaction;

16) repeated allocation within a year of investment shares whose turnover is restricted to unclassified investors.

2. As a ground for annulment of an appropriate licence shall be likewise deemed a failure to exercise the licenced kind of activity within a period exceeding a year and a half as of the date of granting the licence or a licensee's application in writing for waiver of the licence.

3. The decision to annul a licence shall be adopted by the federal executive body in charge of the securities market in the procedure established by a regulatory legal act of the federal executive body in charge of the securities market. A decision on annulment of a licence shall specify the ground for annulment thereof.

4. A decision on annulment of the licence of a management company or the licence of a specialized custodian on the basis of an application of accordingly the management company or specialized depository for waiver of the licence may be only adopted on condition that the licensee does not have obligations under the contracts made while exercising activities on the basis of an appropriate licence. With that, filing of the application for waiver of a licence shall not terminate the right of the federal executive body in charge of the securities market to annul the licence for any other reasons provided for by this Federal Law.

5. The documents proving observance of the conditions provided for by Article 4 of this Article must be attached to an application for waiver of a licence. An exhaustive list of the said documents shall be established by a normative legal act of the federal executive body in charge of the securities market. An application of waiver of a licence shall be signed by the person exercising the functions of the licensee's sole executive body thereby proving the reliability of the data contained in the documents submitted for waiver of the licence.

6. The federal executive body in charge of the securities market is entitled to check the reliability of the data contained in the documents submitted for waiver of a licence.

7. A decision to annul a licence on the basis of a licensee's application or a decision on the refusal to annul it shall be adopted within 30 working days as of the date of receiving the said application.

8. The federal executive body in charge of the securities market shall notify a licensee of the licence's annulment at latest on the working day following the date when the decision on annulment thereof was adopted by

guard mail (by a registered postal sending with notification of delivery) and by facsimile telegraph (electronic message). Information about the adoption of a decision on a licence's annulment shall be disclosed in the official Internet site of the federal executive body in charge of the securities market at latest on the following working day after the date of adoption thereof.

9. In the event of annulment of the licence of a management company, the federal executive body in charge of the securities market in the procedure and at the time which are established by Item 8 of this Article shall notify of it the persons whose property the said management company has in its trust management on the basis of the licence of a management company, except for holders of investment shares of unit investment trusts, as well as the specialized custodian exercising control over the disposal of the said property and, when the licence of a specialized custodian is annulled, the said notice shall be sent to all the persons with which the said specialized custodian has made contracts on the basis of the licence of a specialized custodian.

10. In the event of annulment of the licence of a management company engaged in trust management of a unit investment trust, the federal executive body in charge of the securities market in the procedure and at the time which are established by Item 8 of this Article shall send to the specialised custodian of this trust an attested copy of the decision on the licence's annulment.

11. The duration of a licence shall be terminated as of the date when an entry was made to the comprehensive state register of legal entities on liquidation of the legal entity being the licensee or termination of its activities as a result of re-organisation, except for reorganisation in the form of transformation, or as of the date when the federal executive body in charge of the securities market adopted a decision on the licence's annulment.

12. As of the time when a management company learned or had to learn about annulment of its licence, this management company is not entitled to manage (to have in trust management) assets on the basis of the said licence, except for making the actions provided for by Item 15 of this Article.

13. Joint-stock investment funds and management companies of unit investment funds which have been serviced by a specialized custodian whose licence is annulled are obliged within three months as of the date when the licence was annulled to take measures aimed at the transfer of assets to another specialized custodian for their recording and custody, as well as to pass over thereto the documents which are necessary for exercise by the new specialised custodian of its activities.

14. As of the time when a specialized custodian learned or had to learn about the annulment of the licence of a specialized custodian, this specialized custodian is not entitled to give its consent to the assets' disposal over which it exercises control.

15. An organisation whose licence of a management company (specialized custodian) has been annulled is obliged to do the following:

1) to transfer the property which it holds under the contract, made while exercising activities on the basis of its licence, in compliance with the instruction of the trust management founder when a management company's licence is annulled (of the trust manager when the licence of a specialized custodian is annulled), if not otherwise provided for by this Federal Law;

2) to exclude within three months as of the date when the licence was annulled from its firm's name the words "specialized custodian", as well as the words "joint-stock investment fund" ("investment fund") and "unit investment fund" in any combinations and to submit to the federal executive body in charge of the securities market copies of the documents proving the state registration of the said changes made in the constituent documents thereof. In the event of failure to discharge this duty, the federal executive body in charge of the securities market has the right to make a claim with court for liquidation of the said organisation.

16. A joint-stock investment fund, management company or specialized custodian are entitled to appeal with an arbitration court against decisions of the federal executive body in charge of the securities market on annulment of the licence, on the refusal to annul the licence on the basis of the licensee's application, as well as the avoidance of rendering a decision on annulment of the licence on the basis of the licensee's application.

Article 61.3. Liquidation of a Joint-Stock Investment Fund in Connection with Its Licence's Annulment

1. The annulment of the licence of a joint-stock investment fund shall entail its liquidation.

2. The federal executive body in charge of the securities market within 15 working days as of the date, when the decision on annulment of the licence of a joint-stock investment fund was adopted or, if it has been appealed against, as of the date when the decision of an arbitration court on the refusal to allow the raised claim came into legal force, shall make a claim with an arbitration court for liquidation of the joint-stock investment fund or, if on the date, when the said licence was liquidated, there were signs of the joint-stock investment fund's insolvency (bankruptcy) with an application for declaring the joint-stock investment fund bankrupt.

3. An arbitration court shall render a decision on liquidation of a joint-stock investment fund and on appointment of a liquidating agent of the joint-stock-investment fund, if the signs of insolvency (bankruptcy) of the joint-stock-investment fund have not been detected. A liquidating agent of a joint-stock-investment fund shall be appointed on the proposal of the federal executive body in charge of the securities market from among arbitration managers satisfying the requirements established by the

legislation of the Russian Federation on insolvency (bankruptcy) for participation in bankruptcy proceedings initiated in respect of a professional participant of the securities market.

4. The person that has exercised the functions of the sole executive body of a joint-stock investment fund, as well as the one that was a member of the collective executive body of this fund at the time when the joint-stock investment fund made the violation causing annulment of this fund's licence may not be appointed the liquidating agent of this fund.

5. The requirements of this Article shall not apply where the licence of a joint-stock investment fund is annulled in connection with liquidation thereof, as well as in connection with its affiliation to another joint-stock investment fund.

Article 61.4. Appointment of Provisional Administration

1. In the event of annulment of the licence of a management company or the licence of a specialized depository, except as provided for by Item 2 of Article 61.2 of this Federal Law, the federal executive body in charge of the securities market shall appoint the provisional administration in the cited organisations, if:

1) the licence of the management company and the licence of the specialized custodian with which this management company has made a contract are concurrently annulled;

2) in the management company or the specialized depository at the time when the licence was annulled the management of their current activities was terminated;

3) the organisation whose licence is annulled does not discharge the duty provided for by Subitem 1 of Item 15 of Article 61.2 of this Federal Law.

2. The federal executive body in charge of the securities market by its decision on the appointment of the provisional administration shall endorse the composition of the provisional administration. Within the period while the provisional administration exercises its activities the authority of executive bodies of the management company or specialised depository may be restricted or suspended by decision of the federal executive body in charge of the securities market on appointment of the provisional administration.

3. The provisional administration shall include the head of the provisional administration, his deputy (where necessary) and members of the provisional administration. As the head (deputy head) of the provisional administration shall be appointed an official of the federal executive body in charge of the securities market.

4. The following persons may not be appointed for inclusion into the composition of the provisional administration:

1) the person exercising the functions of the sole executive body, his/her deputy (deputies), persons included into the board of directors

(supervisory board) and the collective executive body, the chief accountant (accountant), the head of the audit commission and members of the audit commission (auditors), the head and employees of the internal control service of the organisation whose licence is annulled, as well as the said officials of principal or branch companies of this organisation;

2) the persons that are creditors and/or debtors of the organisation whose licence is annulled, in particular owners of investment shares, as well as officials and employees of the said creditors and/or debtors, except for officials and employees of the specialized custodian which has made a contract with the management company whereto the provisional administration has been appointed;

3) participants of the organisation whose licence has been annulled, as well as their officials and employees.

5. The head of the provisional administration shall act in the name of the management company without a letter of attorney when making any legal or factual actions which are necessary for termination of a unit investment trust (for the transfer of rights and duties under a contract of trust management of a closed unit investment trust) and/or for discharge of the duties provided for by Subitem 1 of Item 15 of Article 61.2 of this Federal Law, in particular:

1) shall give orders as to the transfer of monetary resources (securities) from transit accounts (transit depo accounts), as well as from bank accounts opened for making settlements related to trust management of assets of a joint-stock investment fund, to trust management of a unit investment trust or to trust management of other property on the basis of the licence of a management company;

2) shall terminate contracts of bank account (deposits) made with the management company in the capacity of the trust manager of assets of a joint-stock investment fund, unit investment trust or other property on the basis of the licence of a management company;

3) shall make transactions with securities in the event of termination of a unit investment trust and in other cases, if under federal laws and other regulatory legal acts of the Russian Federation a contract of trust management only provides for the transfer of monetary resources to the trust management founder or to some other person pointed out by it, as well as shall make necessary actions for execution of the said transactions;

4) shall ensure keeping the register of investment shares' owners, if the credit institution whose licence of a specialised custodian is annulled has kept the said register.

6. The head of the provisional administration, in the event of suspension of the authority of executive bodies of a specialized custodian, shall act in the name of the said organisation without a letter of attorney when making any legal and factual actions required for transfer of the property and documents which it has had in custody and/or has registered for discharging the duties provided for by Subitem 1 of Item 15 of Article

61.2 of this Federal Law, as well as shall ensure keeping the register of investment shares' owners, if a specialized custodian has kept the said register. The provisional administration, in the event of suspension of the authority of executive bodies of a specialized custodian, is entitled to do the following:

1) to receive and transfer certified securities, originals of the documents proving the rights to immovable property and copies of all basic documents in respect of the property whose disposal has been controlled by a given organisation on the basis of the licence of a specialized custodian in compliance with instructions of the person, with which a contract is made, to another specialized custodian;

2) to exercise control over operations in the securities, the rights to which are recorded by a given organisation on the basis of the licence of a specialized custodian, and, in the event of annulment of the specialized custodian's licence for the exercise of depository activity, to make the said operations.

7. The provisional administration shall receive from employees of the organisation whose licence has been annulled and from other persons required information and documents in respect of the property which the said organisation has had in its trust management or whose disposal it has controlled, shall take measures aimed at ensuring the safekeeping of this property and make other actions for the purpose of securing the interests of the trust management founders. The provisional administration shall get access to the soft hardware which is used for recording, processing and storing information in respect of the property cited in this item, in particular in respect of rights to securities, as well as access to the said information, and shall keep the register of investment shares' owners.

8. If the provisional administration while it exercises the functions provided for by this Federal Law detected the signs of insolvency (bankruptcy) of the organisation whose licence has been annulled, the federal executive body in charge of the securities market shall file an application with an arbitration court for declaring the said organisation bankrupt.

9. The provisional administration shall not be appointed at a specialized custodian which is a credit institution. In this case, the credit institution whose licence of a specialized custodian has been annulled is obliged by request the provisional administration of the management company to transfer to this management company the property and documents kept by the credit institution in connection with the exercise of the activity of a specialized custodian, as well as to pass over the register of investment shares' owners and the documents connected with keeping this register, if the credit institution has kept the said register.";

66) in Article 63:

a) a paragraph with the following content shall be added to Item 2:

"The compensation fund shall not pay compensations to owners of stocks of joint-stock investment funds and of investment shares of unit investment funds whose turnover is restricted.";

b) Paragraph Four of Item 6 shall be stated in the following wording:

"The compensation fund is entitled to file petitions with the federal executive governmental body in charge of the securities market for annulment of the licenses issued to these persons, for suspension of allocation, redemption and exchange of investment shares and for taking other measures provided for by this Federal Law."

Article 2

The following amendments shall be made to Federal law No. 75-FZ of May 7, 1998 on Non-State Pension Funds (Sobranie Zakonodatelstva Rossiysky Federatsii, 1998, No. 19, Article 2071; 2001, No. 7, Article 623; 2002, No. 12, Article 1093; 2003, No. 2, Article 166; 2004, No. 49, Article 4854; 2005, No. 19, Article 1755):

1) in Article 3:

a) Paragraph Sixteen shall be stated in the following wording:

"buy-back sum means the monetary assets paid by a fund to a depositor, participant or to their legal successors or remitted to another fund when a pension agreement is rescinded;"

b) paragraphs with the following content shall be added hereto:

"investment declaration means the integral part of an agreement of trust management of pensions savings and an agreement of trust management of pension reserves which specifies the purpose of investing pension savings or of placing pension reserves, contains a description of the investment policy of a management company, a list of the assets whereto pension savings can be invested or pension reserves can be placed, a description of risks connected with such investing or placement, as well as requirements for the assets' structure;

disclosure of information by a fund means ensuring the accessibility of information to an indefinite circle of persons in compliance with the procedure guaranteeing its finding and receiving;

provision of information by a fund means a fund's actions aimed at obtainment of the said information by a definite circle of persons or transfer of such information to an indefinite circle of persons."; dissemination of information about a fund - actions aimed at the receipt of such information to an indefinite circle of persons.;

2) in Article 7:

a) the title thereof shall be stated in the following wording:

"Article 7. Requirements for a Fund";

b) in Item 1 the words "in the procedure provided for by laws of the Russian Federation" shall be replaced by the words "in the procedure provided for by this Federal Law";

c) in Item 2:

Paragraph One shall be stated in the following wording:

"2. A fund must satisfy the following requirements:";

in Paragraph Two the words ", he must not have previous convictions for committing economic crimes, as well as medium gravity crimes, grave crimes and especially grave crimes" shall be deleted;

Paragraph Three shall be stated in the following wording:

"the fund's chief accountant must have a professional working record of at least three years and higher professional education;";

d) Item 3 shall be stated in the following wording:

"3. The following persons may not be appointed to the office of the sole executive body, a member of the collective executive body and the chief accountant of a fund:

employees of the management company, of the specialized depository, of the legal entity with which a contract of assessment of the fund's property has been made, the funds' auditor, as well as persons attracted by the cited organisations for carrying out works (for rendering services) under civil law contracts and the fund's appraiser who is a natural person;

affiliated persons of the fund's management company, specialized depository and auditor, as well as persons with which a contract of assessing the fund's property has been made;

persons that have exercised the functions of the sole executive body or have been members of the collective executive body of the management company, specialized depository, joint-stock investment fund, professional participant of the securities market, credit institution, insurance organisation or non-state pension fund at the time when these organisations made the violation for which their licences for exercising appropriate kinds of activities were annulled, if less than three years have passed since the time of such annulment;

persons in respect of which the time period when they are deemed subjected to an administrative penalty in the form of disqualification has not yet expired;

persons having a previous conviction for willful crimes.";

e) Items 5-12 with the following content shall be added hereto:

"5. A fund must ensure permanent day-to-day management of its activities. In the event of suspension of the authority or dismissal of the persons exercising the functions of the fund's sole executive body, the fund is obliged simultaneously with adoption of the said decision to render the decision on appointment of the person exercising the functions of the sole executive body.

6. A fund is obliged to send to the authorised federal body a notice of changes in the composition of its executive bodies at latest in five working days as of the date when the said events took place.

7. The documents (copies thereof) whose list shall be determined by regulatory legal acts of the authorized federal body must be attached to the notice provided for by Item 6 of this Article.

8. A fund must arrange the exercise of internal control over the compliance of its activity of non-state provision of pensions, pension insurance and professional pension insurance with the requirements of federal laws and other regulatory legal acts of the Russian Federation regulating the said kinds of activities (hereinafter referred to as internal control).

9. Internal control must be exercised by an official (hereinafter referred to as inspector) or a separate structural unit (hereinafter referred to as the internal control service). An inspector, the head and employees of the internal control service engaged in the exercise of internal control shall be appointed to their offices and dismissed by a fund's council. An inspector and the internal control service shall be independent of the fund's executive bodies and shall be accountable to the fund's council.

10. An inspector (the head of the internal control service) must have higher professional education and satisfy the qualification requirements established by the authorized federal body. The following persons may not be an inspector, the head and employees of the internal control service engaged in the exercise of internal control:

the person exercising the functions of the fund's sole executive body;
the persons cited in Item 3 of this Article.

11. The rules for arrangement and exercise of internal control (hereinafter referred to as the internal control rules) shall be endorsed by a fund's council and must satisfy the requirements of the authorized federal body. The internal control rules and amendments and addenda to be made thereto are subject to registration with the authorized federal executive body. The said rules shall be registered upon presentation of the licence, while amendments and addenda to be made thereto shall be registered in the procedure and at the time which are established by the authorized federal body.

12. A fund is obliged to have its Internet site with its electronic address included into the domain name the right to which belongs to this fund.";

3) Articles 7.1 and 7.2 with the following content shall be added to Chapter II:

"Article 7.1. Granting of Licence for Exercise of the Activities of Pensions' Provision and Pension Insurance

1. The licence for exercise of the activities of pensions' provision and pension insurance (hereinafter referred to as the licence) shall be granted by the authorized federal body without any restrictions as to the duration thereof.

2. As the licencing terms when granting the licence shall be deemed the requirements of this Federal Law for the following:

organisational and legal form of a fund;

pension rules of a fund and, if a fund plans to exercise the activity of obligatory pension insurance, also for insurance rules;

the person exercising the functions of the sole executive body, members of the collective executive body, the chief accountant, as well as to the inspector or the head and employees of the internal control service of a fund;

arrangement of a fund's internal control;

the value of a fund's property in monetary terms required for ensuring the exercise of its statutory activities.

3. To obtain the licence, the person intending to do it (hereinafter referred to as applicant for the licence), shall file the following documents with the authorised federal body:

an application for granting the licence according to the form established by the authorised federal body;

copies of constituent documents of the applicant for the licence attested and certified by a notary;

the document proving the fact of entering data on the applicant for the licence to the comprehensive state register of legal entities or a copy thereof attested and certified by a notary;

a copy of the document proving registration of the applicant for the licence with tax authorities attested by a notary;

copies of the documents proving the appointment of the person exercising the functions of the sole executive body, chief accountant and inspector or the head or employees of the internal control service, as well as, in the event of establishment of the collective executive body of the applicant for the licence, licences of the persons who are members of such body;

the document proving payment of the state duty for consideration of an application for granting the licence;

data on the persons exercising the functions of the sole executive body, members of the collective executive body (if it is established), chief accountant and inspector or the head and employees of the internal control service of the applicant for the licence, as well as copies of the documents proving satisfaction of the requirements for the said persons in compliance with this Federal Law;

estimation of the value of property in monetary terms required for ensuring statutory activities of the applicant for the licence, as well as the documents proving that the applicant for the licence holds the property included into the said estimation. A procedure for estimation of the value of property in monetary terms required for ensuring statutory activities of an applicant for the licence shall be established by the authorised federal body;

the internal control rules endorsed by the applicant for the licence;
pension rules, as well as, if a fund plans to exercise the activity of obligatory pension insurance, insurance rules;

the internal control rules devised for the purpose of opposing legalization (laundering) of earnings gained in a criminal way and financing of terrorism (in two copies) in compliance with Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalisation of Illegal Earnings (Money Laundering) and Financing Terrorism;

other documents proving the observance of licencing terms whose exhaustive list shall be determined by the Government of the Russian Federation.

4. An application for granting the licence must be signed by the person exercising the functions of the sole executive body of an applicant for the licence thereby proving the reliability of the data contained in the documents filed for obtainment of the licence.

5. The composition of data on the person exercising the functions of the sole executive body, members of the collective executive body (if it is established), chief accountant, inspector or the head and employees of the internal control service of an applicant for the licence and the form of the said data's presentation shall be established by the authorised federal body.

6. The authorised federal body shall check the compliance of an applicant for the licence with licencing terms and, where necessary, shall request him for information and documents which can prove such compliance.

7. The authorised federal body shall render a decision on granting the licence or on the refusal to grant it within two months as of the date when it received all required documents and, if the authorised federal body has requested the submission of additional documents or information, the running of the said time period shall be suspended pending the receipt of the required documents or information.

8. The decision on granting the licence and the document proving the availability of the licence shall cite, among other things, the name of the licencing authority, full and shortened firm's name of the fund, its location, taxpayer's identification number, the kind of activities to be licenced and the date when the decision on adoption of the decision was rendered, as well as shall state that the duration of the licence is unlimited. The document proving the availability of the licence shall be drawn up using the letterhead of the authorised federal body according to the form endorsed by the Government of the Russian Federation in two copies, one of them to be forwarded (handed in) to the applicant for the licence and the other one to be kept in the licencing case-file of the fund.

9. The authorised federal body within five working days as of the date when the appropriate decision was adopted shall forward (hand in) to the applicant for the licence a notice of granting the licence with the document

proving the availability of the licence attached thereto or a notice of the refusal to grant it specifying the ground for such refusal.

10. The following shall be deemed grounds for the refusal to grant the licence:

presence in the documents submitted for obtainment of the licence of incomplete or unreliable information

non-compliance of an applicant for the licence with licencing terms;

non-compliance of the documents submitted for obtainment of the licence with the requirements of this Federal Law and with normative legal acts of the Russian Federation adopted in compliance with it.

11. An applicant for the licence is entitled to appeal against the refusal of the authorised federal body to grant the licence or its omission to act in the procedure established by the legislation of the Russian Federation.

12. The document proving the availability of the licence is subject to re-drawing up, if the firm's name and/or location of a fund has been changed.

13. The document proving the availability of the licence shall be re-drawn up on the basis of a fund's application stating new data on the fund with the documents that prove making an entry to the comprehensive state register of legal entities in respect of changing its firm's name an/ or location and payment of the state duty for re-drawing up of the document proving the availability of the licence attached thereto.

14. An application for re-drawing up the document proving the availability of the licence shall be filed by the licensee with the authorised federal body at latest in 10 working days as of the date when appropriate amendments were made to the comprehensive state register of legal entities.

15. The document proving the availability of the licence shall be re-drawn up within 10 working days as of the date when all necessary documents were received.

16. It is not allowable to re-draw up the document proving the availability of the licence in the absence of the grounds provided for by Item 12 of this Article, as well as if incomplete or unreliable information is presented.

17. The authorised federal body within five working days as of the date when the appropriate decision was adopted shall forward (hand in) to the fund a notice of re-drawing up the document proving the availability of the licence whereto shall be attached the new document proving the availability of the licence or a notice of the refusal to redraw it up specifying the ground for such refusal.

18. A procedure for granting the licence, re-drawing up the document proving the availability of the licence, for legalizing and submitting the documents required for obtainment and re-drawing up of the document

proving the availability of the licence shall be established by a regulatory legal act of the authorised federal body.

19. The authorised federal body shall keep the register of funds' licences. A procedure for keeping the said register, in particular the composition of data to be included therein, as well as a procedure for issuance of extracts from the register of funds' licences, shall be established by the authorised federal body.

20. The data to be included into the register of funds' licences must be inserted to the official Internet site of the authorised federal body. The following, in particular, shall pertain to the said data:

- fund's full and shortened firm's name;
- licence number;
- date when the decision on granting the licence was rendered;
- kind of activities to be licenced;
- fund's location;
- taxpayer's identification number of a fund.

21. The authorised federal body shall issue extracts from the register of funds' licences within five working days as of the date when the appropriate application for their issuance was received.

22. Extracts from the register of licences of funds shall be furnished within five working days from the date of receipt of the relevant application for their furnishing

Article 7.2. Annulment of Licences

1. The following violations shall be deemed grounds for annulment of a licence:

failure to follow orders of the authorised federal body to eliminate violations of the requirements of federal laws and normative legal acts of the Russian Federation adopted in compliance with them under which a fund exercises its activities on the basis of the licence, if such violation has entailed the imposition of a ban as to making all or a part of operations provided for by Article 34.1 of this Federal Law;

repeated failures within a year to follow orders of the authorised federal body to eliminate violations of the requirements of federal laws or of regulatory legal acts of the Russian Federation adopted in compliance with them under which a fund exercises its activities on the basis of the licence;

failure to observe a ban of the authorised federal body as to making operations;

repeated submission within a year with a delay exceeding 15 working days of the reports provided for by federal laws and regulatory legal acts of the Russian Federation adopted in compliance with them under which a fund exercises its activities on the basis of the licence;

single submission with a delay exceeding 15 working days to the federal executive body and the Pension Fund of the Russian Federation of the notices whose obligatory submission is provided for by federal laws and

regulatory legal acts of the Russian Federation adopted in compliance with them under which a fund exercises its activities on the basis of the licence, as well as multiple failures to discharge the said duty within a year;

repeated violations within a year of the requirements for dissemination, presentation or disclosure of information provided for by federal laws and regulatory legal acts of the Russian Federation adopted in compliance with them under which a fund exercises its activities on the basis of the licence;

termination of day-to-day management of a fund's activities (adoption of a decision of suspending the authority or dismissal of the person exercising the functions of the sole executive body without simultaneous adoption of the decision on appointment to the office of the person exercising the functions of the sole executive body);

disposal by a fund of pension savings in defiance of the requirements provided for by this Federal Law or independent investing of pension reserves into objects which are not intended for independent investing;

exercise of the activities which are not provided for by Item 1 of Article 2 of this Federal Law, in particular of industrial or trading activities;

failure to follow orders of the authorized federal body to eliminate violations connected with the arrangement of pension savings' investing, in particular of the requirements of Paragraph Two of Item 1 of Article 36.12 and Item 3 of Article 36.13 of this Federal Law.

2. As a ground for annulment of the licence shall be likewise deemed a failure to exercise any kinds of the activities provided for by Item 1 of Article 2 of this Federal Law within over a year and a half as of the date when the said licence was granted or the licensee made an application in writing as to the waiver of the licence.

3. The decision to annul the licence shall be adopted by the authorized federal body in the procedure established by a regulatory legal act thereof. The decision on annulment of the licence shall specify the ground for its annulment.

4. The decision on annulment of the licence on the basis of an application for waiver of the licence may be only adopted on condition that a fund has no obligations under pension contracts, contracts of obligatory pension insurance and contracts of establishment of professional pension systems. With that, an application for waiver of the licence shall not deprive the authorized federal body of the right to annul the said licence for the other reasons provided for by this Federal Law.

5. To the application of a fund for waiver of the licence must be attached the documents proving the observance of the terms provided for by Item 4 of this Article. An exhaustive list of the said documents, as well as the requirements for them, shall be established by regulatory legal acts of the authorized federal body.

6. An application for waiver of the licence shall be signed by the person exercising the functions of the sole executive body of a fund.

7. The authorized federal body shall check the reliability of the data contained in the documents submitted for waiver of the licence.

8. The decision on annulment of the licence on the basis of a fund's application shall be adopted within 30 working days as of the date when the said application and the documents attached thereto were received.

9. The authorized federal body shall notify a fund of annulment of the licence at latest on the working day following the day when the decision on annulment thereof was rendered by guard mail (by registered mail with notification of delivery) and by facsimile telegraph (electronic message). Information about adoption of the decision on annulment of a fund's licence shall be disclosed at the official Internet site of the authorized federal body at latest on the following working day as of the date of its adoption.

10. The licence shall be deemed annulled as of the date of adoption of the decision by the authorized federal body on annulment of the licence, except as provided for by Item 11 of this Article.

11. The licence shall be likewise deemed annulled as of the date of a fund's re-organisation in the form of merger or division or as of the date of a fund's liquidation. Where a fund is affiliated to a legal entity being re-organised in the form of affiliation, the licence of the fund to be affiliated shall be deemed annulled as of the date of making an entry to the comprehensive state register of legal entities as to the termination of its activities.

12. As of the date when a fund learned or had to learn about annulment of its licence, it is not entitled to make pension contracts, contracts of obligatory pension insurance and contracts of establishment of professional pension systems, as well as to dispose of pension reserves and pension savings in a procedure, other than the one established by this Article.

13. In the event of adoption by the authorized federal body of the decision to annul the licence, a fund within three months as of the date when the said decision was adopted:

shall notify in writing its depositors, participants and insured persons, as well as their legal successors that have filed appropriate applications at latest on the date of the licence's annulment of the licence's annulment;

shall determine obligations under pension contracts, including obligations to pay granted non-state pensions, under contracts of obligatory pension insurance and contracts of establishment of professional pension systems;

shall determine the composition of creditors whose claims are subject to satisfaction on account of pension reserves and pension savings, as well as the amount of credit indebtedness;

shall determine the market value of a fund's pension reserves;

shall take measures aimed at repayment of debtor indebtedness in respect of operations in pension reserves and pension savings;

shall make settlements with a fund's creditors as to investing of pension savings, terminate contracts of obligatory pension insurance and transfer the said assets to the Pension Fund of the Russian Federation.

14. Upon termination of the time period cited in Item 13 of this Article a fund shall draw up an interim balance sheet containing data on the amount of pension reserves, the amount of funds intended for payment of granted non-state pensions, the amount of ransom to be paid, as well as on the amount of credit indebtedness to be repaid on account of pension reserves. The interim balance sheet shall be endorsed by the fund's council or, if the provisional administration has been appointed for a fund, by the provisional administration thereof. A copy of the interim balance sheet shall be filed with the authorized federal body.

15. Where pension reserves are insufficient for discharge by a fund of obligations thereof to the fund's depositors and/or participants, as well as to other creditors whose claims are subject to satisfaction on account of the said assets, the property intended for ensuring the fund's statutory activities may be used for discharging the said obligations. For the said purposes may be likewise used funds of united guarantee funds where a fund participates, payments under contracts of insurance securing additional guarantees of discharging the fund's obligations towards participants thereof and/or payments from mutual insurance societies where a fund participates.

16. If the assets cited in Item 15 of this Article are insufficient for discharging by a fund obligations towards the fund's depositors and/or participants, as well as to other creditors whose claims are subject to satisfaction on account of the said assets, the fund within eight months as of the date of entry into force of the decision of the authorized federal body on the licence's annulment shall ensure the following:

termination of pension contracts and payment (transfer to other funds of ransom amounts or transfer of ransom amounts on account of payment of insurance premiums under contracts of pension insurance made with insurance organisations;

transfer of the duty of paying granted non-state pensions and pension reserves for discharging the said duty to another fund by approbation of the authorized federal body. With that, the said duty and pension reserves in respect of all participants, which non-state pensions are granted to, may be transferred to another fund.

17. Where the assets provided for by Item 15 of this Article are insufficient for discharging by a fund's obligations towards its depositors and/or participants, as well as to other creditors whose claims are subject to satisfaction on account of the said assets, the fund is obliged to file the debtor's application with an arbitration court for declaring it bankrupt and to present to the authorized federal body copies of the documents proving such applying.

18. Before the expiry of eight months as of the date when the decision of the authorized federal body on the licence's annulment came into effect, the fund is obliged, except as provided for by Item 17 of this Article, to file the following documents with the authorized federal body:

those proving the transfer of the duty of payment of granted nonstate pensions and pension reserves to another fund for discharging the said duty;

those proving termination of pension contracts, as well as the documents proving the transfer of ransom amounts to another fund, payment of ransom amounts or their transfer on account of paying insurance premiums under contracts of pension insurance made with insurance organisations;

audit and actuarial opinions;

accounting reports/statements bearing a note of the tax authority as of the reporting date which is closest to the date of expiry of six months as of the date of entry into force of the decision on the licence's annulment;

the original of the document proving the availability of the licence.

19. If the documents provided for by Item 18 of this Article are not received, the authorized federal body is obliged within eight months as of the date of entry into force of the decision on the licence's annulment to make a claim with court for liquidation of the fund.

20. Within eight months as of the date of the licence's annulment, the fund shall make amendments in the statutes thereof concerning the fund's name and provisions concerning the subject and purposes of its activities.

21. The requirements of Items 19 and 20 of this Article shall not apply, if the licence is annulled in connection with a funds' liquidation, as well as in connection with re-organisation thereof in the form of merger or division or in connection with its affiliation to a legal entity being re-organised in the form of affiliation.

22. A fund has the right to appeal in the procedure established by the legislation of the Russian Federation against the decision of the authorized federal body on the licence's annulment, the refusal to annul the licence on the basis of a licensee's application, as well as its omission to act.";

4) in Article 8:

a) in Item 2:

Paragraph Ten shall be declared invalidated;

In Paragraph Twelve the words "shall place the monetary assets that constitute it" shall be replaced by the words "shall invest the assets that constitute it";

Paragraphs Sixteen-Eighteen shall be declared invalidated;

In Paragraph Twenty Eights after the word "participants" shall be added the words "(legal successors thereof)";

b) Items 3 and 4 with the following content shall be added hereto:

"3. A fund is entitled to keep independently pension accounts or make contracts of rendering services as to keeping pension accounts with other organisations.

4. The outlays connected with ensuring the statutory activities of a fund shall be covered on account of the property intended for ensuring the statutory activities of the fund, except for the outlays connected with placement of pension reserves and investing of pension savings.

Outlays connected with placement of pension reserves and investing of pension savings shall be covered accordingly on account of pensions reserve and pension savings.";

5) in Article 14:

a) a paragraph with the following content shall be added to Item 1:

"to make with a specialized custodian a contract of rendering to the fund the services of a specialized custodian at latest on the date of making the first pension contract (contract of obligatory pension insurance).";

b) Items 3 and 4 with the following content shall be added hereto:

"3. A fund shall notify the authorized federal body of making contracts with a management company and specialized custodian, on making changes in the contracts or on their termination, as well as of making contracts with an auditor in respect of holding an annual audit inspection and with actuary in respect of actuarial assessment of the fund's activities within three working days as of the date when the said events took place.

4. A fund is obliged to use in cooperation with the management company, specialized depository and professional participants of the securities market documents where information is stated in an electronic digital form and which bear electronic digital signatures.";

6) a paragraph with the following content shall be added to Item 3 of Article 18:

"The pension rules of a fund may provide for forming, recording and placement of reserves for covering pension obligations separately for each pension scheme. In this case, reserves for covering pension obligations formed within the same pension scheme may not be used for covering the fund's obligations in respect of other pension schemes. Where the pension reserves formed according to a pension scheme are insufficient, the assets of the insurance reserve shall be used for covering the fund's obligations under the given pension scheme towards depositors and participants (legal successors thereof).";

7) in Article 25:

a) a paragraph with the following content shall be added to Item 1:

"For making settlements concerning the activities connected with trust management of the pension reserves transferred to the management company under a contract of trust management, the management company shall open a separate bank account (accounts).";

b) Item 6 shall be stated in the following wording:

"6. The immovable property, as well as other property provided for by regulatory legal acts of the authorized federal body whereto pension reserves are invested shall be valued on the basis of the contract made with the person determined by the fund's council. A copy of the report on evaluation of the said property shall be filed with the fund's specialized custodian and the authorized federal body. A contract of evaluation of the property provided for by this item may be only made with natural persons and legal entities which satisfy the requirements of Federal Law No. 135-FZ of July 29, 1998 on Valuation Activity in the Russian Federation and which are not affiliated persons of the fund, of its management company (management companies), specialised custodian and auditor. With this, the property must be valued when acquired, as well as at least once a year, if other periodicity is not established by regulatory legal acts of the authorized federal body. The person with which a contract is made as to the valuation of the property provided for by this item shall be held responsible towards the fund for the losses caused to it as a result of using the total market or other value of the object of valuation cited in the report signed by this person.";

c) Item 9 shall be stated in the following wording:

"9. A procedure for placing pension reserves, in particular the establishment of specifics depending on the method of forming, recording and placement of pension reserves selected by a fund, as well as a procedure for exercising control over their placement, shall be established by the Government of the Russian Federation.";

8) Article 25.1 with the following content shall be added hereto:

"Article 25.1. Restrictions as to Placement of Pension Reserves and Investing of Pension Savings

1. A management company acting in the capacity of a trust manager of pension reserves and/or pension savings is not entitled to make the following transactions or to give instructions to make the following transactions:

those of acquisition of assets which are not provided for by federal laws and other regulatory legal acts of the Russian Federation, as well as by a contract of trust management of pension reserves or a contract of trust management of pension savings;

those of alienation on a gratuitous basis of the assets making up the fund's pension reserves and/or pension savings;

those resulting in the assumption of the duty to transfer property which at the time of assuming such duty does not make up the fund's pension reserves or pension savings, except for the transactions made through sales held by a stock exchange or other trade promoter in the securities market, provided that clearing is effected in respect of such transactions;

those of acquisition of the property which is the subject of pledge or other security;

contracts of loan or credit contracts, as well as transactions of purchase (sale) providing for the duty of securities resale (repurchase), or interrelated transactions of purchase and sale made concurrently with the same person as to the sale (purchase) of securities and subsequent purchase (sale) of the said securities or securities of the same issue (of a unit investment trust, mortgage coverage) at the price which is agreed in advance (repo accounts). The said rule shall not extend to making repo accounts where it is established by the authorised federal body;

those of acquiring the property which a given management company has in its ownership under other contracts and the property making up assets of the joint-stock investment funds where the management company exercises the functions of the sole executive body, as well as stocks and investment shares of investment funds which this management company has in trust management, except as provided for by this Article;

those of alienation of the property making up pension reserves or pension savings for inclusion into the composition of the property which a given management company has in trust management under other contracts or for inclusion into the composition of the property making up assets of the joint-stock investment fund where the management company exercises the functions of the sole executive body, except as provided for by this Article;

those of acquisition of securities issued (given out) by this management company, as well as by the joint-stock investment fund whose assets are in trust management of this management company (where this management company exercises the functions of the sole executive body);

those of acquiring securities issued (given out) by founders (participants) of the management company, by the principal and dominant business companies of a founder (participant), by branch and dependent companies of the management company, specialised custodian, the fund's auditor, the joint-stock investment fund whose assets this management company has in its ownership (where this management company exercises the functions of the sole executive body), except as provided for by this Article.

those of acquiring the property possessed by this management company, its founders (participants), the principal and dominant business companies of a founder (participant), by branch and dependent companies of the management company or transactions of property alienation for the said persons, except as provided for by this Article;

those of acquiring the fund's property from the specialized custodian or auditor thereof or of alienation of property for the said persons, except as provided for by this Article.

2. A management company while acting in the capacity of a trust manager is entitled to make transactions providing for the duty of a party or

parties to a transaction to pay amounts of money depending on changes in the prices of commodities, securities, the rate of an appropriate currency, interest rates, inflation rate or on the values estimated on the basis of totality of the said indices or on happening of other circumstance provided for by a federal law and in respect of which it is not known whether it will happen or not, in particular transactions providing likewise for the duty of one of the parties to transfer to the other party commodities, securities or currency on condition of satisfaction of the requirement aimed at limiting the risks involved in making such transactions which are established by regulatory legal acts adopted by the authorised federal body.

3. A management company has not right to do the following:

to dispose of pension reserves (pension savings) without obtaining a preliminary consent to it of the specialized custodian, except for the transactions made through sales held by trade promoters in the securities market;

to use pension reserves (pension savings) for ensuring the discharge of own obligations or obligations of third persons.

4. The restrictions as to making transactions which are established by Paragraphs Seven, Eight, Eleven and Twelve of Item 1 of this Article shall not apply, if transactions with securities are made through the sales held by trade promoters in the securities market on the basis of bids for purchase and bids for sale of the securities at the best prices cited in them on condition that the bids are addressed to all sales participants and the information making possible to identify the sales participants that have filed bids is not disclosed in the course of the sales to other participants.

5. Restrictions as to making the transactions established by Paragraph Ten of Item 1 of this Article shall not apply, if the said transactions are made with the securities included into quotation lists of stock exchanges.

6. As regards the transactions made by a management company in defiance of the requirements contained in this Article, the management company shall be personally liable to third persons and solely within the limits of the property possessed by it.";

9) in Article 26:

a) in Item 1:

after the words "other normative legal acts," shall be added the words ", as well as by investment declarations of management companies,";

a paragraph with the following content shall be added hereto:

"In the event of failure to discharge the duties provided for by this item, as to the exercise of control over observance by a fund's management companies of restrictions in respect of placement of pension reserves and investment of pension savings, the rules for placement of pension savings and requirements for investing pension savings, for the composition and structure of pension reserves and pension savings, the

specialized custodian shall be held jointly liable with the management company towards the fund.";

b) in Item 6 after the words "specialized depository services" shall be added the words "in respect of pension savings";

10) Article 27 shall be stated in the following wording:

"Article 27. Distributing Earnings Derived from Placement of Pension Reserves and Investment of Pension Savings

1. Earnings from placement of pension reserves shall be allocated for replenishment of pension reserves and for forming the property intended for ensuring the fund's authorized activity.

2. Earnings from investment of pension savings shall be allocated for replenishment of pension savings and for forming the property intended for ensuring the fund's authorized activity.

3. The amount of allocations for forming the property intended for ensuring a fund's authorized activities must not exceed 15 per cent of earnings from placement of pension reserves and 15 per cent of earnings from investment of pension savings after deduction of remuneration to be paid to a management company (management companies) and the specialized depository.";

11) Items 5-8 of Article 32 shall be declared invalidated;

12) Article 32.1 with the following content shall be added to Chapter VIII:

"Article 32.1. Reports/Statement to Be Submitted to the Authorised Federal Body

1. A fund shall submit reports/statements in respect of its activities at the time and according to the form which are established by the authorized federal body. As a reporting year of a fund shall be deemed a calendar year from January 1 to December 31 inclusive.

2. A fund shall submit to the authorised federal body an opinion on the basis of the results of actuarial valuation to be carried out by an actuary upon the end of a reporting year. The said opinion shall form an integral part of the fund's annual report.

3. Reports/statements and other documents to be submitted for registration or coordination with the authorized federal body in compliance with this Federal Law must be submitted by a fund in the form of electronic digital documents bearing electronic digital signatures in the procedure established by the federal executive body.";

13) Paragraph Two of Item 3 of Article 33 shall be stated in the following wording:

"When liquidating a fund, its pension reserves shall be used for discharging obligations under pension contracts, payment of ransom amounts, transfer of ransom amounts to other funds at the choice of a

depositor or participant (legal successors thereof) or, where there is no such choice, to the fund (funds) cited in pension rules, or for transfer of ransom amounts on account of payment of insurance premiums under contracts of pension insurance of participants made with insurance organisations at the choice of a depositor or participant (legal successors thereof). If pension reserves are insufficient, assets of the united guarantee funds where the fund participates, payments under insurance contracts securing additional guarantees of discharging the fund's obligations towards the participants and/or payments from mutual insurance societies, where the fund participates, may be used for these purposes.";

14) in Article 34:

a) Item 3 shall be stated in the following wording:

"3. The authorized federal body when exercising its functions:

shall adopt within the scope of its authority regulatory legal acts concerning regulation of funds' activities, including instructions and methodological directions in respect of establishing the standards for dissemination, presentation and disclosure of information and reporting forms, as well as concerning supervision and control over the said activities;

shall establish jointly with the federal executive body exercising the functions of development of the state policy and normative legal regulation of bookkeeping and presentation of accounting reports/statements the rules for bookkeeping and presentation of accounting reports/statements by funds;

shall license the activities of pension provision and pension insurance;

shall carry out informative registration of funds which have filed applications in respect of their intention to exercise the activity of obligatory pension insurance as insurers in compliance with the requirements of this Federal Law;

shall register the fund's rules;

shall disclose in compliance with this Federal Law information about funds engaged in the activity of obligatory pension insurance, as well as about funds in respect of which a ban has been imposed in respect of making all or a part of operations or whose licences have been annulled;

shall inform the Pension Fund of the Russian Federation on the funds engaged in obligatory pension insurance, as well as on the funds in respect of which a ban has been imposed as to making all or a part of operations or whose licenses has been annulled, within 10 days as of the date of suspending or withdrawing the licenses;

shall send within the scope of authority thereof to the persons cited in Item 2 of this Article requests for presenting information connected with the exercise by them of the activity of forming and placing of pension reserves, forming and investing of pension savings and other information subject to the requirements of federal laws;

shall issue to the persons cited in Item 2 of this Article within the scope of authority thereof orders to eliminate detected failures to satisfy the requirements of this Federal Law, as well as of the legislation of the Russian Federation on obligatory pension insurance;

shall consider funds' reports/statements, as well as audit and actuarial opinions;

shall consider audit opinions in respect of reports/statements of the persons cited in Item 2 of this Article and shall require, where necessary, presentation of an audit opinion in respect of such reports/statements;

shall establish within the scope of authority thereof forms of reports/statements for the persons cited in Item 2 of this Article, as well as a procedure and time for their presentation;

shall publish in the mass media data on forming and financial results of placing pension reserves and on forming and financial results of investing of pension savings in compliance with the requirements of the legislation of the Russian Federation. The form of publishing the said data shall be established by the Government of the Russian Federation.

shall establish qualification requirements for persons exercising the functions of the fund's sole executive body and for inspectors (heads of the internal control services);

shall endorse programmes for qualification examinations intended for attestation of individuals as regards the activities of non-state pension insurance, obligatory pension insurance and professional pension insurance, as well as shall define terms of and procedure for accreditation of organisations effecting the said attestation in the form of holding qualification examinations and issuance of qualification certificates, and also shall effect accreditation of such organisations, determine the kinds and forms of qualification certificates and keep a register of attested persons;

shall annul qualification certificates in the event of repeated or gross violation by attested persons of this Federal Law, as well as of the legislation of the Russian Federation;

shall consider complaints (applications, petitions) of individuals and legal entities connected with violations of this Federal Law;

shall make funds, as well as officials thereof, answerable under the administrative legislation in the procedure established by federal laws;

shall make claims with court for liquidation of legal entities engaged in the activities provided for by this Federal Law without holding appropriate licences;

shall make a lawsuit with court for protection of interests of depositors, participants and insured persons in the event of violation of their rights and legitimate interests provided for by this Federal Law;

shall commit other actions provided for by this Federal Law, other federal laws and regulatory legal acts of the Government of the Russian Federation.";

b) Item 4 shall be declared invalidated;

c) Items 5 and 6 with the following content shall be added hereto:

"5. When exercising control, officials of the authorized federal body in compliance with the authority placed on them, upon producing official identification cards and the decision of the head (deputy head) of the said body on conducting an inspection shall enjoy the right of unfettered access to the premises of funds, as well as the right of access to the documents and information (including information whereto access is restricted or prohibited in compliance with federal laws) which are required for the exercise of control, as well as the right of access to the soft hardware which ensure recording, processing and storage of the said information.

6. When exercising control and supervision over the persons cited in Item 2 of this Article, the authorised federal body is entitled to do the following:

to hold planned inspections once a year at most;

to hold extraordinary inspections in the event of detecting the signs of appropriate violations, in particular on the basis of statements/reports and notices of a specialized depository on detecting violations, complaints (applications, petitions) of individuals and legal entities, as well as data provided by mass media;

to receive from the persons cited in Item 2 of this Article and employees thereof required documents and information, including information whereto access is restricted or prohibited in compliance with federal laws, as well as explanations in written and oral forms;

to make requests in the procedure established by the legislation of the Russian Federation to the agencies engaged in operative search activity for taking operative search measures.";

15) Article 34.1 with the following content shall be added hereto:

"Article 34.1. Measures That Can Be Taken by the Authorised Federal Body

1. In the event of detecting violations of federal laws or regulatory legal acts adopted in compliance with them under which a fund exercises its activities on the basis of the licence, the authorised federal body is entitled to prohibit by its order making all or a part of operations, to impose other sanctions established by federal laws and, where it is provided for by this Federal Law, to annul its licence and to appoint the provisional administration for the fund.

2. The authorised federal body is entitled to prohibit by its order making the following operations by a fund:

conclusion of new pension contracts and/or obligatory pension insurance contracts and/or contracts of establishing professional pension systems;

making transactions of independent placement of pension reserves and/or discharging obligations under such transactions;

transfer of pension reserves and/or pension savings to management companies for trust management;

writing amounts of money off the account where pension reserves or pension savings are kept, except for writing off amounts of money for paying non-state pensions, the accumulative part of labour pensions or professional pensions and for making payments to legal successors who are natural persons.

3. A ban to make the operations cited in Item 2 of this Article may be imposed in the event of the following:

failure to execute or improper execution of an order of the authorised federal body as to elimination of a violation;

failure to fulfill or improper fulfillment of a request of the authorised federal body for presentation of information which is necessary for exercising the functions (powers) of the said body;

obstructing the conduct of an inspection of a fund's activities by the authorised federal body;

making by a fund a pension contract or a contract of obligatory pension insurance when there is no contract made with a specialized custodian.

4. A ban to make all or a part of operations may be imposed before elimination of a violation or termination of operation of the circumstances which have served as a basis for forwarding an order in respect of the appropriate ban but for a term of six months at most. Where making of the operations, in respect of which a ban is imposed, is an obligatory condition for making other operations, a ban shall be likewise imposed in respect of the latter.

5. An order prohibiting the conduct of operations shall be issued by the authorised federal body in the procedure established by regulations thereof and shall be sent to a fund by guard mail (by registered mail with notification of delivery), as well as by facsimile telegraph (electronic message). Information about forwarding of such order shall be disclosed at the official site of the authorised federal body at latest on the following working day after issuance thereof.

6. In the event of annulment of a fund's licence, the authorised federal body shall appoint the provisional administration for the fund for the purpose of discharging by it the duties provided for by Article 7.2 of this Federal Law, if:

at the time of annulment of the fund's licence the fund's council and/or the sole executive body stopped their activities in the fund;

the fund does not discharge the duties provided for by Items 12-14 of Article 7.2 of this Federal Law at the time stipulated by the said Article.

7. The decision on the appointment of the provisional administration and on the approval of its composition shall be rendered by the authorised federal body. While the provisional administration exercises its activities, the authority of a fund's executive bodies may be limited or suspended by

the decision of the authorised federal body on the appointment of the provisional administration.

8. The provisional administration shall include the head of the provisional administration, his/her deputy (where necessary) and members of the provisional administration. As the head (deputy head) of the provisional administration shall be appointed an official of the authorised federal body.

9. The following persons may not be included into the composition of the provisional administration:

the person exercising the functions of the sole executive body, his/her deputy, the persons who are members of the fund's council and the collective executive body, as well as the chief accountant (accountant), the head and members of the audit commission, the head, inspector and employees of the internal control service;

persons which are creditors or debtors of the fund, in particular depositors, participants and insured persons, as well as officials and employees of creditors and debtors, except for officials and employees of the specialized custodian that has a contract made with the fund where the provisional administration is appointed to;

the fund's founders, as well as their officials and employees.

10. The head of the provisional administration, in the event of suspending the authority of the fund's executive bodies, shall make any actions related to the discharge of the fund's duties which are provided for by Article 7.2 of this Federal Law in the fund's name without a letter of attorney.

11. The provisional administration shall receive from the fund's employees, management company and specialized custodian required documents and information concerning the fund's activities, shall take measures aimed at ensuring the safekeeping of the fund's property and documentation, as well as shall make other actions aimed at securing the rights and legitimate interests of depositors, participants and insured persons, as well as of their legal successors.

12. While exercising the authority of a fund's executive bodies, the provisional administration is entitled to have access to information about the status of pension accounts, bookkeeping data, basic accounting documents, as well as to soft hardware which ensure recording, processing and storage of the said information.

13. If the provisional administration, while exercising the functions provided for by this Federal Law, detected the signs of a fund's insolvency (bankruptcy), the authorised federal body shall file with an arbitration court an application for declaring the fund bankrupt.";

16) Articles 35.1-35.3 with the following content shall be added hereto:

"Article 35.1. Information to Be Disclosed by Funds

1. Funds are obliged to disclose in the procedure and at the time which are established by the authorised federal body the following information:

name and number of the fund's licence, firm's name of the management company (management companies), specialized custodian and their licences' numbers;

about location of the fund and of its separate units;

fund's balance sheet, profit-and-loss report, audit and actuarial opinions;

about the rate of the income derived from placement of pension reserves which is subject to entering to pension accounts of the accumulative part of the labour pension;

about the rate of income derived from placement of pension reserves which is allocated for forming the fund's insurance reserve;

about the rate of the income derived from placing pension reserves (the income derived from investing pension savings) which is allocated for forming the property intended for ensuring the fund's statutory activities;

about the part of the pension contributions allocated for forming the property intended for ensuring the fund's statutory activities and for covering the fund's administrative outlays;

about the number of the fund's depositors and participants, as well as the fund's participants that receive non-state pensions from the fund;

about the number of insured persons forming their pension savings for financing the accumulative part of the labour pension at the fund;

about the amount of the fund's pension reserves, in particular of the insurance reserve, pension savings, property intended for ensuring the fund's statutory activities, including the founders' total contribution;

about making and terminating the contact of trust management of pension reserves or pension savings made with the management company stating its firm's name and the licence's number;

about conclusion and termination of the contract made with the specialized custodian.

2. A fund is obliged to disclose its pension rules and, if it exercises the activity of obligatory pension insurance, insurance rules, as well as the amendments and addenda made thereto before starting to make pension contracts and contracts of obligatory pension insurance in compliance with these rules.

3. A fund is obliged to disclose information about registration by the authorised federal body of amendments and addenda to be made to the pension rules and, if it exercises the activity of obligatory pension insurance, about those to be made to insurance rules.

4. In the event of adopting the decision to suspend the attraction of new insured persons within the framework of obligatory pension insurance, a fund is obliged to disclose a report on it on the day following the date when such decision was rendered. A report on suspending the attraction of

new insured persons within the framework of obligatory pension insurance must specify the reasons for such suspension.

5. The authorised federal body shall ensure the disclosure of information and establishment of a system of information disclosure about the activities of funds, management companies and specialised custodians, as well as about regulation of the said kinds of activities, accessible to public.

Article 35.2. Information to Be Provided by Request of Persons Concerned

A fund is obliged to provide to all persons concerned by request thereof at the location of the fund and its separate subdivisions accordingly the following information:

the fund's statutes, its pension rules and, if it is engaged in the activity of obligatory pension insurance, insurance rules, as well as the full text of registered amendments and addenda made thereto;

the balance sheet and profit-and-loss report, audit and actuarial opinions as of the last reporting date;

the full and/or shortened firm's name of the fund's management company (management companies) and specialized custodian, as well as the number of their licences;

forms of contracts of non-state pension insurance for each pension scheme;

the form of a contract of obligatory pension insurance and of the application of an insured person;

information to be disclosed by the fund in compliance with the requirements of this Federal Law, the fund's pension and insurance rules.

Article 35.3. Requirements for the Content of Information to Be Disseminated, Provided or Disclosed

1. Information about a fund to be disseminated, provided or disclosed must contain the following:

the fund's full and/or shortened name, as well as the number of the fund's licence;

data on the place or places (specifying the address of the premises, the WEB-site address and telephone numbers) where it is possible to obtain detailed information about the fund and to get familiar with its statutes, pension and insurance rules, as well as with other documents provided for by this Federal Law and regulatory legal acts of the authorised federal body;

where its is established by regulatory legal acts of the authorised federal body, provisions as to the possibility of increasing or decreasing earnings from placement of pension reserves and investment of pension savings, as well as an indication to the effect that the results of investing in the past do not determine earnings in the future and that the State does not guarantee the profitability of placing pension reserves and of investing

pension savings, as well as the warning that it is necessary to study thoroughly the fund's statutes, pension and insurance rules before making a pension contract or remitting pension savings to the fund.

2. The fund is obliged to submit the documents proving the reliability of the information to be disseminated, provided or disclosed by request of the authorised federal body.

3. Any information about the fund which is to be disseminated, provided or disclosed must not contain the following:

unfair, unreliable, unethical, wittingly false, concealed or misleading information;

information which is not supported by documents;

references to the endorsement or approval by state bodies of any information about the fund;

declaration that the results of the fund's activity achieved in the past can be also achieved in the future.

4. Before obtaining its licence, a fund has not right to disseminate, provide or disclose information about its activities as a fund.

5. The authorised federal body is entitled:

to demand refutation of disseminated, provided or disclosed information which does not comply with the requirements of this Federal Law or regulatory legal acts of the authorised federal body, as well as dissemination,, provision or disclosure of corrected information;

to prohibit dissemination, provision or disclosure of information, if such information does not comply with the requirements of this Federal Law or of regulatory legal acts of the authorised federal body.";

17) in Item 2 of Article 36.1:

a) in Paragraph Four the words "50 million roubles" shall be replaced by the words "100 million roubles";

b) Paragraph Five shall be stated in the following wording:

"have for the purpose of protecting the rights of participants and insured persons an aggregate contribution of the fund's founders (fund's founder), made in monetary assets, of at least three million roubles from the date of putting this Federal Law into effect, at least 30 million roubles from January 1, 2005 and 100 million roubles from January 1, 2009;"

18) in Article 36.4:

a) the words ", as well as in the event of imposing a ban in respect of the fund as to making all or a part of pension insurance operations" shall be added to Item 2;

b) the words ", as well as in the event of making a contract of obligatory pension insurance within the period of time when a ban to make all or a part of operations concerning obligatory pension insurance in respect of the fund was in effect" shall be added to Paragraph Five of Item 4;

c) the words ", as well as in the event of making a contract of obligatory pension insurance within the period of time when a ban to make

all or a part of operations concerning obligatory pension insurance in respect of the fund was in effect" shall be added to Paragraph Five of Item 5;

19) in Paragraph Four of Item 2 of Article 36.5 the words "by a court decision" shall be deleted;

20) in Article 36.6:

a) in Paragraph Four of Item 1 the words "on the basis of a court decision" shall be deleted;

b) in Item 5:

in Paragraph One the words "as of the date of the rendering of an appropriate judicial decision" shall be replaced by the words "as of the date of rendering a decision on the licence's annulment";

in Paragraph Two the words "an appropriate judicial decision" shall be replaced by the words "an appropriate decision on the licence's annulment";

21) in Paragraph Six of Item 3 of Article 36.9 the words "the validity of such licence has been suspended or the licence has been cancelled" shall be replaced by the words "the licence has been annulled or in respect of the fund a ban has been imposed as to making all or a part of operations of obligatory pension insurance";

22) in Paragraph Six of Item 7 of Article 36.11 the words "the validity of such licence is suspended, or if the licence has been cancelled" shall be replaced by the words "the licence has been annulled or in respect of the fund a ban has been imposed as to making all or a part of operations of obligatory pension insurance";

23) Article 36.17 shall be declared invalidated;

24) in the second sentence of Item 6 of Article 36.19 the words "and a part of the earnings derived from investing pension savings and allocated to forming the property intended for ensuring the fund's authorized activities" shall be deleted;

25) Article 36.23 shall be stated in the following wording:

"Article 36.23. Remuneration and Necessary Outlays of a Management Company, Remuneration, Necessary Outlays and Payment for the Services of a Specialized Depository

1. The remuneration of management companies and a specialized depository shall be paid at the expense of the earnings derived from investing pension savings. The maximum amount of remuneration to a management company shall be determined in compliance with Article 16 of Federal Law No. 111-FZ of July 24, 2002 on Investing Assets for Financing the Accumulative Part of the Labour Pension in the Russian Federation.

2. A management company has the right to reimbursement of necessary outlays, made by it while investing pension savings, from the said assets. A list of necessary outlays to be reimbursed from pension savings shall be established by a contract of trust management of pension

savings. The total amount of a management company's necessary outlays to be reimbursed from pension savings may not exceed 1 per cent of the average net wealth value estimated for a reporting year or, if trust management of pension savings was effected within an incomplete reporting year, for the period within which trust management of pension savings was effected.

3. A specialised custodian has the right to reimbursement of necessary outlays, made by it while rendering the services of a specialized custodian, from pension savings. A list of necessary outlays to be reimbursed from pension savings shall be established by a contract of rendering services of a specialized custodian.

4. The total amount of payment for the services rendered to a fund by a specialized custodian may not exceed 0,1 per cent of the average net wealth value estimated for a reporting period. If a specialized custodian was rendering services within an incomplete reporting year, the amount of payment shall be estimated for the period while these services were actually rendered. The fund shall pay for the services of a specialized depository rendered to it from pension savings, if the fund's insurance rules do not establish that the said services shall be paid on account of the property intended for ensuring the statutory activities thereof.";

26) in Article 36.26:

a) Items 1 and 2 shall be stated in the following wording:

"1. As a self-regulating organisation of funds and of organisations which under agreements made with funds keep pension accounts (hereinafter referred to as self-regulating organisation) shall be named a voluntary association of funds and/or of the said organisations acting in compliance with this Federal Law and functioning on the basis of the principles of a non-profit organisation.

2. A self-regulating organisation shall be established by funds and/or organisations which under agreements made with funds keep pension accounts for ensuring the conditions for professional activities, protecting the interests of funds' clients and establishing the rules and standards for operations that ensure the efficient activity thereof.";

b) in Item 3 the words "of funds" shall be deleted;

c) in Item 4 the words "of funds" shall be deleted;

d) in Item 5:

in Paragraph One the words "of funds" shall be deleted;

in Paragraph Three the words "of funds" shall be deleted;

Paragraph Five shall be stated in the following wording:

"to develop and establish requirements for funds and organisations keeping pension accounts under agreements made with funds that wish to enter the self-regulating organisation of funds;"

in Paragraph Seven the words "the non-state pension funds" shall be replaced by the words "funds and organisations keeping pension accounts under agreements made with funds".

Article 3

The following amendments shall be made to Federal Law No. 128-FZ of August 8, 2001 on Licencing Specific Types of Activity (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2001, No. 33, Article 3430; 2002, No. 11, Article 1020; No. 50, Article 4925; 2003, No. 2, Article 169; No. 11, Article 956; No. 13, Article 1178; 2005, No. 13, Article 1078; No. 27, Article 2719; 2006, No. 50, Article 5279; 2007, No. 1, Article 7, 15; No. 30, Article 3748; 3749, 3750; "Rossiyskaya Gazetta" of November 8 and 10, 2007):

1) in Item 2 of Article 1:

a) in Paragraph Nine the words ", except pension insurance carried out by non-governmental pension funds" shall be deleted;

b) paragraphs with the following content shall be added hereto:

"activities of an investment fund;

activities of managing investment funds, unit investment trusts and non-governmental pension funds;

activities of a specialized custodian of investment funds, unit investment trusts and non-governmental pension funds;

activities of non-governmental pension funds as to pension provision and pension insurance.";

2) Subitems 88-91 of Item 1 of Article 17 shall be declared invalidated.

Article 4

The following amendments shall be made to Federal law No. 29-FZ of April 22, 1996 on the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 17, Article 1918; 2002, No. 52, Article 5141; 2004, No. 31, Article 3225; 2005, No. 25, Article 2426; 2006, No. 1, Article 5; No. 2, Article 172; No. 17, Article 1780; No. 31, Article 3437; No. 43, Article 4412; 2007, No. 1, Article 45):

1) Items 5-8 with the following content shall be added to Article 3:

"5. A broker is only entitled to acquire the securities and property rights provided for by Item 6 of Article 51.2 of this Federal Law (hereinafter referred to as other financial instruments) which are intended for classified investors, if the client at whose expense a transaction is made is a classified investor in compliance with Item 2 of Article 51.2 of this Federal Law (hereinafter referred to as classified investors by virtue of federal law) or is recognized by this broker as a qualified investor in compliance with this Federal Law. Classified investors by virtue of federal laws and persons recognized as classified investors in compliance with this Federal Law shall be named classified investors.

6. The effects of making transactions by a broker in defiance of the requirements of Item 5 of this Article, in particular as a result of wrongful recognition of a client as a classified investor, shall be as follows:

1) imposition upon the broker of the duty to acquire at its own expense securities from a client on the client's demand and to reimburse to the client all the expenses incurred by it while making the said transactions, including the outlays to pay for the services of the broker, custodian and trade promoter in the securities market;

2) imposition upon the broker of the duty to compensate to a client for the losses caused in connection with execution of transactions with other financial instruments, in particular to reimburse all the outlays of the client while making the said transactions, including outlays on payment for the services of the broker and trade promoter in the securities market.

7. Where it is provided for by Subitem 1 of Item 6 of this Article, securities shall be purchased at the highest of the following prices: the acquisition price of this security or market price thereof as of the date when a client made the claim provided for by Subitem 1 of Item 6 of this Article.

8. A claim for application of the effects provided for by Item 6 of this Article may be made by a client within one year as of the date when it received the appropriate broker's report on made transactions.";

2) Parts Seven-Nine with the following content shall be added to Article 5:

"The manager is only entitled while exercising the activity of securities' management to acquire for a client (for the management founder) securities and other financial instruments intended for classified investors on condition that the client is a classified investor.

The following shall be deemed effects of making by the manager transactions in defiance of the requirements provided for Part Seven of this Article:

imposition upon the manager of the duty to sell securities and other financial instruments by a client's request or by order of the federal executive body in charge of the securities market;

reimbursement by the manager to a client of the losses caused as a result of selling securities and other financial instruments;

payment by the manager of interest on the amount to which securities and other financial instruments have been acquired. The interest rate shall be fixed subject to the rules of Article 395 of the Civil Code of the Russian Federation. Where the selling price of securities and other financial instruments exceeds the price at which they have been acquired, the interest shall be paid in the amount that was not covered by earnings from the sale of the securities and other financial instruments.

A claim for application of the effects of making by the manager of a transaction in defiance of the requirements of Part Seven of this Article may be made by a client within one year as of the date when it received the appropriate report of the manager.";

3) Part Sixteen with the following content shall be added to Article 7:

"Custodians engaged in registration of rights to securities which are intended for classified investors is entitled to enter the said securities to

depo accounts of the owners thereof, if only the latter is a classified investor or is not a classified investor but has acquired the said securities as a result of universal legal succession, conversion, in particular in the course of re-organisation, distribution of property of a legal entity to be liquidated and in other cases established by the federal executive body in charge of the securities market.";

4) in Article 8:

a) a paragraph with the following content shall be added to Item 1:

"The holder of the register of owners of securities intended for classified investors is entitled to enter the said securities to the owner's personal account, only if it is a classified investor by virtue of federal law or is not a classified investor but has acquired the said securities as a result of universal legal succession, in particular in the course or re-organisation, distribution of property of a legal entity to be liquidated and in other cases established by the federal executive body in charge of the securities market.";

b) Item 4 with the following content shall be added hereto:

"4. If the registrar is engaged in keeping the register of owners of securities which are not serial securities, in particular investment shares of a unit investment trust or mortgage participation certificates, it is obliged to satisfy the requirements for keeping the said register which are established by federal laws and other regulatory legal acts of the Russian Federation.";

5) Item 7 with the following content shall be added to Article 17:

"7. The decision to issue serial securities, where it is established by federal laws or regulatory legal acts of the federal executive body in charge of the securities market, must stipulate that the serial securities are intended for classified investors.

Serial securities intended for classified investors may be only possessed by classified investors, except as provided for by Item 4 of Article 27.6 of this Federal Law.";

6) Subitem 8 of Item 15 of Article 27.5-3 shall be stated in the following wording:

"8) arrangement to consider the disputes resulting from failure to discharge, or improper discharge of, obligations under this agreement in the territory of the Russian Federation by arbitration courts or arbitral tribunals whose decisions may be recognized in the territory of the country issuing the represented securities in compliance with an international treaty made by the Russian Federation;

7) Article 27.6 shall be stated in the following wording:

"Article 27.6. Limitations on Turnover of Securities

1. The turnover of securities whose issue (supplementary issue) is subject to state registration shall be prohibited until they are completely paid up and until the state registration of a report (provision of a notice to

the registration body) on the results of the issue (supplementary issue) of the said securities, except as established by federal laws.

2. The public turnover of securities, whose issue (supplementary issue) is subject to state registration, shall be only allowed, if the following terms are concurrently observed:

1) the securities prospectus (the prospectus of the securities' issuance, the privatization plan registered as the prospectus of the securities issuance) is registered;

2) the issuer has disclosed information in compliance with the requirements of this Federal Law.

3. Securities intended for classified investors, as well as the provision (acceptance) of the said securities as a security for discharging obligations may be only acquired and alienated through brokers. The present rule shall not extend to classified investors by virtue of federal law when they make the said transactions, as well as to the cases when a person has acquired the said securities as a result of universal legal succession, conversion, in particular in the course of re-organisation, distribution of property of a legal entity being liquidated, as well as to other cases established by the federal executive body in charge of the securities market.

4. If a person which is not a classified investor or has lost the status of a classified investor becomes the owner of securities intended for classified investors, this person is only entitled to alienate such securities through a broker.";

8) Article 51.2 with the following content shall be added hereto:

"Article 51.2. Classified Investors

1. As classified investors shall be deemed the persons cited in Item 2 of this Article, as well as the persons recognized as classified investors in compliance with Item 4 of this Article.

2. Classified investors shall include:

1) brokers, dealers and managers;

2) credit institutions;

3) joint-stock investment funds;

4) management companies of investment funds, unit investment trusts and non-governmental pension funds;

5) insurance organisations;

6) non-governmental pension funds;

7) the Bank of Russia;

8) the State Corporation CBank of Development and Foreign Trade Activity (Vnesheconombank)';

9) the Agency for Deposits' Insurance;

10) international organisations, including the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, the European Bank for Reconstruction and Development;

11) other persons classified as classified investors by federal laws.

3. Persons may be recognized as classified investors, if they comply with the requirements established by this Federal Law and regulatory legal acts of the federal executive body in charge of the securities market adopted in compliance with it.

4. A natural person may be recognized as a classified investor, if he/she complies with any two requirements from among those given below:

1) holds securities and/or other financial instruments whose total value corresponds to the requirements established by regulatory legal acts of the federal executive body in charge of the securities market. With this, the said body shall define the requirements for the securities and other financial instruments which may be taken into account while estimating the said total value, as well as a procedure for estimation thereof;

2) has the record of work in a Russian and/or foreign organisation that has made transactions with securities and other financial instruments which is established by regulatory legal acts of the federal executive body in charge of the securities market;

3) has made transactions with securities and other financial instruments in the number, volume and at the time which are established by regulatory legal acts of the federal executive body in charge of the securities market.

5. A legal entity may be recognized as a classified investor, if it is a profit-making organisation satisfying any two requirements from among those cited below:

1) it has its own capital in the amount established by regulatory legal acts of the federal executive body in charge of the securities market;

2) it has made transactions with securities and other financial instruments in the number, volume and at the time which are established by regulatory legal acts of the federal executive body in charge of the securities market;

3) it has the volume of sales (proceeds from the sales) of commodities (works, services) in the amount and for the period which are established by regulatory legal acts of the federal executive body in charge of the securities market;

4) it has the amount of assets proved by bookkeeping data for the last reporting data which is established by regulatory legal acts of the federal executive body in charge of the securities market.

6. For the purposes of this Article property rights mean the property rights resulting from transactions which provide for the following:

1) the duty of a party or parties to a transaction to pay amounts of money depending on changes in the prices of securities, commodities, rate of currency, interest rates, inflation rate or on values estimated on the basis of the totality of the said indices or on the emergence of other circumstance which is provided for by federal laws and in respect of which it is not known whether it will emerge or not, in particular resulting from transactions

also providing for the duty of one of the parties to pass over to the other party securities, commodities or currency;

2) the duty of either party, should the other party raise such claim, to buy or sell securities or currency under the terms and conditions determined when making such transaction.

7. A person shall be recognized as a classified investor on the basis of the application thereof by brokers, managers and other persons where it is provided for by federal laws (hereinafter referred to as the person engaged in recognition of classified investors) in the procedure established by the federal executive body in charge of the securities market.

8. In the event of recognizing a person as a classified investor on the basis of the unreliable information supplied by it, the effects provided for by Item 6 of Article 3 and by Part Eight of Article 5 of this Federal Law shall not apply. The recognition of a person as a classified investor on the basis of the unreliable information supplied by it shall not serve as a ground for invalidity of the transactions made at the expense of this person.

9. A person may be recognized as a classified investor in respect of one or several kinds of securities and other financial instruments, one or several kinds of services intended for classified investors.

10. A person engaged in recognition of classified investors is obliged to notify a classified investor, in respect of what kinds of securities and other financial instruments or services it is recognized as a classified investor.

11. A person engaged in recognition of classified investors is obliged to demand of a legal entity recognized as a classified investor to prove its satisfaction of the requirements whose satisfaction is necessary for recognizing a person as a classified investor and to verify the compliance with the said requirements. Such verification must be carried out at the time established by a contract but at least once a year.

12. A person engaged in recognition of classified investors is obliged to keep the register of persons recognized as classified investors in the procedure established by the federal executive body in charge of the securities market. A classified investor shall be excluded from the said register on the basis of the application thereof or if it fails to satisfy the requirements whose satisfaction is necessary for recognition of a person as a classified investor.

13. The rights of owners of securities intended for classified investors, except for the persons provided for by Item 2 of this Article, may be only accounted by custodians in the procedure provided for by Article 7 of this Federal Law.

14. Requirements for the prospectus of securities intended for classified investors, as well as for the composition of data and for the procedure for disclosure of information about the said securities and issuers thereof, shall apply subject to the deletions and specifics

determined by regulatory legal acts of the federal executive body in charge of the securities market."

Article 5

Item 2 of Article 19 of Federal Law No. 46-FZ of March 5, 1999 on Protection of Rights and Legitimate Interests of Investors in the Securities Market (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1999, No. 10, Article 1163; 2004, No. 35, Article 3607) shall be stated in the following wording:

"2. The Fund shall pay out compensations to those Investors from among natural persons who cannot receive indemnification under court rulings and orders because of the absence of monetary resources and other property with the debtor.

The right to receive compensations shall be granted to Investors from among natural persons suffering losses incurred on them by a Professional Participant licensed for respective professional activities at securities market, and also in cases envisaged in the regulatory normative acts of the Russian Federation.

The Fund shall not pay compensations to natural persons holding securities which are intended for classified investors.

The sources for building up the Fund's resources shall be sources envisaged in the Fund's charter in compliance with the legislation of the Russian Federation."

Article 6

Item 4 with the following content shall be added to Article 1012 of Part Two of the Civil Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 5, Article 410):

"4. The specifics of trust management of unit investment trusts shall be established by law."

Article 7

1. The following shall be declared invalidated:

1) Paragraph Twenty Four of Item 34 of Article 1 of Federal Law No. 14-FZ of January 10, 2003 on Making Amendments and Addenda to the Federal Law on Non-State Pension Funds (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2003, No. 2, Article 166);

2) Paragraphs Ninety-Ninety Three of subitem (a) of Item 9 of Article 1 of Federal Law No. 80-FZ of July 2, 2005 on Amending the Federal Law on Licensing Specific Types of Activity, the Federal Law on the Protection of the Rights of Legal Entities and Individual Businessmen When Exercising the State Control (Supervision) and the Code of Administrative Offences of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2005, No. 27, Article 2719).

2. There shall be declared invalidated as of January 1, 2008 Paragraphs Eleven, Seventeen-Nineteen of Item 9, Paragraphs Nine-Thirteen of Item 31 and Item 37, as regards adding Article 36.17, of Article 1 of Federal Law No. 14-FZ of January 10, 2003 on the Introduction of Amendments and Addenda to the Federal Law on Non-State Pension Funds (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2003, No. 2, Article 166).

Article 8

1. This Federal Law shall enter into effect upon the expiry of 10 days as of the date of its official publication, except for the provisions for which other time of entry into force is established by this Article.

2. Paragraph Nine of Item 1, Paragraphs Nine and Twelve of Item 36, Paragraph Ten of Item 41, Paragraph Four of Item 43, subitem (d) of Item 48 and subitem (c) of Item 49 of Article 1, Paragraph Three of subitem (b) of Item 5 and Paragraph Five of Item 12 of Article 2 of this Federal Law shall enter into force upon the expiry of one year as of the date of official publication of this Federal Law.

3. Items 11, 13, 15-17, 21, 26, 30, 38 and 39 of Article 1 of this Federal Law shall enter into force upon the expiry of 90 days as of the date of official publication thereof.

4. Items 4, 10, 11, 23 and 24 of Article 2 of this Federal Law shall enter into force as of January 1, 2008.

5. Within two years as of the date of entry into force of this Federal Law amendments and addenda may be registered on the basis of an application of a management company to the rules for trust management of a closed unit investment trust to the effect that this fund's investment shares are intended for classified investors. Such amendments and addenda may be adopted by a general meeting of investment shares' owners, provided that three fourth of investment shares of a closed investment fund are possessed by persons which are classified investors by virtue of federal laws or are recognized as such in compliance with federal laws.

6. If the turnover of investment shares of a unit investment trust built up before the date of this Federal Law's entry into force must be restricted, the management company is obliged to make appropriate amendments and addenda to the rules for trust management of this fund at the time established by regulatory legal acts of the federal executive body in charge of the securities market.

7. Where it is provided for by Parts 5 and 6 of this Article, holders of investment shares whose turnover is restricted, which are not classified investors, are only entitled to alienate such investment shares through the professional participants of the securities market which are entitled under a federal law to recognize persons as classified investors.

8. Joint-stock investment funds, management companies, specialized custodians and non-state pension funds upon the expiry of one year as of the date of official publication of this Federal Law are obliged to take measures aimed at putting into operations the documents which under Federal Law No. 156-FZ of November 29, 2001 on Investment Funds (in the wording of this Federal Law) and Federal Law No. 75-FZ of May 7, 1998 on Non-State Pension Funds (in the wording of this Federal Law) are subject to registration with the federal executive body in charge of the securities market.

9. A failure to satisfy the requirements of Part 8 of this Article shall serve as a ground for imposition of a ban upon making operations connected with the exercise of the activity of a joint-stock investment fund, management company, specialized custodian and non-state pension fund, as well as for annulment of accordingly the licence for exercising the activity of an investment fund, the licence for exercising the activity of managing investment funds, unit investment trusts and nonstate pension funds, the licence for exercising the activity of a specialized custodian of investment funds, unit investment trusts and non-state pension funds or the licence for exercising the activity of non-state pension funds as to the provision of pensions and pension insurance.

10. The requirements of Federal Law No. 156-FZ of November 29, 2001 on Investment Funds (in the wording of this Federal Law) and Federal Law No. 75-FZ of May 7, 1998 on Non-State Pension Funds (in the wording of this Federal Law) shall apply when adopting the decision on accordingly granting the licence for exercising the activity of an investment fund, the licence for exercising the activity of managing investment funds, unit investment trusts and non-state pension funds, the licence for exercising the activity of a specialized custodian of investment funds, unit investment trusts and non-state pension funds or the licence for exercising the activity of non-state pension funds as to the provision of pensions and pension insurance on the basis of the documents filed before the date of this Federal Law's entry into force.

11. If on the date of this Federal Law's entry into force the operation of the licence for exercising the activity of an investment fund, the licence for exercising the activity of managing investment funds, unit investment trusts and non-state pension funds, the licence for exercising the activity of a specialized custodian of investment funds, unit investment trusts and non-state pension funds or the licence for exercising the activity of non-state pension funds as to the provision of pensions and pension insurance is suspended, the operation of the said licence may be resumed upon the expiry of the time period, for which it is suspended, on condition of elimination of the violation which has served as a ground for suspension of such licences. The notification of resuming the operation of a licence shall be effected in the procedure and at the time which are established for

notification of granting the licence. The duration of a licence shall not be extended by the time period for which it has been suspended.

President of the Russian Federation

V. Putin

The Kremlin, Moscow
December 6, 2007
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