

DIRECTION OF THE CENTRAL BANK OF RUSSIA NO. 1317-U OF AUGUST 7, 2003 ON THE PROCEDURE FOR THE ESTABLISHMENT BY AUTHORISED BANKS OF CORRESPONDENT RELATIONS WITH NONRESIDENT BANKS REGISTERED IN STATES AND ON TERRITORIES GRANTING A PRIVILEGED TAX REGIME AND/OR NOT STIPULATING THE DISCLOSURE AND FURNISHING OF INFORMATION IN THE CONDUCT OF FINANCIAL OPERATIONS (IN OFFSHORE ZONES) (with the Amendments and Additions of December 27, 2006)

On the basis of the Law of the Russian Federation on Currency Regulation and Currency Control (Vedomosti Syezda Narodnykh Deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, 1992, No. 45, item 2542; Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1999, No. 1, item 1; No. 28, item 3461; 2001, No. 23, item 2290; No. 33 (part I), item 3432; 2002, No. 1 (part I), item 2; 2003, No. 1, item 2; item 7; No. 9, item 804; Rossiyskaya Gazeta, No. 32, July 9, 2003), the Federal Law on Banks and Banking Activity (Vedomosti Syezda Narodnykh Deputatov RSFSR i Verkhovnogo Soveta RSFSR, 1990, No. 27, item 357; Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 6, item 492; 1998, No. 31, item 3829; 1999, No. 28, item 3459; item 3469; 2001, No. 26, item 2586; No. 33 (part I), item 3424; 2002, No. 12, item 1093; Rossiyskaya Gazeta No. 126, July 1, 2003) and Article 4 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2002, No. 28, item 2790) and in accordance with a decision of the Board of Directors of the Bank of Russia (Protocol No. 18 of July 25, 2003) the following procedure for the establishment by authorised banks of correspondent relations with nonresident banks shall be introduced.

1. Establishment of correspondent relations:

the opening for authorised banks of nostro accounts in foreign currency in foreign banks registered in foreign countries or on territories granting a privileged tax regime and/or not stipulating the disclosure and furnishing of information in the conduct of financial operations (hereinafter, offshore zones), where by foreign banks shall be understood organisations that are banks or other credit organisations having a licence or another document enabling the conduct of banking operations and issued by an authorised body of the country of residence, or are juridical persons having the right to open correspondent accounts under the legislation of the foreign state (hereinafter, nonresident banks);

the opening by authorised banks for nonresident banks of loro accounts in foreign currency or in the currency of the Russian Federation in accordance with Instructions of the Bank of Russia No. 93-I of October 12, 2000 on the Procedure for the Opening by Authorised Banks of Bank Accounts of Nonresidents in the Currency of the Russian Federation and for the Conduct of Operations under Those Accounts (registered at the Ministry of Justice of the Russian Federation on November 28, 2000, No. 2469) (Vestnik Banka Rossii No. 66-67 of December 7, 2000).

The list of the states and territories where the offshore zones are situated is given in Annex No. 1 to this Direction.

2. Authorised banks may establish correspondent relations with nonresident banks registered in the states and on the territories indicated in Item 1 of Annex No. 1 to this Direction in accordance with the legislation of the Russian Federation disregarding the requirements of Item 3 of this Direction.

3. Authorised banks may establish correspondent relations with nonresident banks registered in the states and on the territories indicated in Items 2 and 3 of Annex No. 1 to this Direction only if one of the following conditions is observed:

3.1. the nonresident bank has own funds (capital) not less than an amount equivalent to 100 million euros calculated at the rate of exchange of the central (national) bank of the state on whose territory is registered the nonresident bank as on the date of the latest financial reporting date for the nonresident bank preceding the date of the conclusion of an agreement on the establishment of correspondent relations and has submitted the following documents with a Russian translation attested in the established procedure:

copies of the audit conclusions on the reliability of the financial reporting of the nonresident bank with the attachment of the financial reporting forms whose reliability was confirmed by an audit organisation (an auditor) by the delivery of a conclusion on the reliability of the financial reporting of the nonresident bank for the latest three years of its activity;

documents confirming that the nonresident bank has a permanent office in the state where the nonresident bank is registered;

3.2. the nonresident banks meet the requirements indicated in Annex No. 2 to this Direction.

4. With nonresident banks which are, in relation to the authorised banks, affiliated or main banks, and also with the central (national) banks of the foreign states and territories that are indicated in Annex No. 1 to this Direction, the authorised banks shall establish correspondent relations in accordance with the legislation of the Russian Federation disregarding the requirements of Item 3 of this Direction.

5. The authorised banks shall submit to the Bank of Russia information about the opened correspondent nostro accounts in nonresident banks and the loro accounts for nonresident banks in the procedure established by the Bank of Russia.

6. This Direction shall enter into force upon the expiry of ten days after the day of its official publication in Vestnik Banka Rossii.

Chairman of the Central Bank of the Russian |
Federation

S.M. Ignatyev

Registered by the Ministry of Justice of the Russian Federation on September 10, 2003
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**Annex No. 1 to Direction
of the Bank of Russia
No. 1317-U of August 7, 2003
on the Procedure for the Establishment by Authorised Banks
of Correspondent Relations with Nonresident Banks Registered
in States and on Territories Granting a Privileged Tax Regime
and/or Not Stipulating the Disclosure and Furnishing of Information
in the Conduct of Financial Operations (in Offshore Zones)**

**List of States and Territories Granting a Privileged Tax Regime and/or Not Stipulating the
Disclosure and Furnishing of Information in the Conduct of Financial Operations (Offshore Zones)
(with the Amendments and Additions of December 27, 2006)**

1. Group One:

1.1. Certain administrative units of the United Kingdom of Great Britain and Northern Ireland:

- Channel Isles (the islands of Guernsey, Jersey, and Sark)

- the Isle of Man

1.2. Ireland (Dublin, Shannon)

1.3. Republic of Cyprus

1.4. Republic of Malta

1.5. People's Republic of China (Hong Kong (Siangan))

1.6. Grand Duchy of Luxembourg

1.7. Swiss Confederation

1.8. Republic of Singapore

2. Group Two:

2.1. Antigua and Barbuda

2.2. Commonwealth of the Bahamas

2.3. Barbados

2.4. State of Bahrain

2.5. Belize

2.6. Brunei Darussalam

2.7. Territories dependent on the United Kingdom of Great Britain and Northern Ireland:

- Anguilla

- Bermudas

- British Virgin Islands

- Montserrat

- Gibraltar

- Turks and Caicos Islands

- Cayman Islands

2.8. Grenada

2.9. Republic of Djibouti

2.10. Commonwealth of Dominica

2.11. People's Republic of China (Macao (Aomin))

2.12. Republic of Costa Rica

2.13. Lebanese Republic

2.14. Republic of Mauritius

2.15. Malaysia (Labuan island)

2.16. Republic of Maldives

2.17. Principality of Monaco

2.18. Netherlands Antilles

2.19. New Zealand:

- Cook Islands

- Niue
- 2.20. United Arab Emirates
- 2.21. Abrogated
- 2.22. Portuguese Republic (Madeira island)
- 2.23. Independent State of Western Samoa
- 2.24. Republic of Seychelles
- 2.25. Saint Kitts and Nevis
- 2.26. Saint Lucia
- 2.27. Saint Vincent and the Grenadines
- 2.28. USA:
 - Virgin Islands of the United States
 - Commonwealth of Puerto Rico
 - State of Wyoming
 - State of Delaware
- 2.29. Kingdom of Tonga
- 2.30. Democratic Socialist Republic of Sri Lanka
- 2.31. Republic of Palau

3. Group Three:

- 3.1. Principality of Andorra
- 3.2. Federal Islamic Republic of the Comoros:
 - Anjouan islands
- 3.3. Aruba
- 3.4. Republic of Vanuatu
- 3.5. Republic of Liberia
- 3.6. Principality of Liechtenstein
- 3.7. Republic of Marshall Islands
- 3.8. Republic of Nauru
- 3.9. Serbia and Montenegro (Republic of Montenegro).

**Annex No. 2 to Direction
of the Bank of Russia
No. 1317-U of August 7, 2003
on the Procedure for the Establishment by Authorised Banks
of Correspondent Relations with Nonresident Banks Registered
in States and on Territories Granting a Privileged Tax Regime
and/or Not Stipulating the Disclosure and Furnishing of Information
in the Conduct of Financial Operations (in Offshore Zones)**

For the purpose of Subitem 3.2 of this Direction the following requirements shall be established:
1. Nonresident banks having a credit rating not lower than one of those indicated in the table:

Name of the rating company	Name of the assessment criterion	Indicator
Moody's	degree of long-term creditworthiness	not lower than AaZ
Standard and Poor/FITCH Ratings	degree of long-term creditworthiness	not lower than AA-

2. Nonresident banks from among the thousand major banks of the world by value of their assets according to the data of the manual Bankers' Almanac (publishing house Reed Business Information, UK, any issue of the manual Bankers' Almanac published in the calendar year preceding the calendar year of the opening of the correspondent account shall be used).