

Guide to Beneficial Ownership Information: Legal Entities and Legal Arrangements

The purpose of this country-specific guide is to provide assistance to investigators on the type of information that is available on the natural persons who control legal persons and arrangements, such as companies and trusts, or otherwise play an important role in a legal person and arrangement in **Russia**, and the conditions that need to be met to be able to access such information. For ease of reference, the Contents of the guide are listed below.

Contents

Contents	1
I. Definitions and Company Formation Process	2
II. Types of Legal Entities.....	5
Limited Liability Company	5
Joint Stock Company	5
III. How to Access Information.....	7
Registry	7
Register update	7
Other Channels.....	9
Other Designated Non-Financial Businesses and Professions.....	10
IV. Other Useful Sources of Information.....	11

I. Definitions and Company Formation Process

1. What is the definition of legal ownership in Russia?

Legal ownership is defined as the priority of possession, enjoyment and disposal of property (article 209 of the Civil Code of the Russian Federation).

2. What does “beneficial ownership” mean in Russia?

Federal Law no. 115-FZ dated 7 August 2001 defines the beneficial owner. In the context of the CDD measures implemented by financial institutions, the beneficial owner is defined by Article 3 as: “a natural person who directly or indirectly (*i.e.*, through a third person) owns (*i.e.*, has a predominant stake of over 25 per cent in the capital of) a client being a legal entity or has the possibility of controlling the actions of the customer. The beneficial owner of the customer that is an individual shall be deemed such person, except for the cases when there are grounds to consider that the beneficial owner is another individual.”

More broadly, article 6.1 defines the beneficial owner as “a natural person who directly or indirectly (*i.e.*, through a third person) owns (*i.e.*, has a predominant stake of over 25 per cent in the capital of) a legal entity or has the possibility of controlling the actions of the legal entity.

3. How are legal entities (companies, partnerships, foundations, etc.) formed in Russia?

There are four major steps in the formation of a company in Russia:

1. The founders decide to create a legal entity
2. The founders approve the incorporation documents of the legal entity
3. Necessary documents (see below) are submitted to the State Registry of Legal Entities
4. The State Registration of Legal Entities records the information and documents in the Unified State Registry of Legal Entities. The company is registered in the State Registry of Taxpayers at the same time.

4. What is the role of Company Registries in Russia?

The role of the Company Register is to keep record the information and documents submitted with a view to register a company, and verify the fact of registration of an entity. The Register records the information and documents provided as well as the subsequent modifications of already recorder information. The Company Registry is available to the public.

5. How is basic information and information on beneficial ownership on legal entities obtained and recorded in Russia?

Legal entities, including limited liability companies and joint stock companies, are required to have information on their beneficial owners, pursuant to the provisions of Article 6 of the Federal Law no. 155-FZ. Information on the beneficial owners includes:

- surname, name and patronymic name (except as otherwise provided in a law or a national custom);
- citizenship;
- date of birth;

- identification document details;
- details of an immigration card or a document certifying rights of a foreign citizen or a person without citizenship to stay (reside) in the Russian Federation;
- address of the place of residence (registration) or stay;
- personal tax reference number (if any).

Legal entities are also required to:

- regularly, but at least once a year, update the information on their beneficial owners, and to document this information;
- record information on their beneficial owners for at least five years from the date of receipt of the information.

In accordance with item 4 of article 6.1 of the Federal Law № 115-FZ a legal entity is entitled to request from individuals and legal persons who are founders or members of the legal entity or otherwise control it, the information needed to establish their beneficial owners.

Pursuant to item 5 of article 6.1 of the Federal Law № 115-FZ natural and legal persons who are founders or members of a legal entity, or otherwise controlling it, are obliged to provide this legal entity with the information available to them and necessary to establish its beneficial owners.

By virtue of item 6 of article 6.1 of the Federal Law № 115-FZ a legal entity is obliged to make the recorded information about their beneficial owners, or on measures taken to establish in respect of their beneficial owners of the above-mentioned information available upon request from Rosfinmonitoring (FIU), the tax authorities.

Finally, financial institutions, including credit institutions, professional participants of the securities, are required to obtain similar information on the beneficial owners of their customers that are legal entities, and to record it for at least five years

6. How is information on legal arrangements obtained and recorded in **Russia?**

Article 3 of the Federal Law no. 115-FZ defines foreign legal arrangements as an “organisation established in accordance with the laws of a foreign country (or territory) without forming a legal entity (e.g., fund, partnership, association, trust, another form of exercise collective investments and/or the trust deed).” Pursuant to that law, such organisations “are entitled to carry out activities aimed at the recovery of income (profit) for the benefit of its members (shareholders, principals or others) or other beneficiaries”.

Unlike legal entities, legal arrangements are not registered in Russia. However, information on the beneficial owners of legal arrangements is gathered and recorded (from the date of termination of the relationship with the client) by financial institutions, which are subject to the following AML/CFT obligations:

1. Identification of the client, the client's representative and/or the beneficiary prior establishing the business relationships with the client. This includes obtaining the following details on a foreign structure without legal entity:
 - name;
 - registration number (s) (if any) assigned to foreign entities without a legal entity in the state (territory) of its registration (incorporation) at the time of registration (incorporation);

- code (s) (if any) of the foreign structure without forming a legal entity in the state (territory) of its registration (incorporation) as a taxpayer (or their equivalents);
- place of main activity.

In respect of trusts and other foreign organizations without a legal entity with a similar structure and function are as well established:

- composition of assets under management (property);
- surname, first name, patronymic name (if applicable) (name);
- address of residence (location) of the founders and a trustee (manager).

2. Taking reasonable and available measures to identify the beneficial owners of the customer, including the following information:

- surname, name and patronymic name (unless otherwise provided by law or national custom;
- citizenship;
- date of birth;
- identification document details;
- migration card details - a document confirming the right of a foreign citizen or stateless person to stay (reside) in the Russian Federation;
- address of residence (registration) or place of residence;
- taxpayer identification number (if any).

Financial institutions are required to provide the information available on their customers, including on the beneficial owner, to the Rosfinmonitoring (FIU) upon request

II. Types of Legal Entities

There are many types of legal entities able to be formed in **Russia**. This Guide will provide information on two commonly used entities:

Limited Liability Company

Type of legal entity	Limited Liability Company	
What is the minimum number of natural persons required for formation?	1	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)?		X
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		X
Is the entity required to hold financial account(s) in jurisdiction of formation?		X
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?		X
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		

Joint Stock Company

Type of legal entity	Joint Stock Company	
What is the minimum number of natural persons required for formation?	1	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)?		X
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		X
Is the entity required to hold financial account(s) in jurisdiction of formation?		X
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?	X	
If so, are they required to disclose their status as nominee shareholders?	X	

If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		X
---	--	---

III. How to Access Information

Registry

The registry in **Russia** is called *Unified State Registry of Legal Entities*.

The company registry is available online at <https://egrul.nalog.ru>; www.nalog.ru/rn77/service/egrip2/

Contact information for the registry is provided here:

Name: Mr. Denis Kuzmichev,
Deputy Head of the Directorate for Taxpayers Registration and Record
Agency: Federal Tax Service of Russia
Address: Moscow, Neglinnaya st., 23
Email: mns11406@nalog.ru; mns11708@nalog.ru

In general, the following information is publicly available online (free or for a nominal fee, with no log-in requirements):

1. Name of Legal Entity
2. Entity Number
3. Type of Legal Entity
4. Date of Incorporation
5. Current Status (active, etc.)
6. Principal Address of Business
7. Principal Purpose of Business
8. Registered Capital
9. Officer/Director Information
10. Application/Certification of Formation
11. Payment Records
12. Historical Documents

Articles of incorporation are not available online, but may be available through another form of public access (*i.e.* in person only or via a pre-registration requirement) or to law enforcement.

Register update

Legal entities are required to notify changes to the information registered in the Company Registry.

Submitting inaccurate information about legal entity is subject to administrative fine for officials in the amount of 5 to 10 thousand Rubles. Submitting misleading information to the registering authority leads to the disqualification of the officials for the period of 1 to 3 years (if this action is not a criminal offence).

	Online Access (free or for nominal fee, no log-in requirements)	Other Public Access (available in person only or via pre-registration requirement)	Law Enforcement Access only	For Information/ documents accessible only by Law Enforcement, please describe how an investigator may access information
Name of Legal Entity	X			
Entity Number (if any)	X			
Type of Legal Entity	X			
Date of Incorporation	X			
Current Status (active, etc.)	X			
Principal Address of Business	X			
Principal Purpose of Business	X			
Registered Capital	X			
Registered Agent Information				
Officer/ Director Information (incl. power of representation)	X			
Shareholder/ Member Information				
Memorandum				
Articles of Incorporation		X		
Application/ Certificate of Formation	X			
Annual/ Biennial Reports				
Shareholder Register				
Register of Charges				
Bank Account Information			X	On request
Payment Records	X			
Historical Documents (example: past annual filings)	X			

Other Channels

The explanation below outlines the channels by which foreign authorities may obtain information on legal entities, legal arrangements, or relevant persons from different sources in **Russia**.

Channels through which foreign authorities may obtain information

Legal entities/ Relevant Individuals (directors, shareholders, managers, associates, family members, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals		X				
Records/ documents	X		Information exchange is carried out by the FIU upon request or on its own initiative, in the manner and on the grounds provided for by the international treaties or on the basis of reciprocity			

Legal arrangements/ relevant individuals (trustees [nonprofessional], settlers, beneficiaries, protectors, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals		X				
Records/ documents	X		Information exchange is carried out by the FIU upon request or on its own initiative, in the manner and on the grounds provided for by the international treaties or on the basis of reciprocity			

Financial Institutions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel		X				
Accounts records/ documents	X		Information exchange is carried out by the FIU upon request or on its own initiative, in the manner and on the grounds provided for by the international treaties or on the basis of reciprocity			

Trust and Company Service Providers

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel		X				
Accounts records/ documents	X		Information exchange is carried out by the FIU upon request or on its own initiative, in the manner and on the grounds provided for by the international treaties or on the basis of reciprocity			

Other Designated Non-Financial Businesses and Professions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel		X				
Accounts records/ documents	X		Information exchange is carried out by the FIU upon request or on its own initiative, in the manner and on the grounds provided for by the international treaties or on the basis of reciprocity			

IV. Other Useful Sources of Information

Resource Name	Web Link
Assets recovery: practical step-by-step guidance on international cooperation	https://star.worldbank.org/star/sites/star/files/guiderussia_en.pdf