

Up-and-coming amendments to Russian legislation

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New securitisation law highlights – not only about securitisation

- ✓ Various tools for structuring ABS and project finance transactions.
- ✓ Easing regulation for international clearing systems reporting.
- ✓ Introducing two types of special purpose entities (SPV):
 - special purpose finance company, and
 - project finance companywith similar regulation.
- ✓ Russian regulated investors (pension funds, insurance companies, the national fund of wealth) are getting opportunity to invest into bonds with appropriate ratings issued by SPVs disregarding the origin of underlying asset.

SPV

- ✓ Non-petition clause can be included into the creditors' agreement
- ✓ Ring fence principle applied to SPVs asset
- ✓ The right to take any legal action against SPV is delegated to a sole representative. In case of several tranches – based on the decision of holders of senior tranche

Foreclosure on collateral

- ✓ Bondholders' representative may sell the collateral by tender in accordance with the conditions, manner and terms approved by the bondholders

Taxation

- ✓ The same approach as used in traditional RMBS transaction

New types of bank accounts

- ✓ Escrow accounts
- ✓ Nominee accounts
- ✓ Collateral accounts

Bondholders' sole representative (security trustee)

- ✓ From 1 July 2014 a bondholders' representative can be appointed for newly placed bonds
- ✓ New opportunity for structuring bonds containing derivative elements
- ✓ Sole representative becomes compulsory for all public placements after 2016

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