



LEGAL ALERT

December 11, 2012

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LCP NEWS & EVENTS

- Legal Capital Partners won Cbonds Best Law Firm on the Bond Market of the Year 2012 at Cbonds Awards-2012 ceremony held December 7, 2012 based on opinion of 500 professional market players (opinion poll was held among major banks, international rating agencies, stock exchanges, and first-tier issuers).

For details visit:

<http://www.cbonds.info/ru/rus/news/index.phtml/params/id/620259>,
http://finparty.ru/section/event_business/17447/ and our Facebook page at <http://www.facebook.com/lecap.ru?ref=ts>

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I.

Regulation of the Russian Government of 01 December 2012 № 1238

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Regulation of the Government of the Russian Federation of 01 December 2012 № 1238 “On state registration of the terms of issue and circulation of government securities of constituent entities (States) of the Russian Federation and municipal securities, amendments to the terms of the issue and circulation of securities and reports on the issue” (hereinafter referred to as the «Regulation»).

The Regulation cancels current Regulation of the Government of the Russian Federation of 30 September 2012 № 754 «On state registration of legal acts, containing terms of the issue of government securities of constituent entities (States) of the Russian Federation or municipal securities and reports on results of securities issue» (with rev. and add.).

Unlike the current law the Regulation establishes a new requirement for an external bond issue of a constituent entity (State) of the Russian Federation.

Pursuant to the Regulation the international scale credit rating of a constituent entity (State) of the Russian Federation and (or) of the debt securities of a constituent entity (State) of the Russian Federation, estimated by not less than 2 international rating agencies, should not be lower than of similar ratings assigned by such agencies to the Russian Federation and (or) to debt obligations of the Russian Federation.

Among such international rating agencies are the following: Fitch Ratings Ltd., Moody's Investors Service, Standard & Poor's Rating Services, a division of McGraw-Hill International (U.K.) Limited.

Earlier the fact itself of assigning the rating by two agencies was enough to implement an external bond loan, the requirement for its value used not to be established.

The Regulation also contains a range of technical amendments to the procedure of the registration of the documentation upon the issue of government securities of constituent entities (States) of the Russian Federation and municipal securities.

The Regulation becomes valid within 7 days from the date of its official publication. Not published yet (10 December 2012).