

OVERVIEW OF COMMON TYPES OF LEGAL ENTITIES IN RUSSIA

According to Russian legislation, there are several types of business structures available for investor. The most common, as in almost all jurisdictions, are Limited Liability Company ([find out how to establish LLC here](#)), Joint Stock Company, Representative Office, and Branch Office. Surely, other known forms exist, but they are usually chosen for special cases and structures, usually upon consultation with legal expert.

Russian legislation recognizes and regulates as well legal form for individual entrepreneurs. However, foreign individual entrepreneurs are required to have temporary or permanent residence permit in Russia.

All forms of legal entities are defined by the Civil Code of the Russian Federation.

Most of our clients and investors choose following legal entity forms:

- **Limited Liability Company (“obshchestvo s ogranichennoy otvetstvennostyu” – LLC)**, usually designated by abbreviation OOO. Considered as one of the simplest legal forms, it is most used by the investors.

Minimal charter capital of LLC is RUB 10.000

LLC can have up to 50 participants. In case the number of maximum participants is exceeded, an LLC is obliged to re-register as a Joint Stock Company

- **Joint – Stock Company (“aktsionernoye obshchestvo” – JSC)**

can be public or private (non-public). The difference is that public JSCs can offer their shares by public offering, while the private JSCs enjoy much more flexibility.

The charter capital of JSC is divided into shares. Minimum charter capital for JSC is RUB 100.000 for a public and RUB 10.000 for private JSC.

▪ **Economic partnership (“khozyaystvennoye partniorstvo”)**

Is form of legal entity that ensures more flexibility than LLC and JSC and is usually suitable for new technology sector.

Process of establishment and structuring is very similar to LLC and JSC, but advantage of this structure lies in the rights and obligations of participants, management of company and profit distribution are regulated to be more flexible and requires less administration.

Beside these, there are other corresponding structures of legal entities, that are sometimes chosen by investor, such as:

▪ **Representative Office (“predstavitelstvo”)**

Is office usually set-up to represent interests of the parent company.

Even if it is not considered as separate legal entity, Representative Office of a company can conduct business in Russia without problems and falls under all legal and tax regulations of the country. Representative Office is an extension of foreign parent company.

▪ **Branch Office (“filial”)**

Is as well office, registered to represent interests of the

parent company. It can carry out profitable activities and is considered as extension of foreign parent company.

Our legal experts are there to advise you when choosing the right legal entity structure for your business in Russia. To schedule an initial call and find out more – get in touch with us! So far, we have established more than 200 legal entities in Russia from all around the world.

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