

OOO Artax Rufil Consulting

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1. Guideline for Establishing a Limited Liability Company in Russia (OOO)

1.1 Name of the company

With the foundation of the company, the exact trade name must be set.

It should be mentioned, that Russian law prohibits the use of some definite terms in the trade name. The term "Rossiyskaya Federazia" (Russian Federation) as well as full or derived terms of official titles of the Russian Federation - e.g. "Rossiya" (Russia) or abbreviations - e.g. "Ros" – according to Article 1473 of the Civil Code of the Russian Federation (CC RF) generally may not be used as a part of the company name. The use of city names may be subject to special approval or extra charges.

1.2 Management structure of the company

The two mandatory corporate organs are:

- ✓ The shareholders' meeting and
- ✓ The General Director or a management company as a single executive organ

The position of the General Director is similar to the position of a CEO. The range of his responsibility includes the daily administration.

The General Director's power of representation is not restricted externally. Even though it is possible to limit the power of his representation by the statutes, this limitation is only effective towards third parties if they are aware of the restriction.

The statutes should determine the period for which the General Director is appointed.

The General Director is an employee in terms of the Russian law. The employment contract, signed by him, is subject to the mandatory labor law. If the General Director is a foreigner, he must have a work permit and a work visa in Russia.

1.3 Share capital of the company

The minimum share capital is RUB 10.000 (approx. 140 EUR) and must be drawn within four months after the registration of the "OOO".

1.4 Headquarters of the company

The exact location of the company must be found before registration. The Russian authorities require proof that specific premises exist where the founding company will be located. Artax Rufil Consulting can provide you with a legal address in Moscow.

1.5 Required procedure for a Start-up

The Start-up procedures of an “OOO” essentially comprise the following steps:

- ✓ Resolution on the establishment of the “OOO”;
- ✓ Confirmation of the Articles of Association;
- ✓ Signing of the foundation contract (if the company in question has two or more founders);
- ✓ Registration of the “OOO” by notary in Russia;
- ✓ Opening of the bank account and payment of the share capital to the new account.
- ✓ The shareholders’ share capital contribution should be paid by money transfer.

For the registration at the State Register of legal entities you need to apply to the Russian tax authorities in charge. The registration is done within one to two weeks after the submission of the application and the required documents.

The applications for the registration must be signed by the shareholders in their own name. The signed document needs to be notarized; therefore, it is necessary that all shareholders sign the application personally in the presence of a notary. The submission and collection of the documents at the tax authorities can be done on the grounds of a power of attorney.

1.6 After the registration of the company

The following steps must be taken to complete the foundation of the company:

- ✓ Creation of the company’s stamp;
- ✓ Opening of the bank accounts;
- ✓ Issuing of the list of shareholders;
- ✓ Company’s Registration at the insurance funds and their notification.

1.7 Deadlines and required documents

The registration itself is usually completed within 14 working days after submission of all documents. The entire preparation and establishment of an “OOO” until the opening of bank accounts generally takes up to six weeks.

For the foundation of a limited company, the following information and documents are needed:

- ✓ Full and abbreviated trade name of the company
- ✓ Russian Address of the company with a telephone number
- ✓ Types of activities of the company
- ✓ Full name of the person signing the application of the registration at the notary, passport details (scanned copy of the passport and, if there are any, of the visa), address and telephone number.

Documents needed:

- ✓ Authorization from each founding shareholder for our lawyers for undertaking all actions related to the establishment of the “OOO”, with a notarial certified signature of the authorized person(s), of the principal and added with an apostille pursuant The Hague Convention. Our in-house lawyers will prepare a draft of the authorization for you;
- ✓ A certified copy of the extract from the Trade Register with an apostille. By the time of the

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submission the extract should not be older than 3 months.

✓ A certified copy of each shareholders' contract with an added apostille.

All documents issued outside Russia need an apostille. The necessary translations of the documents listed above, are to be made in Russia. The apostille must be prepared in your country, at the competent authority. We ask you to provide us with scanned copies via E-mail in advance and then send the originals by a specialized document courier service. Never send documents in Russia by standard post service.

1.8 Accounting accompaniment in Russia

All companies registered in Russia, including representations of foreign companies, are legally obliged to keep an account and report to the authorities regularly. This obligation also exists if the company is not or not yet commercial. When assigning an accountancy mandate, we recommend that the responsible accountant be a Chief Accountant certified in Russia and speaks fluent English. We provide accounting outsourcing services to international companies in Russia.

1.9 Interim Management in Russia

Interim Management is the temporary taking over of the function of the general manager through **our lawyer**. During the foundation of your company interim management can help you to be able to join in business from day one.

Our aim: We want your company in Russia to be capable of doing **business immediately** while you have **complete control** over your company at the same time. We can guarantee this due to our in-house lawyer as your interim manager.

The duties of the Interim Manager usually are as follows:

- ✓ Signing of the accounting and other documents, which are to be signed by the General Director;
- ✓ Signing of authorizations and contracts on the anticipated approval of the client;
- ✓ Signing of any documents related to the administration of personnel;
- ✓ Signing an invitation and all related documents for the work permit.

1.10 Work permit in Russia

A foreign employee requires a work permit to be able to work in a company in Russia. The easiest way to get the Russian work permit is through being granted the official status of a "high qualified specialist" (HQS). A foreigner gets the HQS status when he works in a Russian company and gets a salary of not less than 167.000 RUB per month.

The processing of a high-qualified work-permit application through the Russian Migration authority (UFMS) usually takes between two and three months.

Closing words:

This brochure is a summary and partly schematic overview of the rules and requirements provided by the legislation in Russia. It is for informational purposes only and does not offer any legal advice. It is recommended to receive an individual consultation on the matter before making a transaction.

We at Artax Rufil Consulting solve problems, provide solutions and optimize international tax and
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corporate strategies. Therefor we break new ground, set new standards and improve the quality of life for our clients, employees and investors!

If you have any questions, please do not hesitate to contact our office in Moscow/ Russia.

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