

Process Description: Establishing a Limited Liability Company in Russia (OOO)

This Document outlines the steps in the process and requirements of setting up a Limited Liability Company (OOO) in Russia. For the prices and the explanation of the other services, please refer to the attached offer.

A. Steps of the Establishment of a Limited Liability Company in Russia

1. Overview

An LLC (called "**OOO**" in Russia) can carry out any kind of business activities that are not prohibited. Some activities are only allowed if appropriate licenses have been issued. We are happy to offer you support in obtaining these licenses. Please approach us separately regarding this.

An OOO is considered established starting from its entry in the "Uniform State Register of Legal Persons", maintained by the tax office. However, the company can only perform the functions it was set up for once the operational bank accounts have been opened.

2. Name of the company

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

It should be mentioned, that it is prohibited by Russian law to use trade names which concern the terms "Rossiyskaya Federaziya", "Russian Federation", as well as full or derived terms of official titles of the Russian Federation – e.g. "Rossiya", "Poc", "Ros", etc. The use of city names like "Moscow", "Mos" may be subject to special approval or extra charges.

3. Management structure

Two executive bodies are mandatory:

- The shareholders' meeting and
- The general director 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 of an "OOO" is established.

The general director is an employee of the organization in terms of the Russian law. The employment contract, signed by him, is subject to the Russian labor law. If the general director is a foreigner, he needs a work permit and a working visa in Russia.

4. Share capital

The minimum share capital of an "OOO" is RUB 10.000 (approx. 140 EUR). The share capital must be paid not later than four months after the registration of the "OOO" at the "Uniform State Register of Legal Persons" by the mother company.

5. Legal address of the company

The company must set its legal address before the registration. Russian authorities require proof that a legal address exists and will check where the company will be located. To prove this, usually a rental contract and a guarantee letter of the landlord are needed. In case you do not have a legal address yet – we can grant you our Moscow office address for an interim period. For the provision of a legal address we charge our clients a monthly rate plus a one-time-set-up-fee (see offer).

6. Procedures of the set-up of the company

The set-up procedure for an "OOO" essentially consists of the following steps:

- Resolution on the establishment of the "OOO";
- Confirmation of the articles of association;
- Signing of the shareholders contract (if the company has two or more founders);
- Registration of the "OOO" at a notary in Russia;
- Opening of the bank accounts and deposit of the share capital;

The registration at the state register of legal entities must be done at the Russian tax authorities and usually takes one or two weeks. The application for the registration must be signed by the shareholders personally, in their own name and in the presence of a Russian notary.

The submission and collection of the documents at the tax authorities can be done on the grounds of a power of attorney.

7. After the registration of the company

After the registration of the company, the following work steps must be done:

- 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.

8. Deadlines and documents required

The registration of the OOO by the tax authority usually takes place within seven days to a maximum of two weeks after the submission of all necessary documents. The entire preparation and set-up procedure of an OOO up to the opening of operational bank accounts takes up to 8 weeks in practice. The preparation of the documents abroad takes most of the time in this process. After all documents are available in Russia, the opening including bank accounts takes about 3 to 4 weeks.

9. Needed Information

- Full and abbreviated trade name of the company
- Russian Address of the company with 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.

In the context of the foundation further information may be needed, which we will ask for timely.

10. Needed Documents

- **Notarized authorization from each founding shareholder with apostille** 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 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 their submission the extract should not be older than 3 months.
- A certified and notarized copy of the shareholders' contract of each shareholder added with 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 responsible authority. Your documents must be notarially certified and an apostille must be added. We will ask you to send us scanned copies via E-mail in advance and the originals by specialized document-courier-service. Never send documents in Russia by standard post service.

All extracts and copies of company records must not be older than 3 months.

11. Accounting accompaniment

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. Rufil Russia Consulting provides complete accounting outsourcing packages to its international customers in Russia.

Please refer to the offer for detailed prices.

What to do next?

We hope to have provided you with all the required information for your decision. The next step would be the closing of a service contract between our two companies. After the closing of a service contract we would connect you to our legal professionals and start working for you immediately.

This offer is valid for a period of three months. If you have any further questions, we are available for you at any time. We also gladly offer you to arrange a video call with us or a personal meeting in Moscow. We are looking forward to working with you in the future.

We want you to be successful in Russia!

Yours sincerely,



Philipp Rowe/ Managing Director