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Watchdog Aims to Eliminate Restrictions on Foreign IPOs

By The Moscow Times

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The government aims to lift restrictions on Russian companies' initial public offerings on international bourses once a long-awaited law on insider trading comes into force, Vladimir Milovidov, head of the Federal Service for Financial Markets, said in an interview.

"There is readiness for [removing restrictions]," Milovidov said.

The watchdog tightened regulation on Russian companies' foreign IPOs from early 2010, limiting the size of share offers to no more than 25 percent.

"We are not going to change it in the very short term, but for us it is a temporary, forced measure," Milovidov said.

He said the lack of a law on insider trading was one of the biggest obstacles preventing his service from easing the curbs. He also cited the lack of a clearing law and uncertainty over a

central securities depository as the other hurdles.

"A resolution of these issues would be a good reason to lift all restrictions, to give complete freedom, as there are no economic or infrastructural barriers for that," Milovidov said.

The tighter regulation has provoked criticism in financial circles, with experts saying it prompted some Russian companies to waive IPO plans while others moved offshore.

"This is their right to ignore the national stock market. But I think that this is a sign of being unattractive to investors," Milovidov said.

Four Russia-originated companies — O'Key, Mail.ru Group, Mostotrest and TransContainer — are holding pre-IPO roadshows, but only two of them plan to list both in London and Moscow.

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