

Strategic Sectors Opening More to Foreigners

By [The Moscow Times](#)

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The government met on Wednesday to discuss amendments to the law on access by foreign companies to strategic sectors of the economy, the government press service said.

To invest in companies working in any of 40 sectors the government has deemed strategic, foreigners must be approved by a commission headed by Prime Minister Vladimir Putin — who promised German investors in November that the procedure used by the commission would be simplified.

There is a proposal to remove a number of economic activities from the restricted list, according to documents prepared in advance for the government meeting.

They include activities with infectious materials of the pathogenicity group, including bacteria used in cheesemaking and the dairy industry, as well as with radioactive material used for X-rays, baggage examination equipment and similar devices.

Foreigners will soon no longer need approval to buy large shares in Russian commercial banks and will be able to participate in their securities trading. This will not be true for state banks, however.

Deals such as stock issues that do not change the share of foreign shareholders in a strategic company will also no longer need approval.

The amendments are sensible and protect the rights of current and future investors in those businesses, said Prosperity Capital corporate management director Denis Spirin.

Another problem concerns the possible need for approval deals when a Russian buyer has indirect interaction with foreign companies or, as is the case for most Russian companies, it has foreign subsidiaries. The amendments do not address that issue, Spirin said.

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