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State Duma Backs Putin's Foreign Assets Bill

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The State Duma on Friday unanimously passed in a first reading a bill submitted by President Vladimir Putin that would prevent government officials from holding money in overseas banks or owning foreign-issued bonds and shares.

The bill, which supporters say will restrict corruption and foreign influence in Russia, would oblige officials to close their foreign accounts and sell any overseas assets within three months of the legislation coming into force.

Speaking before the Duma, Irina Yarovaya, head of the State Duma's Security and Anti-Corruption Committee and a senior figure in United Russia, stressed that the latest bill bore Putin's signature and that public opinion was behind him.

"This is yet another step toward forming a systemic government policy on defending state interests and cracking down on corruption," Yarovaya said, calling on her Duma colleagues

to support the president's efforts to build "a new legal culture."

Vladimir Zhirinovsky, the flamboyant leader of the nationalist Liberal Democratic Party, told lawmakers that his party supported the legislation, saying that "high-ranking politicians should not have one kopek abroad."

According to the bill, noncompliant officials would be fired, even though an earlier bill passed in a first reading last year stipulated fines of up to 10 million rubles ($333,000) or five-year jail terms for those who don't give up certain foreign assets.

The earlier bill, which was drafted by lawmakers from all four Duma factions and aims to ban officials from owning property abroad, is being amended. It is expected to be passed together with Putin's bill, which would apply to federal and regional officials, senior prosecutors and employees at the Central Bank.

Observers interpreted the decision to allow officials to own overseas property in the bill submitted by Putin as a softening of the Kremlin stance.

Both bills would apply financial restrictions to officials' spouses and children, in whose names accounts and assets are often registered so officials can bypass declaration rules. But diplomats and others serving abroad would be entitled to keep overseas assets.

Meanwhile, in a separate bill, lawmakers on Friday voted in favor of extending the financial restrictions to members of Prime Minister Dmitry Medvedev's Cabinet.

The bills must pass two more Duma readings and be approved by the Federation Council before being signed into law, but Yarovaya said Friday that they could take effect before the end of March.

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