

# Foreign Ownership in IT Industry Faces Restrictions

By [The Moscow Times](#)

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Anatoly Karachinsky, at the VTB forum Tuesday, wants better support. **Guennadi Moukine**

Foreign ownership of large Russian IT companies may be restricted as part of a six-year development strategy for the industry waiting for approval by the government.

The strategy, devised by the Communications and Press Ministry and set for discussion by the cabinet in late October, identifies acquisitions by foreign IT giants as a major threat to the sector and proposes adding some IT companies to the list of domestic strategic enterprises, Vedomosti reported.

Since 2008, foreign investors and Russian companies with subsidiaries abroad, have been required by law to get permission from a special government commission if they wanted to buy shares in Russian companies operating in 42 strategic sectors, including the oil, gas and nuclear industries.

Yandex, the local internet search market leader, gave over a golden share to state-owned Sberbank in 2009, allowing it veto power over key corporate decisions. But a list for the IT sector was never drawn up.

Numerous senior executives at large Russian IT companies polled by Vedomosti supported the protection of certain areas of the industry.

Anatoly Karachinsky, head of IT service provider IBS Group, said that while local companies are of huge economic value, the right approach was not to protect them from foreign investment. Better to improve their business environment by, for example, supporting local companies with big state contracts, he said. Software company Luxoft demonstrates the current situation, he said, the firm has cutting edge technology and works worldwide, but does not have a single Russian client.

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