

Ministry Proposes Easing Corporate Governance Rules

By [The Moscow Times](#)

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The Economic Development Ministry plans to relax requirements for board approval of various business deals and transactions, Interfax reported Monday.

The changes are a part of the ministry's effort to create an international financial center in the Russian Federation, said an explanatory note that came with a bill amending the existing federal law on joint stock companies and limited liability companies.

The bill reduces the number of business transactions that require board of directors approval, including common economic activities, deals conducted by companies which have one owner-shareholder, business partnerships formed as a result of issuing shares, or business relationships formed as a result of company reorganization and transition of asset ownership.

The bill defines common economic activity as regular transactions conducted in accordance with common market prices within a framework of standard conditions.

Other activities that would no longer require the board's blessing are compulsory transactions, which are required by law and conducted in accordance with prices and tariffs regulated by the state.

The changes also add flexibility to approving activities that do not fall into the above categories. Other deals can now be approved even if all conditions have not yet been negotiated, as long as the contract specifies the minimum and maximum parameters of those conditions.

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