

Data Shows Declining Transparency for Some Types of Companies

By [The Moscow Times](#)

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The number of non-public Russian companies disclosing their financial information has halved in the last three years and continues to decline, according to data collected by the Center for Disclosing Corporate Information.

Over 1,000 nonpublic stock companies used their right not to disclose any information about themselves last year, as shown by data published on the center's website.

Typically, such firms would choose to publicize detailed information if they were trying to raise funds from institutional investors.

The number of nonpublic stock companies that publish in full information about their business activities and financial situation has been steadily decreasing in the last three years, dropping to 3,903 last year from 4,921 at the end of 2012 and almost 7,500 in 2010.

Legislation allows companies not to disclose information if they do not issue corporate bonds, their securities are not traded openly on the market and the number of shareholders does not exceed 500, Interfax said.

The number of joint stock companies, or OAO in Russian, which are obligated to disclose minimal information consisting of an annual report, accounting data, the charter and the list of shareholders, has also been on the decline. There were more than 40,000 such entities in 2010. As of Jan. 1 2014 there are 32,000.

As a result, the total number of companies, public and non-public, disclosing through authorized agencies complete information about their financial activities dropped to 22,316 on Jan. 1 from 23,040 a year ago.

During the same period, the number of overall corporate announcements released through the media decreased 6 percent to 298,000, the tax authority said. But the number of announcements about events and activities important to investors — board meetings, major deals, shareholder meetings, and so forth — remained stable or grew.

The Russian system for the disclosure of corporate information was established 10 years ago. It is based on the British model and provides free and unlimited access to information through five authorized channels. The Federal Tax Service also has basic information available on its website about legitimate companies.

The World Bank said in its report on compliance with the standards and rules of corporate management that Russia has fully implemented the principle of "fair and timely distribution of information."

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