

Russia Wants to Dodge Sanctions With More Secret Contracts

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A new proposal will help Russian state firms avoid incurring U.S. sanctions by [hiding](#) information about some public contracts from disclosure.

The Russian government pre-empted U.S. sanctions last year by [allowing](#) state firms to hide internal financial transactions. Recently passed legislation gave President Vladimir Putin the power to cut ties and ban trade with “unfriendly” countries, while lawmakers are still [debating](#) criminalizing compliance with sanctions.

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New sweeping amendments to a federal law proposed by the Russian Ministry of Economic Development would allow the government “to determine cases where business entities could avoid disclosing or providing information.”

The Federal Anti-Monopoly Service (FAS) could keep transactions it approves a secret, while the Central Bank could avoid publishing bank liquidation and restructuring information, according to the proposed amendments.

The legislation is designed to help 199 major enterprises avoid losses due to sanctions, the RBC business portal [cited](#) the FAS as saying over the weekend. The proposal is undergoing public comment until June 21, when it could be reworded, tweaked or scrapped entirely.

Legal experts told RBC the proposals will help sanctioned companies form new entities and escape blacklists, but could risk scaring off investors.

“If the shareholders and owners are impossible to establish, then it will be difficult to include them in the SDN [Specially Designated Nationals blacklist],” Rustam Kurmaev, managing partner at the Rustam Kurmaev & Partners law firm, was quoted as saying.

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