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Kremlin: Russian Firms Can Ignore 'Unfriendly' Foreign Shareholders

By AFP

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The Kremlin has given major Russian companies permission to disregard the votes of shareholders from so-called "unfriendly" countries this year as a means of combatting the effectiveness of Western sanctions.

The decree, signed by Russian President Vladimir Putin on Tuesday, stipulates that the regulations apply to big firms in the energy, engineering, and trade sectors with owners under international sanctions or even those with minority foreign shareholders, providing company turnover was over 100 billion rubles (about $1.5 billion) in the previous financial year.

The step comes as part of a series of measures taken by the Kremlin to mitigate problems linked to strict Western sanctions on Russia imposed after the launch of Moscow's military offensive in Ukraine.

Related article: Russia Expands List of 'Unfriendly' Countries

The heads of several Russian companies have recently complained of not being able to approve their company's annual budget or to modify the composition of its board of directors for lack of a clear directive on the validity of votes cast by foreign shareholders.

The "temporary" measure will remain in place until the end of this year, after which companies will have to decide themselves whether to count votes made by "unfriendly" shareholders or not.

Citing a source, the Russian news agency Interfax said the regulations would impact around a dozen companies.

Russia has massively increased the number of countries it officially deems to have committed "unfriendly actions against Russia, Russian companies and citizens," in the past year, from just two — the United States and the Czech Republic — in 2021 to 49 countries today, including all 27 EU member states.

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