

Azerbaijan

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Legalization of Official Documents

Azerbaijani Law No. 595-IIQD dated March 5, 2003 "On Accession to the Convention Lifting the Legalization Requirement for Foreign Public Documents"

Under the *Hague Convention*, which makes it no longer necessary to legalize foreign official documents, signatures, seals, or stamps may now be authenticated by affixing the appropriate apostilles either on the corresponding document itself or on a separate document attached to it. □

Russia

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Banking and Finance

Decision No. 03-54/ps of the Federal Securities Market Service dated December 26, 2003 "On Approval of the Regulation Governing Actions of Organizers of Trading on the Securities Market"

The Decision sets forth requirements with regard to actions taken to organize trading on the securities market. Such requirements apply to all professional participants of the securities market, including stock exchanges, that undertake to organize trading in Russia. A legal entity operating as a stock exchange does not have the right to combine stock exchange operations with operations of other kinds, save for operations related to currency and commodity exchange (i.e. operations to organize exchange trading), clearing of transactions involving securities and units of investment funds, distribution of information, publishing, and asset leasing. The decision details the licensing requirements and conditions that stock exchanges must meet to engage in business, and also lists the documents to be submitted by a stock exchange to the licensing authorities.

A clearing organization that provides clearing services in connection with deals closed on a stock exchange may only make use of centralized clearing systems. Special requirements are set

forth as to how clearing organizations must register participants in clearing operations and clients. Special requirements are also formulated in respect of clearing delayed performance transactions. A clearing center engaged in clearing delayed performance transactions does not have the right to concurrently engage in clearing related to other securities transactions.

Trading organizers (including stock exchanges) and clearing organizations are ordered to make their activities conform to the requirements of the aforementioned decision before July 1, 2004. Securities listed as of the effective date of the decision will be stricken off the lists after January 1, 2004 if their issuers fail to comply with the requirements of the approved Regulation "Governing Actions of Organizers of Trading on the Securities Market".

Corporate

Federal Law No. 5-FZ dated 24 February 24, 2004 "On Amendments to the Federal Joint Stock Company Law"

The amendments in question aim to enhance protection available to minority shareholders (shareholders not in possession of controlling interest). Henceforth, members of the board of directors of a joint stock company with any number of share-

holders are to be elected by cumulative voting. The number of directors must be at least five. This will enable shareholders holding together 20 percent or more of voting shares in a company to elect at least one director, whereas, in the case of ordinary voting, such shareholders would not be in a position to elect a single member of the board of directors.

Earlier, cumulative voting was an obligatory procedure in electing directors for joint stock companies in which the number of shareholders holding voting shares made up more than 1,000. A joint stock company with a smaller number of shareholders used cumulative voting only if the company charter so provided. The present federal law takes effect on the date of its official publishing.

Governmental Regulation

Decree No. 314 of the Russian Federation President dated March 9, 2004 "On the System and Structure of the Federal Bodies in the Executive Branch"

The Decree creates a three-tier system of federal bodies in the executive branch. The system is comprised of federal ministries, federal services, and federal agencies. As a result of the reorganization, the ministries were amalgamated and their total number was reduced to 14. The Russian Federation President has under his supervision five ministries, the Ministry of Emergencies, the Ministry of Defense, the Ministry of the Interior,

the Ministry of Foreign Affairs and the Ministry of Justice, and a number of federal services, including the Foreign Intelligence Service, the Federal Security Service and the Federal Secret Service, together with their corresponding federal agencies. The Russian Government will supervise nine ministries with their subordinated federal services and agencies. In addition, the Government will directly supervise the Federal Anti-Monopoly Service and the Federal Financial Market Service.

The functions of federal ministries include the planning of government policies and legal regulation in their respective areas, with the exception of those matters regulated by statutes and acts of the President and Government. At the same time, no ministry is entitled to perform control and supervisory or law enforcement functions, or manage and administer public property, except where acts of the Russian Federation President provide otherwise.

The duties of federal services include control and supervision in their respective areas. No federal service is entitled to exercise legal regulation, except where acts of the Russian Federation Present provide otherwise. Federal agencies are in charge of providing governmental services, administering public property and performing law enforcement functions (except control and supervisory functions). They would also maintain registers, records and cadastres. □

Ukraine

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Concessions

Law of Ukraine No. 1414-IV dated February 3, 2004 "On Amending Certain Laws of Ukraine in Order to Stimulate the Concession Activity"

The Law introduced certain changes to several laws of Ukraine relating to concession activity in Ukraine. In particular, the Law of Ukraine "On Privatization of State Property" has been changed to allow a concessionary to

buy out the concession object upon expiry of the concession agreement, provided that the value of the object was amended by at least 25 percent. Certain changes were also made to the Law of Ukraine *On Concession* regarding the concession bidding terms cut-off and easement. In addition, amendments to the Law of Ukraine "On Insurance" provide that it is obligatory that the concession object be covered by insurance. □