

FEDERAL LAW NO. 177-FZ OF DECEMBER 23, 2003 ON INSURING NATURAL PERSONS' DEPOSITS MADE WITH BANKS OF THE RUSSIAN FEDERATION (with the Amendments and Additions of August 20, December 29, 2004, October 20, 2005, July 27, 2006, March 13, 2007)

**Adopted by the State Duma on November 28, 2003
Endorsed by the Council of Federation on December 10, 2003**

This Law shall establish the legal, financial and organisational basis of the functioning of the system of compulsory insurance of natural persons' deposits made with banks of the Russian Federation (hereinafter referred to as the deposits' insurance system), the authority, procedure for establishing and functioning of the organisation exercising the functions related to compulsory insurance of deposit (the Deposit Insurance Agency, hereinafter also referred to as the Agency) and the procedure for paying compensation for deposits, shall regulate relations between banks of the Russian Federation, the Agency, the Central Bank of the Russian Federation (the Bank of Russia) and executive bodies of the Russian Federation, as regards compulsory insurance of natural persons' deposits made with banks.

Chapter 1. General Provisions

Article 1. Purposes of This Federal Law and Relations Regulated by It

1. The purposes of this Federal Law shall be the protection of the rights and legal interests of depositors of the Russian Federation banks, strengthening confidence with regard to the Russian Federation's banking system and stimulating of bringing the population's savings into the Russian Federation banking system.

2. This Federal Law shall regulate relations concerning the establishment and functioning of the deposit insurance system, the forming and use of the monetary fund thereof, payment of compensation for deposits, should a loss thereof occur, as well as the relations emerging in connection with the exercise of the state control over functioning of the deposit insurance system, and other relations emerging in this area.

3. The operation of this Federal Law shall not extend to other means of insuring natural persons' deposits for guaranteeing their return and payment of interest on them.

4. In compliance with the purposes of this Federal Law, there shall be established the specifics of the legal status of participants of the deposit insurance system and of determining essential terms of compulsory deposit insurance, a contingency payment of insurance premiums and obtainment of insurance compensation, as regards compulsory deposit insurance.

5. The relations emerging in connection with the establishment and functioning of the deposit insurance system shall be regulated by this Federal Law, other federal laws and in the instances provided for by this Federal Law by normative legal acts of the Government of the Russian Federation and normative acts of the Bank of Russia adopted in compliance with it.

Article 2. Basic Concepts Used in This Federal Law

The following basic concepts shall be used in this Federal Law:

1) **a bank** shall mean a credit organisation having a permit of the Bank of Russia to attract for deposit monetary funds of natural persons and to open and keep natural persons' bank accounts, issued by the Bank of Russia to banks in the procedure established by the Federal Law on Banks and Banking (in the wording of Federal Law No. 17-FZ of February 3, 1996) (hereinafter referred to as the Federal Law on Banks and Banking);

2) **a deposit** shall mean monetary funds in the currency of the Russian Federation or in foreign currency placed by natural persons with a bank on the territory of the Russian Federation on the basis of a bank deposit contract or a bank account contract, including capitalised (added) interest on a deposit amount;

3) **bank register** shall mean a list of banks registered in the deposit insurance system which is formed in compliance with this Federal Law;

4) **a depositor** shall mean a citizen of the Russian Federation, a foreign citizen or a stateless person who has made with a bank deposit contract or a bank account contract, or any of said persons into whose benefit a deposit is made;

5) **compensation for a deposit (deposits) (hereinafter also referred to as insurance compensation)** shall mean the amount of money payable to a depositor in compliance with this Federal Law, should a loss thereof occur;

6) **the permit of the Bank of Russia** shall mean the license issued by the Bank of Russia for the attracting by a bank of natural persons' monetary funds for depositing and for opening and keeping natural persons' bank accounts in the procedure established by the Federal Law on Banks and Banking;

7) **the deficit of the compulsory deposit insurance fund** shall mean insufficiency of the compulsory deposit insurance fund for paying compensation for deposits within the time periods established by this Federal Law.

Article 3. Basic Principles of the Deposit Insurance System

Basic principles of the deposit insurance system shall be as follows:

- 1) obligatory participation of banks in the deposit insurance system;
- 2) reduction of the risks of unfavourable consequences for depositors in the event of banks' failure to discharge their commitments;
- 3) transparency of the activities of the deposit insurance system;
- 4) accumulative nature of forming the compulsory deposit insurance fund at the expense of regular insurance premiums contributed by banks participating in the deposit insurance system.

Article 4. Participants of the Deposit Insurance System

Participants of the deposit insurance system shall be:

- 1) depositors recognised as beneficiaries for the purposes of this Federal Law;
- 2) banks entered in the established procedure to the bank register that are recognised as insurants for the purposes of this Federal Law;
- 3) the Agency recognised as an insurer for the purposes of this Federal Law;
- 4) the Bank of Russia, when it exercises functions resulting from this Federal Law.

Article 5. Deposits Insured in Compliance with This Federal Law

1. Under this Federal Law, deposits shall be insurable in the procedure, in the amounts and under the terms and conditions established by Chapter 2 of this federal Law, save for the monetary funds specified in Part 2 of this Article.

2. Under this Federal Law, the following monetary funds shall not be insurable, those:

- 1) placed onto bank accounts of natural persons engaged in business activities without forming a legal entity, if these accounts are opened in connection with said activities;
- 2) placed by natural persons into deposits payable to bearer, including those attested by a bearer saving certificate and (or) a bearer savings-bank book;
- 3) transferred by natural persons to banks for trust management;
- 4) placed into deposits made with branches of Russian Federation banks situated outside the territory of the Russian Federation.

3. Deposits shall be insured by virtue of this Federal Law and shall not require conclusion of an insurance contract.

Article 6. Participation of Banks in the Deposit Insurance System

1. In compliance with this Federal Law, participation in the deposit insurance system shall be obligatory for all banks.

2. A bank shall be deemed a participant of the deposit insurance system, as of the date of its registration in the deposit insurance system up to the date of its striking off the systems' records in compliance with Article 28 of this Federal Law.

3. Banks shall be obliged:

- 1) to pay insurance premiums to the compulsory deposit insurance fund (hereinafter referred to as insurance premiums);
- 2) to present to depositors information on their participation in the deposit insurance system, on the procedure and amounts of compensation for deposits;
- 3) to place information on the deposit insurance system at banks' premises, accessible for depositors, where they are served;
- 4) to keep records of a bank's commitments in respect of its depositors, thus making it possible for the bank to form on any day a register of the bank's commitments in respect of depositors according to the form established by the Bank of Russia on the proposal of the Agency;
- 5) to discharge other duties provided for by this Federal Law.

Chapter 2. Procedure for, and Terms of, Paying Compensation for Deposits

Article 7. Depositors' Rights

1. Depositors shall be empowered:

- 1) to get compensation for their deposits in the procedure established by this Federal Law;

2) to report to the Agency on delays in banks' discharging their commitments in respect of deposits;

3) to obtain from the banks where they have made their deposits and from the Agency information on the bank's participation in the deposit insurance system, on the procedure for, and amounts of, receiving compensation for deposits.

2. A depositor that has received compensation for his deposits made with a bank in respect of which the loss occurs, shall preserve the right of claim with regard to said bank for the amount determinable as the difference between the amount of the depositor's claims to this bank and the sum of compensation paid to him for the deposits made with this bank. Such depositor's right of claim in respect of a bank shall be satisfied in compliance with the civil legislation of the Russian Federation.

Article 8. Loss

1. For the purposes of this Article, one of the following circumstances shall be deemed a loss:

1) withdrawal (cancellation) by the Bank of Russia of a bank's license for exercising bank operations (hereinafter referred to as the license of the Bank of Russia) in compliance with the Federal Law on Banks and Banking;

2) imposition by the Bank of Russia of a moratorium on satisfying demands of a bank's creditors in compliance with laws of the Russian Federation.

2. A loss shall be deemed occurred, as of the date of entry into force of the act of the Bank of Russia concerning the withdrawal (cancellation) of a bank's license by the Bank of Russia or of an act of the Bank of Russia in respect of the imposition of a moratorium on satisfying demands of a bank's creditors.

Article 9. Emergence of Depositor's Right to Obtain Compensation for Deposits

1. A depositor's right of claim for compensation for deposits shall emerge, as of the date when the loss occurs.

2. The person acquiring a depositor's right of claim in respect of deposits thereof after the occurrence of a loss shall not enjoy the right of compensation, as regards such deposits.

Article 10. Procedure for Applying for Deposit Compensation

1. A depositor (representative thereof) shall be entitled to make a claim with the Agency for paying compensation for deposits, as of the date of the loss occurrence up to the date of completing bankruptcy proceedings, or to the finishing date of a moratorium's operation in the event of the Bank of Russia imposing a moratorium on satisfying creditors' claims.

2. In the event of a depositor's missing the time period for making a claim for deposit compensation, the time period, specified in Part 1 of this Article, may be restored on the basis of the depositor's application by decision of the Agency's administration in the presence of one of the following circumstances:

1) if an extraordinary and unavoidable circumstance under the given conditions (force majeure) has impeded a depositor's making a claim for deposit compensation;

2) if a depositor was (is) conscripted into military service or was (is) in the ranks of the Armed Forces of the Russian Federation (other troops, military units and bodies) put under the conditions of martial law - for the period of doing such service (of martial law);

3) if the reason for missing said time is connected with a depositor's person (including his serious illness or helpless state).

3. A decision of the Agency's board to deny restoration of a missed time period for making a claim for paying deposit compensation may be appealed against by a depositor in court.

4. When making a claim with the Agency for paying deposit compensation, a depositor shall submit the following:

1) an application according to the form determinable by the Agency;

2) documents certifying his identity.

5. When making a claim with the Agency for paying deposit compensation, a representative of a depositor, along with the documents specified in Items 1 and 2 of Part 4 of this Article, shall likewise submit a letter of authority attested by a notary.

Article 11. Amount of Deposit Compensation

1. The amount of deposit compensation payable to each depositor shall be established on the basis of the sum of the commitments related to the deposits of the bank, in respect of which a loss

occurs, with regard to the depositor. When estimating the sum of a bank's commitment with regard to a depositor, only the deposits insured in compliance with Article 5 of this Federal Law shall be accountable.

2. The compensation for deposits with the bank, in relation to which an insured accident has set in, shall be paid to a depositor in the amount of 100 per cent of the sum of the deposits with the bank, not exceeding 100,000 roubles, plus 90 per cent of the sum of the deposits with the bank that exceeds 100,000 roubles, but in totality not more than 400,000 roubles.

3. Where a depositor has several deposits made with one and the same bank, whose total amount of commitments in respect of these deposits does not exceed 100,000 roubles, compensation shall be payable for each of the deposits in proportion to their amounts.

4. If a loss occurs in respect of several banks, where a depositor has deposits, the amount of insurance compensation shall be estimated separately in respect of each bank.

5. The amount of deposit compensation shall be estimated on the basis of the balance amount of monetary funds in the deposit (deposits) made by a depositor with a bank, as on the end of the day when the loss occurs.

6. Where a commitment of the bank, in respect of which the loss occurs, with regard to a depositor is shown in foreign currency, the amount of compensation for deposits shall be estimated in the Russian Federation currency at the exchange rate established by the Bank of Russia, as on the date when the loss occurs.

7. Where the bank, in respect of which the loss occurs, is also a creditor in respect of a depositor, the amount of compensation for deposits shall be determined on the basis of a difference between the amount of the bank's commitments with regard to the depositor and the amount of counter claims of this bank with regard to the depositor emerging prior to the date when the loss occurred.

Article 12. Procedure for Paying Deposit Compensation

1. The Agency within seven days, as of the date of receiving from the bank, in respect of which the loss has occurred, a list of the bank's commitments with regard to depositors, shall send to this bank, as well as to the "Vestnik Banka Rossiya" for publishing and to the press at the location of this bank a notice on the place, time, form of, and procedure for, accepting depositors' applications for paying deposit compensation. Within one month, as of the date of receiving from a bank a list of the bank's commitments with regard to depositors, the Agency shall likewise direct a notice to depositors of the bank in respect of which the loss has occurred.

2. A depositor shall be entitled to receive the information indicated in Part 1 of this Article directly at the bank in respect of which the loss has occurred, as well as at the Agency.

3. In the event of a depositor's (his representative's) filing with the Agency the documents provided for by Part 4 and 5 of Article 10 of this Federal Law, the Agency shall present to the depositor an extract from the list of the bank's commitments with regard to depositors with an indication of the amount his deposit compensation.

4. Compensation for deposits shall be paid by the Agency in compliance with the list of a bank's commitments with regard to depositors formed by the bank, in respect of which the loss has occurred, within three days as of the date of a depositor's submitting to the Agency the documents provided for by Parts 4 and 5 of Article 10 of this Federal Law but at the earliest in 14 days as of the date when the loss occurred

5. When paying compensation for deposits, the Agency shall issue to the depositor a certificate concerning paid amounts and the deposits for which compensation is payable and shall send a copy thereof to the bank.

6. In the event of failure to pay the agreed amount of compensation for deposits within the time period established by this Article through the Agency's fault, the Agency shall pay to the depositor interest on the sum not paid calculated at the amount of the refinancing rate established by the Bank of Russia as on the date of actual payment of the compensation for deposits by the Agency.

7. In the event of a depositor's disagreeing with the amount of payable compensation for deposits, the Agency shall propose to the depositor to submit to the Agency additional documents proving the reasonableness of his claims, and shall direct them to the bank for consideration. The bank shall be obliged within 10 days, as of the date of receiving said documents, to direct to the Agency a notice on the results of considering the depositor's claims and, where necessary, on changes in the list of the banks' commitments with regard to depositors.

8. The Agency, upon agreeing with the bank and the depositor the amount of the bank's commitments, shall pay to the depositor on the basis of additionally submitted documents the amount of compensation for deposits in the established procedure.

9. In the event of restoring, in the procedure provided for by Parts 2 and 3 of Article 10 of this Federal Law, the time period for making a claim for paying compensation for deposits, a depositor shall be entitled to receive compensation for deposits in the amount corresponding to the sum of the bank's commitments with regard to him shown in the list of the bank's commitments with regard to depositors.

10. In the event of disagreeing with the amount of payable compensation for deposits, a depositor shall be entitled in compliance with the laws of the Russian Federation to make a claim in a court of law to establish the composition and amount of the appropriate claims and of payable compensation for deposits.

11. Compensation for deposits may be paid on the basis of a depositor's application both by monetary funds in cash and by way of remitting monetary funds onto the account indicated by the depositor.

12. Acceptance of depositors' applications for paying compensation for deposits and of other necessary documents, including those provided for by Parts 4 and 5 of Article 10 of this Federal Law and Part 7 of this Article, as well as payment of compensation for deposits may be effected by the Agency through agency banks acting on its behalf and at its expense. The procedure for agency banks' interaction with the Agency, including the rate of reimbursing agency banks' outlays, shall be established by the Agency's board of directors by approbation of the federal antimonopoly body.

13. Compensation for deposits shall be payable in the currency of the Russian Federation.

Article 13. Transfer of Depositor's Right of Claim after Paying Compensation for Deposits

1. The right of claim a depositor has against the bank, in respect of which the loss has occurred, shall transfer to the Agency that has paid compensation for deposits, within the limits of the amount paid.

2. In the course of bankruptcy proceedings concerning the bank, in respect of which the loss has occurred, the claims transferred to the Agency as a result of its paying compensation for deposits shall be allowed as those of first-priority creditors.

3. In bankruptcy cases concerning banks the rights of claim transferred to the Agency as a result of its paying compensation for deposits shall be lodged by the federal executive body authorised by the Government of the Russian Federation (hereinafter referred to as the authorised body).

4. After the Agency has paid compensation for deposits, the authorised body shall take measures aimed at recovering the amount of the bank's debt with regard to the Agency, which is due to it under Parts 1 and 2 of this Article, in the procedure established by laws of the Russian Federation. The amount of the recovered debt shall be remittable to the compulsory deposit insurance fund.

5. On the expiry of operation of a moratorium on satisfying claims of a bank's creditors established by the Bank of Russia, the Agency shall be entitled to permit to the bank, to whose depositors compensation for deposits has been paid, to postpone offsetting of the debt or to pay it off by installments.

6. Postponement of the debt's offsetting may be permitted for a term of up to six months with the one-time payment of the debt amount.

7. Paying off the debt by installments may be permitted for a term of up to one year with the debt's staged payment.

8. Interest shall be charged on the debt amount at the rate equal to one second of the refinancing rate of the Bank of Russia effective within the period of postponement of the debt's offsetting or of its payment by installments.

Chapter 3. Status, Purpose and Authority of the Deposit Insurance Agency

Article 14. Deposit Insurance Agency

1. For the purpose of exercising the functions related to compulsory deposit insurance the Deposit Insurance Agency shall be established.

2. The Agency shall be a state corporation, established by the Russian Federation, whose status, purpose, functions and authority are determined by this Federal Law and Federal Law No. 7-FZ of January 12, 1996 on Non-Profit Organisations.

3. The Agency shall have a seal bearing the image of the State Emblem of the Russian Federation and the Agency' denomination.

4. The Agency shall have an account opened with the Bank of Russia.

5. The central bodies of the Agency shall be located in the city of Moscow.

Article 15. Purpose of the Agency's Activities and Authority Thereof

1. The purpose of the Agency's activity under this Federal Law shall be ensuring the functioning of the deposit insurance system.

2. When exercising functions related to compulsory deposit insurance, the Agency:

1) shall arrange banks' registration (shall keep the bank register);

2) shall collect insurance premiums and shall exercise control over their payment into the compulsory deposit insurance fund;

3) shall take measures aimed at recording depositors' claims to a bank and at its paying compensation for deposits;

4) shall be empowered to propose to the Bank of Russia that it make banks answerable for failing to meet the requirements of this Federal Law, as is provided for by Article 74 of Federal Law No. 86-FZ of July 10, 2002 on the Central Bank of the Russian Federation (the Bank of Russia) (hereinafter referred to as the Federal Law on the Central Bank of the Russian Federation (Bank of Russia) and by normative acts of the Bank of Russia;

5) shall place and (or) invest temporarily available monetary funds of the compulsory deposit insurance fund in the procedure determined by this Federal Law;

6) shall be empowered to demand that banks place information on the deposit insurance system and on banks' participation therein at the bank's premises accessible for depositors where they are served;

7) shall determine the procedure for estimating insurance premiums in compliance with Article 36 of this Federal law;

8) shall exercise other powers aimed at achieving the goals set for the agency in compliance with this Federal Law.

3. The Agency's exercising functions related to compulsory deposit insurance under this Law shall not require the obtainment of a license for exercising insurance activity.

Article 16. Agency's Property

1. The Agency's property shall be formed at the expense of the property contribution in compliance with Article 50 of this Federal Law, insurance premiums, as well as at the expense of the Agency's incomes derived from placing monetary funds, assets gained as a result of issuing serial securities and other lawful earnings.

2. The Agency shall not be liable in respect of the Russian Federation commitments. The Russian Federation shall not be liable in respect of the Agency's commitments, if not otherwise established by federal laws.

3. The Agency shall use its property for exercising the functions provided for by this Federal Law.

Article 17. Agency's Managerial Bodies

The Agency's managerial bodies shall be the Agency's board of directors, the Agency's administration and the Agency's director general.

Article 18. Agency's Board of Directors

1. The Agency's supreme managerial body shall be the Agency's board of directors. The Agency's board of directors shall include 13 members, that is, seven representatives of the Government of the Russian Federation, five representatives of the Bank of Russia and the Agency's director general. The Agency's director general shall be a member of the Agency's board of directors ex officio.

2. The chairman of the Agency's board of directors shall be elected by the Agency's board of directors at the proposal of the Government of the Russian Federation.

3. Meetings of the Agency's board of directors shall be called by the chairman thereof or by at least one third of the members of the Agency's board of directors as may be necessary, but at least once a quarter.

4. The Agency's board of directors shall be empowered to render decisions, if at least half of its members are present at a meeting. Decisions of the Agency's board of directors shall be rendered by a simple majority vote of all those present. In the event of a tied vote, the person presiding over a meeting of the Agency's board of directors shall have the casting vote.

5. A meeting of the Agency's board of directors shall be conducted by the chairman of the Agency's board of directors, or, in the absence thereof, by the person authorised by the chairman of the Agency's board of directors.

6. The record of a meeting of the Agency's board of directors shall be signed by the person presiding over the meeting of the Agency's board of directors. The opinion of members of the Agency's board of directors voting in a minority shall be entered in the record of a meeting at the request thereof.

Article 19. Authority of the Agency's Board of Directors

When exercising the functions related to compulsory deposits insurance, the Agency's board of directors:

1) shall endorse proposals of the Agency's administration concerning the predicted amount of federal budget outlays required for covering the deficit of the compulsory deposit insurance fund in the

following year and shall send them to the Government of the Russian Federation for inclusion into a draft federal law on the federal budget for the following year;

2) shall establish the rate of insurance premiums;

3) shall determine directions, terms of, and procedure for, placing and (or) investing the Agency's temporarily available monetary funds, as well as the limits of monetary funds to be placed and (or) invested;

4) shall decide on the presence of a deficit of the compulsory deposit insurance fund and shall send proposals on the procedure for covering it, should the loss occur, to the Government of the Russian Federation at the latest in five days as of the date of receiving a notice of the Agency's administration;

5) shall decide on remitting to the federal budget in compliance with the budget laws of the Russian Federation the federal budget assets received under this Federal Law after restoring the financial stability of the compulsory deposit insurance fund;

6) shall endorse the procedure for estimating insurance premiums;

7) shall endorse the Agency's annual report;

8) shall endorse the procedure for permitting banks to postpone a debt's offsetting or to pay it by installments in the instances provided for by this Federal Law;

9) shall endorse the Agency's estimate of expenditures;

10) shall endorse the Agency's organisational structure;

11) shall decide on establishing the Agency's branches and on opening representative offices thereof;

12) shall appoint the Agency's director general and shall dismiss him;

13) shall appoint and dismiss members of the Agency's administration;

14) shall appoint the Agency's auditor;

15) shall hear reports of the Agency's director general concerning the Agency's activities;

16) shall endorse the working regulations of the Agency's administration;

17) shall direct the activities of the Agency's internal audit service;

18) shall decide on the Agency's issuing bonds and other serial securities;

19) shall exercise other powers provided for by this Federal law.

Article 20. Agency's Administration

1. The number of members of the Agency's administration shall be determined by the Agency's board of directors. The Agency's director general shall be a member of the Agency's administration *ex officio* and shall direct the work of the Agency's administration.

2. Members of the Agency's administration, save for the Agency's director general, shall be appointed for a term of five years by the Agency's board of directors at the proposal of the Agency's director general.

3. Members of the Agency's administration shall work for the Agency on a permanent basis.

4. Members of the Agency's administration may be dismissed:

1) on the expiry of the term of office of the Agency's director general indicated in this Article;

2) on the expiry of the term of office of the Agency's board of directors, indicated in this Article, on the proposal of the Agency's director general.

5. The Agency's administration shall function on the basis of the regulations on the Agency's administration, endorsed by the Agency's board of directors, establishing the time of, and procedure for, calling and conducting meetings thereof, as well as the procedure for rendering decisions by it.

6. A record shall be kept at meetings of the Agency's administration. The record of meetings of the Agency's administration shall be presentable to members of the Agency's board of directors and to internal and visiting auditors at the request thereof.

7. Meetings of the Agency's administration shall be arranged by the Agency's director general or by the person authorised by him. The record of a meeting of the Agency's administration shall be signed by the person presiding over the meeting of the Agency's administration and by one of the members of the Agency's administration attending the meeting.

Article 21. Authority of the Agency's Administration

When exercising the functions related to deposit compulsory insurance, the Agency's administration:

1) shall decide on paying depositors compensation for deposits;

2) shall decide on including a bank into the bank register and on excluding a bank from the bank register in the procedure established by this Federal Law;

3) shall propose that the Bank of Russia make a bank answerable in compliance with Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia);

4) shall present to the board of directors for endorsement proposals concerning the development of the deposit insurance system, directions, terms of, and procedure for, placing and (or) investing temporarily available monetary funds of the compulsory deposit insurance fund;

5) shall present to the Agency's board of directors for endorsement proposals concerning the amount of the compulsory deposit insurance fund sufficient for paying compensation for deposits predicted for the next following year, the predictable amount of federal budget outlays to cover the deficit of the compulsory deposit insurance fund in the forthcoming year;

6) shall send to the Agency's board of directors a notice on the presence of a deficit of the compulsory deposit insurance fund on the basis of the data contained in registers of banks' commitments with regard to depositors, whose formation is provided for by Item 4 of Part 3 of Article 6 of this Federal Law, at the latest in three days as of the date of receiving from a bank the register of the bank's commitments with regards to depositors thereof in compliance with Part 1 of Article 30 of this Federal Law;

7) shall consider the Agency's annual report and shall pass it to the Agency's board of directors for endorsement;

8) shall submit to the Agency's board of directors proposals concerning the disposal of the Agency's profits;

9) shall endorse the Agency's list of staff members, shall specify the terms of recruitment and dismissal, official duties and rights, the system of disciplinary penalties, the amount and forms of wages of the Agency's employees;

10) shall exercise other powers provided for by this Federal Law, if they are not within the scope of authority of the Agency's board of directors.

Article 22. Agency's Director General

1. The Agency's director general shall be appointed by the Agency's board of directors at the proposal of the chairman of the Agency's board of directors for a term of five years. Candidates for the Agency's director general shall be introduced to the Agency's board of directors one month before the expiry (termination) of the term of office of the Agency's director general.

2. The Agency's director general may be dismissed by the Agency's board of directors at the proposal of the chairman of the agency's board of directors in the event of:

- 1) the expiry of his term of office;
- 2) his filing a personal application for retirement with the chairman of the Agency's board of directors;
- 3) in the event of his committing a criminally punishable deed established by an effective sentence passed by a court of law;
- 4) his violating the federal laws regulating the Agency's activities.

Article 23. Authority of the Agency's Director General

The Agency's director general:

1) shall act on behalf of the Agency and shall represent without a letter of authority interests thereof in its relations with state bodies, organisations of foreign states and international organisations, other institutions and organisations;

2) shall be at the head of the Agency's administration and shall arrange the implementation of decisions of the Agency's administration;

3) shall issue orders and directions, as regards the Agency's activities;

4) shall distribute duties between his deputies;

5) shall appoint and dismiss the Agency's employees;

6) shall decide on other matters pertaining to the Agency's scope of authority, save for the matters referred to the scope of authority of the Agency's board of directors and the Agency's administration.

Article 24. Agency's Reporting

1. The reporting period for the Agency shall be established from January 1 to December 31 inclusive.

2. The Agency's annual report shall be drawn up annually, at the latest on February 15 of the year following the reporting year, and shall be endorsed by the Agency's board of directors prior to March 15.

3. The Agency's annual report shall be sent to the Government of the Russian Federation and the Bank of Russia.

4. Generalised data of the Agency's annual report and its accounting balance sheet shall be publishable without fail in the "Vestnik Banka Rossiya" and the "Rossiyskaya Gazeta".

5. The Agency's annual reporting shall include:

1) the report on the Agency's activities for the past reporting period containing the analysis of the condition of the deposit insurance system and of the use of monetary funds of the compulsory deposit insurance fund;

2) the Agency's annual accounting balance sheet;

3) the report on movement of monetary funds of the compulsory deposit insurance fund;

4) the report on profits (losses) received as a result of placing and (or) investing the Agency's temporarily available monetary funds;

5) the bank register.

6. The reliability of the Agency's annual accounting balance sheet, of the report on movement of monetary funds of the compulsory deposit insurance fund, of the report on profits (losses) received as a result of placing and (or) investing the Agency's temporarily available monetary funds, shall be verified by an independent audit organisation.

Article 25. Agency's Auditing

1. The Agency's board of directors shall annually select an audit firm for inspecting the Agency's reports.

2. The Agency's internal auditing shall be carried out by the internal audit service accountable to the Agency's board of directors. The procedure for establishment and functioning of the internal audit service shall be determined by the Agency's board of directors.

3. The Agency's board of directors shall be entitled to decide on holding extraordinary audit inspections and checks of the Agency.

Article 26. Agency's Reorganisation and Liquidation

The Agency may be reorganised or liquidated on the basis of a federal law determining the procedure for the Agency's reorganisation or liquidation and for use of the property thereof.

Chapter 4. Organisational Basis of the Deposit Insurance System

Article 27. Fundamentals of Interaction of the Agency, State Bodies and the Bank of Russia

1. Federal state bodies, state bodies of the subjects of the Russian Federation, local self-government bodies and the Bank of Russia shall not be empowered to interfere in the Agency's activities related to the exercise of its functions and powers fixed by laws.

2. The Agency and the Bank of Russia shall coordinate their activities and shall inform each other in respect of taking measures aimed at deposit insurance.

3. For the purpose of ensuring from the informational point of view the functioning of the deposit insurance system the Bank of Russia shall send to the Agency banks' reports and other necessary information.

4. The Bank of Russia, at the latest on the working day next following the date of rendering an appropriate decision, shall inform the Agency on the following:

1) on issuing to a bank a permit of the Bank of Russia;

2) on rendering decisions on inspecting a bank at the Agency's proposal;

3) on the Bank of Russia taking measure against a bank in the form of imposing a ban (restriction) on attracting citizens' deposits, appointing a temporary administration for managing a credit organisation, on the withdrawal (cancellation), as well as on the replacement, of the license of the Bank of Russia;

4) on a bank's reorganisation;

5) on imposing a moratorium on allowing claims of a bank's creditors.

5. The Agency, at the latest on the working day following the date of rendering an appropriate decision, shall inform the Bank of Russia of the following:

1) on including a bank into the bank register and on excluding a bank from said register;

2) on changing the rate of insurance premiums.

6. The Agency shall be entitled to propose the following to the Bank of Russia:

1) that the Bank of Russia inspect a bank. The procedure for participation of the Agency's employees in such inspections, their rights and duties shall be established by normative acts of the Bank of Russia by approbation of the Agency;

2) that the Bank of Russia take measures against a bank, as it is provided for by federal laws, attaching the documents proving the necessity of taking such measures.

7. The Bank of Russia shall inform the Agency within 15 days, as of the date of receiving an appropriate proposal, on a rendered decision to inspect a bank by the Bank of Russia and to take measures against a bank.

Article 28. A Bank's Registration and Its Striking off the Records in the Deposit Insurance System. Bank Register

1. A bank shall be registered by the Agency in the deposit insurance system by entering it into the bank register on the basis of a notice of the Bank of Russia on issuing the bank a permit of the Bank of Russia.

2. The Agency shall enter a bank in the bank register on the date of receiving a notice of the Bank of Russia indicated in Part 1 of this Article.

3. The Agency shall strike a bank off the records in the system of deposit insurance by way its exclusion from the bank register in the following instances:

1) withdrawal (cancellation) of the license of the Bank of Russia and completion by the Agency of the procedure for paying compensation for deposits established by this Federal Law;

2) termination of the right to attract for deposit natural persons' monetary funds and to open and keep natural persons' accounts in connection with replacement of the license of the Bank of Russia and a bank's discharge of its commitments with regard to its depositors. Concurrently with rendering such decision, the bank shall be obliged to notify all its depositors on its withdrawal from the deposit insurance system;

3) termination of a bank's activities in connection with its reorganisation.

4. Information on entering a bank into the bank register and on excluding a bank from said register shall be publishable by the Agency in the "Vestnik Banka Rossiya" and in the "Rossiyskaya Gazeta". The procedure for keeping the bank register shall be established by the Agency.

5. The Agency shall send to a bank information on the entry thereof in the bank register and on excluding a bank from said register, on the procedure for estimation and payment of insurance premiums, at the latest on the day following the date of the Agency's rendering the appropriate decision, and shall routinely provide the bank with other necessary data on the deposit insurance system.

6. A bank's registration in the deposit insurance system and its striking off the records thereof shall not require payment of a fee.

Article 29. The Agency's Receiving Banks' Reports and Other Information

1. The contents of banks' reports and other information sent by the Bank of Russia to the Agency, as well as the time of sending it, shall be determined by the Bank of Russia by approbation of the Agency.

2. As regards issues of banks' participation in the deposit insurance system, the Agency shall be entitled to obtain from banks on the basis of its reasoned inquiry in writing explanations concerning information on banks' paying insurance premiums, keeping records and forming a bank's register of commitments with regard to depositors, on a depositor's commitments with regard to banks and on a bank's discharging other commitments provided for by this Federal Law. Said explanations shall be provided by banks to the Agency within 15 days as of the date of receiving an appropriate inquiry, if the Agency does not fix another time period.

Article 30. Procedure for the Agency's Interaction with a Bank in Respect of Which a Loss Has Occurred

1. A bank in respect of which a loss has occurred shall present to the Agency within a seven-day term, as of the date when this loss occurred, a register of the bank's commitments with regard to depositors thereof proving attraction of monetary funds for depositing that are subject to insurance in compliance with this Federal Law.

2. In the event of a bank's allowing (partial allowing) a depositor's claim, and also in the course of bankruptcy proceedings, the bank (bankruptcy manager) shall be obliged on the same day to send to the Agency relevant data and documents.

3. The Agency shall be entitled to obtain on demand from the bank, in respect of which the loss has occurred, additional information, including copies of documents, if the information presented by said bank in compliance with Parts 1 and 2 of this Article is not sufficient for taking measures aimed at paying compensation for deposits. The bank in respect of which the loss has occurred shall be obliged to present required information to the Agency within three working days, as of the date of receiving an appropriate Agency inquiry.

4. The Agency shall daily deliver to the bank, in respect of which the loss has occurred, information on this bank's depositors which have received compensation for deposits, on the amounts paid by the Agency, as well as on the deposits for which compensation has been paid.

Article 31. Official, Commercial and Bank Secrets

1. The Agency shall be entitled to obtain information constituting official, commercial and banking secrets of the bank, in respect of which the loss has occurred, which is necessary for its exercising the functions established by this Federal Law.

2. The Agency shall be obliged to present the information, that has become known to it, on operations of the bank, in respect of which the loss has occurred, on accounts and deposits thereof, its financial position, as well as other information constituting said bank's commercial and banking secrets at the demand of a court of law, as well as of the Bank of Russia.

3. In the event of divulgence by the Agency or by officials thereof of information constituting official, commercial and banking secrets, the Agency shall be obliged under laws of the Russian Federation to repair damage caused to the person whose rights have been violated.

Article 32. Participation of the Agency's Employees in Inspecting Banks

The Bank of Russia shall draw the Agency's employees to participation in bank inspections in respect of matters concerning the extent and structure of these banks' commitments with regard to depositors, insurance premiums' payment, as well as these banks' discharging of other duties established by this Federal Law.

Chapter 5. Financial Basis of the Deposit Insurance System

Article 33. The Deposit Compulsory Insurance Fund

1. **The compulsory deposit insurance fund** shall mean the totality of monetary assets and other property which are formed and used in compliance with this Federal Law.

2. The compulsory deposit insurance fund shall be in the Agency's ownership and shall be intended for financing payments aimed at compensation for deposits in the procedure and under the terms established by this Federal Law.

3. The compulsory deposit insurance fund shall be separated from other Agency's property. Separate records shall be kept in respect of the compulsory deposit insurance fund.

4. Monetary funds of the compulsory deposit insurance fund shall be recorded on the Agency's account specially opened by it with the Bank of Russia. The Bank of Russia shall not pay interest on the balance of monetary funds kept on this account.

5. Execution may not be levied against the compulsory deposit insurance fund in respect of commitments of the Russian Federation, the subjects of the Russian Federation, municipal formations, banks, other third persons, or of the Agency, save for the instances when the Agency's commitments have emerged in connection with its failure to discharge the duties connected with payment of compensation for deposits. Recovery of deposits at the expense of the compulsory deposit insurance fund in connection with the Agency's commitments resulting from the Agency's failure to discharge duties related to paying compensation for deposits shall be only effected on the basis of a judicial act.

Article 34. Sources of Forming the Compulsory Deposit Insurance Fund

The compulsory deposit insurance fund shall be formed at the expense of the following:

- 1) insurance premiums payable in compliance with this Federal Law;
- 2) penalties for untimely and (or) incomplete payment of insurance premiums;
- 3) monetary funds and other property derived from satisfying the Agency's rights of claim acquired as a result of its paying compensation for deposits;
- 4) federal budgetary funds in the instances provided for by this Federal Law;
- 5) income derived from placing and (or) investing temporarily available monetary assets of the compulsory deposit insurance fund;
- 6) the initial property contribution in compliance with Article 50 of this Federal Law;
- 7) other incomes not prohibited by laws of the Russian Federation.

Article 35. Insurance Premiums

1. Insurance premiums shall be uniform for all banks and shall be payable by a bank, as of the date of the bank's entry in the bank register and up to the date of withdrawal (cancellation) of the license of the Bank of Russia or to the date of excluding the bank from the bank register in compliance with Items 2 and 3 of Part 3 of Article 28 of this Federal Law.

2. The first accounting period for paying insurance premiums shall be deemed the period from the date of entering a bank in the bank register up to the final date of the calendar quarter when the bank was entered to the bank's register inclusive.

3. Imposition by the Bank of Russia of a moratorium on allowing claims of a bank's creditors shall suspend the banks' discharging the duty of paying insurance premiums for the time of said moratorium's operation. In this case, the bank shall be obliged to pay insurance premiums for the accounting period, when said moratorium was imposed, up to the date preceding the imposition of said moratorium inclusive.

Article 36. Procedure for Estimation and Payment of Insurance Premiums

1. The accounting period for paying insurance premiums shall be deemed a calendar quarter of a year.

2. The accounting base for estimating insurance premiums (hereinafter referred to as the accounting base) shall be determined as the average chronological value within the accounting period of daily balances on accounts for recording deposits, save for the monetary funds in deposits that are not insurable in compliance with this Federal Law.

3. Daily balances in respect of deposits in foreign currency shall be assessed in the currency of the Russian Federation at the official exchange rate established by the Bank of Russia on a daily basis.

4. The rate of insurance premiums may not exceed 0.15 per cent of the accounting base for the last accounting period.

5. In the instances provided for by this Federal Law, the rate of an insurance premium may be increased up to 0.3 per cent of the accounting base, but for two accounting periods at most within 18 months.

6. The rate of insurance premiums may not exceed 0.05 per cent of the accounting base, starting from the accounting period following the accounting period, when the amount of monetary assets of the compulsory deposit insurance fund, including the monetary funds invested by the Agency in the procedure established by this Federal Law, exceeds 5 per cent of the total amount of deposits made with banks.

7. The rate of insurance premiums shall be established by the Agency's board of directors. In the event of changing the rate of insurance premiums, the new rate of insurance premiums shall be introduced at the earliest 45 days after rendering the relevant decision.

8. A decision on establishing the rate of insurance premiums shall be published in the "Vestnik Banka Rossii" and the "Rossiyskaya Gazetta" at the latest in five days as of the date of its rendering.

9. The procedure for estimating the accounting base shall be established by the Agency. In the event of changing said procedure, a new procedure for estimating the accounting base shall be applicable, as of the next accounting period. For this, the new procedure for estimating the accounting base has to be brought to the knowledge of banks at the latest 30 days before the start of a new accounting period.

10. Insurance premiums shall be estimated by banks independently.

11. Insurance premiums shall be payable within five days, as of the finishing date of an accounting period, by transmitting monetary funds to the Agency's account opened with the Bank of Russia where the monetary assets of the compulsory deposit insurance fund are recorded.

12. The duty of paying insurance premiums shall be deemed discharged by a bank, as of the time of writing monetary funds off a bank's correspondent account opened with the Bank of Russia.

13. The amount of an insurance premium paid in excess shall be subject to offsetting against forthcoming payment or to return in the event of termination of a bank's duty to pay insurance premiums in compliance with Article 35 of this Federal Law.

14. Insurance premiums shall be payable in the currency of the Russian Federation.

15. Insurance premium payment shall be automatically suspended by banks, as of the accounting period following the accounting period when the amount of monetary assets of the compulsory deposit insurance fund, including the monetary funds invested by the Agency in the procedure established by this Federal Law, exceeds 10 per cent of the total of deposits made with banks.

16. Payment of insurance premiums shall be automatically resumed by banks, starting from the accounting period following the accounting period, when the amount of monetary assets of the compulsory deposit insurance fund, including the monetary funds invested by the Agency in the procedure established by this Federal Law, constitutes less than 10 per cent of the total of deposits made with banks.

Article 37. Securing the Discharge of the Duty to Pay Insurance Premiums

1. Penalties shall be payable for an untimely or incomplete payment of insurance premiums by banks which have committed said violation.

2. Penalties shall mean an amount of money established by this Article that a bank has to pay in excess of insurance premiums in the event of paying the latter later than the time established by this Federal Law.

3. The Agency shall be entitled to demand that banks transmit unpaid insurance premiums and penalties charged and inform the Bank of Russia on the fact of non-payment.

4. Penalties shall be charged for each calendar day of delay in payment, starting from the date next following the date established for insurance premiums' payment.

5. Penalties for each calendar day of delay in payment shall be established as a percentage of the amount of insurance premiums not paid in due time. The per cent rate of penalties for each calendar day of delay in payment shall correspond to the refinancing rate of the Bank of Russia effective within an appropriate period divided by 360 calendar days.

6. Monetary amounts of banks' undischarged commitments concerning payment of insurance premiums, as well as penalties, shall be recovered by the Agency judicially. Said monetary amounts shall be subject to entering on the Agency's account for recording the monetary funds of the compulsory deposit insurance fund.

Article 38. Placing and (or) Investing Temporarily Available Monetary Assets of the Compulsory Deposit Insurance Fund

1. Temporarily available monetary assets of the compulsory deposit insurance fund shall be placed or (or) invested for the purpose of developing the deposit insurance system on the basis of the principles of recoverability, profitability and liquidity of financial instruments acquired by the Agency.

2. The directions, procedure for, and terms of, placing and (or) investing temporarily available monetary assets of the compulsory deposit insurance fund, as well as the limit amount of temporarily available monetary assets to be placed and (or) invested annually, shall be determined by the Agency's board of directors. !BLOCKEND

3. Temporarily available monetary assets of the compulsory deposit insurance fund may be placed and (or) invested:

- 1) in state securities of the Russian Federation;
- 2) in state securities of the subjects of the Russian Federation;
- 3) in bonds of Russian issuers, save for those indicated in Items 1 and 2 of this Part;
- 4) in stocks of Russian issuers established in the form of open joint-stock companies;
- 5) in shares (stocks) of index investment funds placing monetary assets into state securities of foreign states, bonds and stocks of foreign issuers;
- 6) in mortgage securities issued in compliance with the laws of the Russian Federation on mortgage securities;
- 7) in securities of member states of the Organisation for Economic Cooperation and Development;
- 8) in deposits and securities of the Bank of Russia.

4. It shall not be allowable to place temporarily available monetary assets of the compulsory deposit insurance fund into other investment media that are not directly provided for by this Federal Law.

5. Temporarily available monetary assets of the compulsory deposit insurance fund may not be used for acquiring securities of the issuers in respect of which prejudicial readjustment measures are taken, or bankruptcy proceedings are initiated (or those of supervision or temporary (external) administration) in compliance with the bankruptcy laws of the Russian Federation, or in respect of which such proceedings have been applied within the previous two years.

6. Placement of temporarily available monetary assets of the compulsory deposit insurance fund into securities shall be only allowable:

- 1) if they circulate on the securities market or are specially issued by the Government of the Russian Federation for placing monetary funds of institutional investors - for the securities indicated in Item 1 of Part 3 of this Article;
- 2) if they circulate on the organised market of securities and comply with the criteria established by the federal executive body authorized by the Government of the Russian Federation - for the securities indicated in Items from 2 to 4 and 6 of Part 3 of this Article.

7. Using time transactions (purchase of securities' options, making future or forward contracts) shall be allowable solely for the purpose of insuring (hedging) risks in the procedure provided for by laws of the Russian Federation.

8. Financial instruments acquired at the expense of monetary assets of the compulsory deposit insurance fund shall be an integral part thereof and shall be shown in the balance sheet where this fund is recorded.

Article 39. Directions for Spending Monetary Assets of the Compulsory Deposit Insurance Fund

Monetary assets of the compulsory deposit insurance fund shall be used by the Agency for financing payments related to compensation for deposits, as well as for covering the outlays connected with the exercise of the functions related to compulsory deposit insurance and for other purposes in compliance with this Federal Law.

Article 40. Covering the Agency's Outlays

1. The Agency's outlays on taking measures connected with the activities of compulsory deposit insurance shall be covered at the expense of the Agency's property.

2. In the event of insufficiency of said property, measures connected with the activities of compulsory deposit insurance may be financed at the expense of the reserve fund of the Government of the Russian Federation at the proposal of the Agency's board of directors.

Article 41. Securing the Financial Stability of the Deposit Insurance System

1. The financial stability of the deposit insurance system shall be secured by the Agency's property and by the federal budgetary assets in the procedure and under the terms established by this Federal Law and the budget laws of the Russian Federation.

2. In order to ensure the financial stability of the deposit insurance system, the federal law on the federal budget for an appropriate year shall establish the right of the Russian Federation Government to grant budgetary credits and to make borrowings, fix the limit amount of said borrowings, as well as fix the limit amount of the appropriate federal budget expenditures.

3. In the event of approval by the Agency's board of directors of a decision of the Agency's administration on the impossibility of paying compensation for deposits within the time period established by this Federal Law without replenishing the compulsory deposit insurance fund at the expense of additional monetary funds (save for insurance premiums and other planned receipts), the Agency's board of directors shall render within the time period of seven days at most one of the following decisions:

1) to request the Government of the Russian Federation to allocate to the Agency appropriate monetary assets in the form of the budgetary credit, if the deficit of the compulsory deposit insurance fund estimated by the Agency's administration does not exceed 1 milliard roubles, the Russian Federation Government shall render the appropriate decision within the time period of seven calendar days;

2) to request the Government of the Russian Federation to allocate to the Agency additional monetary funds from the federal budget, if the deficit of the compulsory deposit insurance fund estimated by the Agency's administration exceeds 1 milliard roubles. Where it is impossible to allocate said assets, the Russian Federation Government within the scope of its authority shall introduce to the State Duma of the Federal Assembly of the Russian Federation a draft federal law on introducing appropriate amendments into the federal law on the federal budget for the appropriate year within the time period of seven calendar days at most, as of the date of receiving the application of the Agency's board of directors.

4. The Agency's board of directors may establish for the purpose of restoring the compulsory deposit insurance fund an increased rate of insurance premiums in compliance with this Federal Law.

Article 42. Control over Functioning of the Deposit Insurance System

1. Control over functioning of the deposit insurance system shall be exercised by the Government of the Russian Federation and the Bank of Russia by their representatives' participation in the Agency's managerial bodies.

2. The Agency's board of directors shall annually select on a competitive basis an audit organisation for inspecting the Agency's disposal of the compulsory deposit insurance fund.

3. Control over spending of the federal budget assets allocated to the compulsory deposit insurance fund shall be exercised in the procedure determined for the disposal of the federal budget assets.

Chapter 6. Final and Transitional Provisions

Article 43. Specifics of Registration in the Deposit Insurance System of Banks Which Have a Permit of the Bank of Russia on the Date of This Federal Law's Entry Into Force

1. A bank that has a permit of the Bank of Russia on the date of this Federal Law's entry into force shall be registered in the deposit insurance system by the Agency entering to the bank register on the basis of a notice of the Bank of Russia on rendering a positive opinion on the bank's compliance with the requirements established by Article 44 of this Federal Law (hereinafter referred to as requirements for participation in the deposit insurance system).

2. The Agency shall enter a bank in the banks' register at the latest on the working day following the date of receiving the notice of the Bank of Russia specified in Part 1 of this Article.

3. Deposits made with a bank that has a permit of the Bank of Russia, as on the date of this Federal Law' entry into force, shall be insurable in the procedure established by this Federal Law, as of the date of its registration in the deposit insurance system.

Article 44. Requirements with Regard to Participation in the Deposit Insurance System of Banks That Have a Permit of the Bank of Russia on the Date of this Federal Law' Entry into Force

1. A bank that has a permit of the Bank of Russia on the date of this Federal Law' entry into force, shall be deemed satisfying the requirements with regard to participation in the deposit insurance system in the event of its simultaneous compliance with the following conditions:

- 1) if the bank's recording and reporting is deemed reliable by the Bank of Russia;
- 2) if the bank adheres to the obligatory normative standards established by the Bank of Russia;
- 3) if the bank's financial stability is deemed sufficient by the Bank of Russia;
- 4) if the measures, provided for by Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), by Article 20 of Federal Law on Banks and Banking, by Article 3 of the Federal Law No. 40-FZ of February 25, 1999 on Insolvency (Bankruptcy) of Credit Organisations, are not applicable to the bank, as well as if there are no reasons for application thereof on the basis of a special inspection held in compliance with Part 4 of Article 45 of this Federal Law.

2. A bank's recording and reporting shall be deemed reliable by the Bank of Russia, if simultaneously:

- 1) the bank's recording and reporting comply with federal laws, the norms and rules established by the Bank of Russia and the bank's own accounting policy;
- 2) probable drawbacks or errors in the bank's recording and reporting do not essentially affect the assessment of its financial stability.

3. A bank's financial stability shall be assessed by the Bank of Russia using the groups of indices specified in Part 4 of this Article and determining for each of them the overall result "satisfactory" or "unsatisfactory" and shall be deemed sufficient by the Bank of Russia, if the result is "satisfactory" for all groups of indices.

4. The following groups of indices shall apply for assessing a bank's financial stability:

- 1) the group of indices for assessing the capital, which includes indices of the capital's sufficiency and quality;
- 2) the group of indices for assets' assessment, including quality indices of loan debts and other assets, the reserve amounts against losses on loans and other assets, the degree of risk concentration in respect of assets, including the amount of credit risks for stockholders (participants) and insiders;
- 3) the group of indices for assessing the management quality of the bank, operations and risks thereof, including indices of the property structure transparency, of the risk management system organisation, and likewise of the control over the value of the currency position, of the internal control system organisation, including the system resistance to legalisation of illegal incomes and to financing terrorism;
- 4) the group of indices for profitability assessment, including indices of the capital and assets profitability, of the receipts and expenditures structure, of the profitability of individual types of operations and of the bank on the whole;
- 5) the group of indices for assessing liquidity, including indices of assets' liquidity, of commitments' liquidity and structure, of the bank's liquidity in general, the risk for major creditors and depositors.

5. The composition of the indices shown in this Article, methods of their evaluation and determination of their overall results is to be established by normative acts of the Bank of Russia and published by the Bank of Russia in the "Vestnik Banka Rossiya" at the latest in one month, as of the date of this Federal Law's entry into force.

Article 45. Procedure for Rendering by the Bank of Russia of an Opinion on the Compliance of Banks, That Have a Permit of the Bank of Russia on the Date of This Federal Law' Entry into Force, with the Requirements for Participation in the Deposit Insurance System

1. A bank that has a permit of the Bank of Russia on the date of this Federal Law's entry into force and that has decided to participate in the deposit insurance system, shall be entitled within the time period of six months at most, as of the date of this Federal Law's entry into force, to file with the Bank of Russia a petition for the Bank of Russia to render an opinion on the bank's compliance with the requirements for participation in the deposit insurance system (hereinafter referred to as the opinion).

2. The Bank of Russia shall render the opinion within the time period of nine months at most, as of the date of receiving a bank's petition for the Bank of Russia to render the opinion (hereinafter referred to as the petition).

3. The consideration by the Bank of Russia of banks' petitions and rendering opinions in respect of them must be completed within a time period not exceeding 15 months as of the date of this Federal Law's entry into force.

4. The consideration by the Bank of Russia of the petition shall consist of the following stages:

1) preliminary analysis of the bank's compliance with the requirements for participation in the deposit insurance system;

2) a special inspection to assess the reliability of its recording and reporting, as well as to establish facts connected with the determination of the bank's compliance with the requirements for participation in the deposit insurance system and which cannot become known using remote supervision methods;

3) final analysis of the results including evaluation of values of all the criteria;

4) rendering a positive or negative opinion.

5. The operation of Parts 5 and 6 of Article 73 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) shall not extend to special inspections held in compliance with this Federal Law.

6. In the event of the Bank of Russia rendering a negative opinion, to file a repeated petition with the Bank of Russia, save for instances when there are reasons for withdrawal of the bank's license issued thereto by the Bank of Russia in compliance with laws of the Russian Federation.

7. The repeated petition shall be filed by a bank within a time period not exceeding 16 months, as of the date of this Federal Law's entry into force.

8. Consideration by the Bank of Russia of the repeated petition and rendering of an opinion in respect of it have to be completed within a time period not exceeding 21 months, as of the date of this Federal Law's entry into force.

9. It shall not be permissible for a bank to file petitions with the Bank of Russia more than twice.

10. An opinion shall be rendered by the Bank Supervision Committee of the Bank of Russia.

11. The Bank of Russia shall send to a bank a decision on rendering a positive or negative opinion at the latest on the working day following the date of its rendering.

12. A bank, within one month as of the date of rendering by the Bank of Russia of a negative opinion on the basis of the results of considering the repeated petition, shall be entitled to appeal against this opinion to the Bank Supervision Committee of the Bank of Russia, or, in the event of its confirming the negative opinion, to appeal against it once more to the Chairman of the Bank of Russia within one month after such confirmation.

13. The Bank Supervision Committee of the Bank of Russia and the Chairman of the Bank of Russia shall consider a bank's application appealing against a negative opinion within one-month term.

14. The procedure for consideration by the Bank of Russia of the petition or an application appealing against a negative opinion shall be established by normative acts of the Bank of Russia and shall be published by the Bank of Russia in the "Vestnik Banka Rossiyi" at the latest in one month as of the date of this Federal Law's entry into force.

15. The Bank of Russia shall send to the Agency a notice on rendering a positive opinion at the latest on the working day following the date of rendering it.

Article 46. Effects of the Refusal of a Bank, Which Has a Permit of the Bank of Russia on the Date of this Federal Law's Entry into Force, to Participate in the Deposit Insurance System

1. For the purposes of this Federal Law, the following shall be deemed a bank's refusal to participate in the deposit insurance system:

1) the bank's failure to file a petition with the Bank of Russia within six months as of the date of this Federal Law's entry into force;

2) a bank's filing with the Bank of Russia an application for its refusal to attract natural persons' monetary funds for depositing, to open and keep natural persons' bank accounts.

2. The Bank of Russia, in respect of banks refusing in compliance with Part 1 of this Article to participate in the deposit insurance system:

1) on the expiry of 21 month as of the date of this Federal Law's entry into force, shall be obliged to impose a ban on attracting natural persons' monetary funds for depositing and on opening natural persons' bank accounts which will be in effect pending the date of terminating the bank's right to operate with deposits in the procedure established by this Federal Law and with normative acts of the Bank of Russia adopted in compliance with them, or pending the date of withdrawal of the bank's license issued thereto by the Bank of Russia;

2) as of the moment, when a bank is recognised as refusing to participate in the deposit insurance system but at the latest in 21 months as of the date of this Federal Law' entry into force, shall advance a demand to the bank to file a petition for terminating the right to operate with deposits.

3. Banks, to which under Part 2 of this Article said demand of the Bank of Russia is advanced, shall be obliged within a one-month term to send to the Bank of Russia in the procedure established by normative acts of the Bank of Russia a petition for terminating the right to operate with deposits.

4. Banks, which have send to the Bank of Russia a petition for terminating the right to operate with deposits, shall not be entitled, as of the date of sending said petition, to attract natural persons' monetary funds for depositing, or to enter additional monetary assets onto accounts for deposits of the natural persons, with whom a bank deposit contract or bank account contract has been concluded, prior to sending such petition. Information on this has to be placed at the bank's premises accessible to customers thereof, where depositors are served, on the date of filing said petition with the Bank of Russia.

5. A bank deposit contract or bank account contract made by a bank with natural persons prior to the date of the Bank of Russia imposing a ban on attracting natural persons' monetary funds for depositing and on opening natural persons' bank accounts shall not be subject to dissolution, save for the instance when a deposit's (account's) owner demands dissolution of the appropriate contract.

Additional monetary funds, save for the interest accrued in compliance with the terms and conditions of a bank deposit contract or a bank account contract, shall not be entered on the deposit (onto the account) and shall be returnable to the persons that have entered monetary funds to the deposit (onto the account).

6. Banks, on the date of the Bank of Russia imposing (under Part 2 of this Article) a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts, shall be obliged to place information on termination of the right to attract natural persons' monetary funds for deposit and (or) entering onto accounts, on termination of the right to conclude new bank deposit contracts or bank account contracts with natural persons, as well as information on the ban to enter additional monetary funds on deposits and (or) onto accounts opened with a bank prior to the date of the Bank of Russia imposing the ban, at the banks' premises accessible for customers where depositors are served.

7. In the event of a bank's failure to discharge the duties established by Parts from 3 to 6 of this Article, the Bank of Russia shall hold it responsible, as it is provided for by the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), the Federal Law on Banks and Banking and other federal laws.

Article 47. Effects of the Bank of Russia Rendering a Negative Opinion

1. For the purposes of this Federal Law, a bank that has a permit of the Bank of Russia on the date of this Federal Law's entry into force, shall be deemed as not complying with the requirements for participation in the deposit insurance system in the event of:

1) failure to file with the Bank of Russia a repeated petition in the procedure established by Parts from 6 to 8 of Article 45 of this Federal Law;

2) the Bank of Russia rendering a negative opinion on the basis of the results of considering the bank's repeated petition and applications appealing against the negative opinion.

2. The Bank of Russia, within one month after rendering a negative opinion on the basis of the results of considering the repeated petition or within one month after the expiry of the time period for a bank's filing the repeated petition, or within one month after deciding on the invariability of the negative opinion rendered on the basis of the results of considering applications for appealing against a negative opinion, shall be obliged:

1) to advance a demand that said bank file a petition for terminating the right to operate with deposits ;

2) to impose a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts that shall be in effect pending the date of terminating the bank's right to operate with deposits in the procedure established by this Federal Law and the normative acts adopted in compliance with it, or pending the date of withdrawing the bank's license issued thereto by the Bank of Russia.

3. A bank recognised by the Bank of Russia as not complying with the requirements for participation in the deposit insurance system under Part 1 of this Article, shall be obliged within one month as of the date of the Bank of Russia imposing a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts on the basis of the results of the repeated inspection held by it or on the expiry of the time period for the bank's filing the repeated petition, to send to the Bank of Russia in compliance with the procedure established by normative acts of the Bank of Russia a petition for terminating the right to operate with deposits.

4. A bank deposit contract or bank account contract made by a bank with natural persons prior to the date of imposing said ban by the Bank of Russia shall not be subject to dissolution, save for the instance when the deposit's (account's) owner advances a demand to dissolve the appropriate contract. Additional monetary assets entered on a deposit (onto an account), as of the date of imposing said ban by the Bank of Russia, save for the interest accrued in compliance with the terms and conditions of the bank deposit or the of bank account contract, shall not be entered and shall be returned to the persons paying the monetary funds to the deposit (onto the account).

5. Banks, in respect of which in compliance with Part 2 of this Article a ban of the Bank of Russia has been imposed on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts, shall be obliged, at the latest on the working day following the date of imposing said ban, to place information on terminating the right to attract natural persons' monetary funds for deposit and (or) onto accounts, on terminating the right to conclude new bank deposit or bank account contracts with natural persons, as well as information on a ban to entering additional monetary funds onto the deposits and (or) accounts opened with the bank prior to the date of receiving said order, at the bank's premises accessible for customers where depositors are served.

6. In the event of a bank's failure to discharge the duties established by Parts from 3 to 5 of this Article, the Bank of Russia shall hold them responsible as it is provided by the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), the Federal Law on Banks and Banking and other federal laws.

Article 48. Effects of Incompliance of the Banks, Which Are Included into the Bank Register, with the Requirements for Participation in the Deposit Insurance System

1. The banks that are included into the bank register shall be obliged to comply with the requirements for participation in the deposit insurance system.

2. The Bank of Russia in compliance with laws of the Russian Federation shall exercise supervision over banks' compliance with the requirements specified in Part 1 of this Article.

3. Where a bank does not comply with the requirements for participation for three months running, the Bank of Russia shall be obliged:

1) to advance a demand that said bank file a petition for terminating the right to operate with deposits;

2) to introduce a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts which shall be in effect pending the date of terminating the bank's right to operate with deposits in the procedure established by this Federal Law and the normative acts of the Bank of Russia adopted in compliance with it, or pending the date of withdrawing the bank's license issued thereto by the Bank of Russia.

4. A bank, recognised by the Bank of Russia as not complying with the requirements for participation in the deposit insurance system within the time period established by Part 3 of this Article, shall be obliged within one month as of the date of the Bank of Russia imposing a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts, to file with the Bank of Russia in compliance with the procedure established by normative acts of the Bank of Russia a petition for terminating the right to operate with deposits.

5. A bank deposit or bank account contract made by a bank with a natural person prior to the date of imposing said ban of the Bank of Russia, shall not be subject to dissolution, save for the instance when a deposit's (account's) owner advances a demand to dissolve the appropriate contract. Additional monetary funds entered onto the deposit (account) as of the date of by the Bank of Russia imposing said ban, save for the interest accrued in compliance with the terms and conditions of a bank deposit or bank account contract, shall not be entered and shall be returned to the persons paying monetary funds onto the deposit (account).

6. The banks, in respect of which a ban has been imposed by the Bank of Russia in compliance with Part 3 of this Article on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts, shall be obliged at the latest on the working day following the date of imposing said ban to place information on termination of the right to attract natural persons' monetary funds for deposit and (or) onto accounts, on termination of the right to conclude new bank deposits or bank account contract with natural persons, as well as information on a ban on entering additional monetary funds for depositing and (or) onto accounts opened with the bank prior to the date of receiving said order, at the bank's premises accessible to customers where depositors are served.

7. In the event of a bank's failure to discharge the duties established by Parts from 4 to 6 of this Article, the Bank of Russia shall hold it responsible, as it is provided for by the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), the Federal Law on Banks and Banking and other federal laws.

8. A bank refusing to participate in the deposit insurance system in compliance with Article 46 of this Federal Law shall be entitled to petition for the issue thereto of the permit of the Bank of Russia or

lifting a ban on attracting natural persons' monetary funds for deposit and on opening natural persons' bank accounts at the earliest in two years, as of the date this Federal Law's entry into force.

9. A bank, in respect of which a negative opinion on its compliance with the requirements for participation in the deposit insurance system has been rendered in compliance with Article 47 of this Federal Law or which is recognised in compliance with this Article as not complying with such requirements, shall be entitled to petition once more for the issue of a permit of the Bank of Russia or for lifting a ban on attracting natural persons' monetary funds and on opening natural persons' bank accounts at the earliest in two years as of the date of terminating the right to operate with deposits.

Article 49. The Special Features of the Repayment of Deposits of Natural Persons in the Credit Organisations, in Whose Capital the Central Bank of Russia Takes Part, in the System of Insurance of Deposits

The repayment of deposits of natural persons in respect to the sums exceeding the amounts of the sums fixed by the present Federal Law for the reimbursement of deposits in the credit organisations in whose capitals the Central Bank of Russia takes part under bank deposit contracts or the bank account contracts concluded before October 1, 2004, unless no changes and additions are made after September 30, 2004, shall be secured by the subsidiary liability of the Russian Federation according to the depositor's requirements for a bank in the order provided for by Article 399 of the Civil Code of the Russian Federation before January 1, 2007.

Article 50. The Russian Federation Property Contribution

1. The Russian Federation property contribution to the Agency's property shall be made by transferring thereto 3 milliard roubles from the state corporation "the Agency for Restructuring Credit Organisations". 2 milliard of said amount shall be allocated to the compulsory deposit insurance fund and 1 milliard shall be directed for forming the Agency's sources of expenditure for taking the measures provided for by this Federal Law.

2. The property contribution specified in Part 1 of this Article, shall be made in monetary funds and (or) in state securities of the Russian Federation being valued on the basis of their market price within six months as of the date of this Federal Law's entry into force.

3. The monetary assets, received by the state corporation - the Agency for Restructuring Credit Organisations, upon the completion of measures aimed at restructuring credit organisations, shall be transferred in compliance with decisions of its board of directors to the Agency's ownership as the Russian Federation property contribution.

Article 51. Entry of This Federal Law into Force

1. This Federal Law shall enter into force, as of the date of official publication thereof.

2. The Government of the Russian Federation and the Bank of Russia shall determine within a ten-day term, as of the date of this Federal Law's entry into force, candidates for their representatives on the Agency's board of directors.

President of the Russian Federation

V. Putin

The Kremlin, Moscow
December 23, 2003
No. 177-FZ