

## Clarifications of the Ministry of Finance of Russia: a permit of the Government Commission is not required for the appointment and dismissal of the general directors of Russian limited liability companies



### Русская версия

The Ministry of Finance of Russia has published within the framework of its competence Official Clarifications No. 3<sup>[1]</sup> (hereinafter the "**Clarifications**") on Issues of the Application of Decree No. 618 of the President of the Russian Federation dated 8 September 2022 (hereinafter "**Decree No. 618**").

In accordance with the Clarifications, the procedure established by Decree No. 618 for performing (executing) certain types of transactions (operations) is not applicable to instances where the chief executive officer of a Russian limited liability company (the general director, president, etc.) is appointed (dismissed) in accordance with the Labour Code of the Russian Federation.

In our opinion, the issue of these Clarifications is attributable to the fact that Russian courts had started considering the appointment (dismissal) of the chief executive officer as a transaction (operation) which required the receipt of a permit of the Government Commission and had on this basis started invalidating respective corporate decisions.<sup>[2]</sup> In practice notaries have frequently refused to notarise applications to the Unified State Register of Legal Entities for the appointment of new general directors. Effective 1 September 2024 they have also refused to notarise decisions on the appointment of new general directors.

At the same time, the Clarifications point out that the transfer of the powers of the chief executive officer of a limited liability company to a commercial entity or individual entrepreneur is covered by Decree No. 618, as this had already been stated in Official Clarifications No. 1 on the Issue of the Application of Decree No. 618 previously published by the Ministry of Finance of Russia. Consequently, a permit of the Government Commission must be obtained for such transactions.

Overall these Clarifications represent a positive development for business as they eliminate the uncertainty that had arisen in connection with the position that had been adopted by certain Russian courts and reduce administrative costs which had also increased in connection with the need to certify with Russian notaries from 1 September 2024 decisions on the appointment (extension of the term of office, dismissal) of the chief executive officers of limited liability companies.

[1] Letter No. 05-06-13RM/9424 of the Ministry of Finance of Russia dated 3 February 2025.

[2] See, for example, the case of *Denisov vs JV OOO Viaduk*: Judgment No. 13AP-15836/2024 of the Thirteenth Commercial Court of Appeal dated 8 July 2024 in case No. A21-5127/2023; Decision of the Commercial Court of Kaliningrad Region in case No. A21-5127/2023 dated 3 April 2024. You can study respective judicial practice in more detail in our [newsletter from 2024](#).

Kind regards,

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