

TABLE OF CONTENTS

Preface	9
Overview	13

Chapter 1 **General Characteristics**

Geography and climate	23
History	25
Legislative, executive and judicial systems	27
Demographic patterns	30
Ethnic composition and languages	31
Education	31
Employment patterns	32

Chapter 2 **The Economy**

Structure of the economy	36
Recent economic developments	40
Privatisation	52
The development of financial markets	54
The banking sector	54
Policy developments in 1995	57
The outlook	60

Chapter 3 **Foreign Direct Investment Legislation**

Definitions and forms of investment	63
Registration procedures	64

Restricted sectors	69
Termination of investments	70
Guarantees for foreign investors	71
Dispute resolution	75
Incentives	76
Investment promotion	79

Chapter 4
Legislation Relevant to Foreign Direct Investment

Entrepreneurship and corporate law	85
Privatisation	90
Securities market regulations	99
Banking and hard currency operations	103
Currency exchange operations	107
Accounting system	108
Property	111
Secured transactions	112
Bankruptcy	114
Foreign trade and customs regulations	114
Anti-monopoly regulations	121
Environmental regulations	123
Employment issues	125

Chapter 5
The Tax System

Introduction	131
Corporate profits tax	134
Taxation of foreign legal entities	136
Taxation on the property of enterprises – Assets tax	137
Taxation of individuals	137
Other taxes	139

Chapter 6
Regional Aspects to Foreign Investment

Jurisdictional structure of Russia	147
Intergovernmental relations	149

Portrait of the economic regions	150
Regional legislation affecting foreign direct investment	168

Chapter 7

Investment in The Oil and Gas Sectors

Oil production and associated upstream activities	172
Government regulation	174
Legal and other institutional reforms	178
Foreign investment	179
The natural gas sector	180
Considerations for doing business	182

Chapter 8

The Government's Investment Programme

Prerequisites for the growth of investments and tasks for the stimulation thereof ...	190
Creating a favourable investment climate	194
State support for investment activity	197
Organisational and legal conditions for investment	200
Reducing investors' transaction costs	205

Appendices

A. Business Activities Subject to Special Authorisation	207
B. International Treaties	210
C. Hints for the Visiting Business Person	216
D. Action Plan for the Implementation of the Comprehensive Programme for Stimulating Domestic and Foreign Investment in the Economy of the Russian Federation	219
E. Key Ministries and Government Agencies	226
F. Government Organisations Responsible for Foreign Investment	228
G. Associations for Business Promotion	232