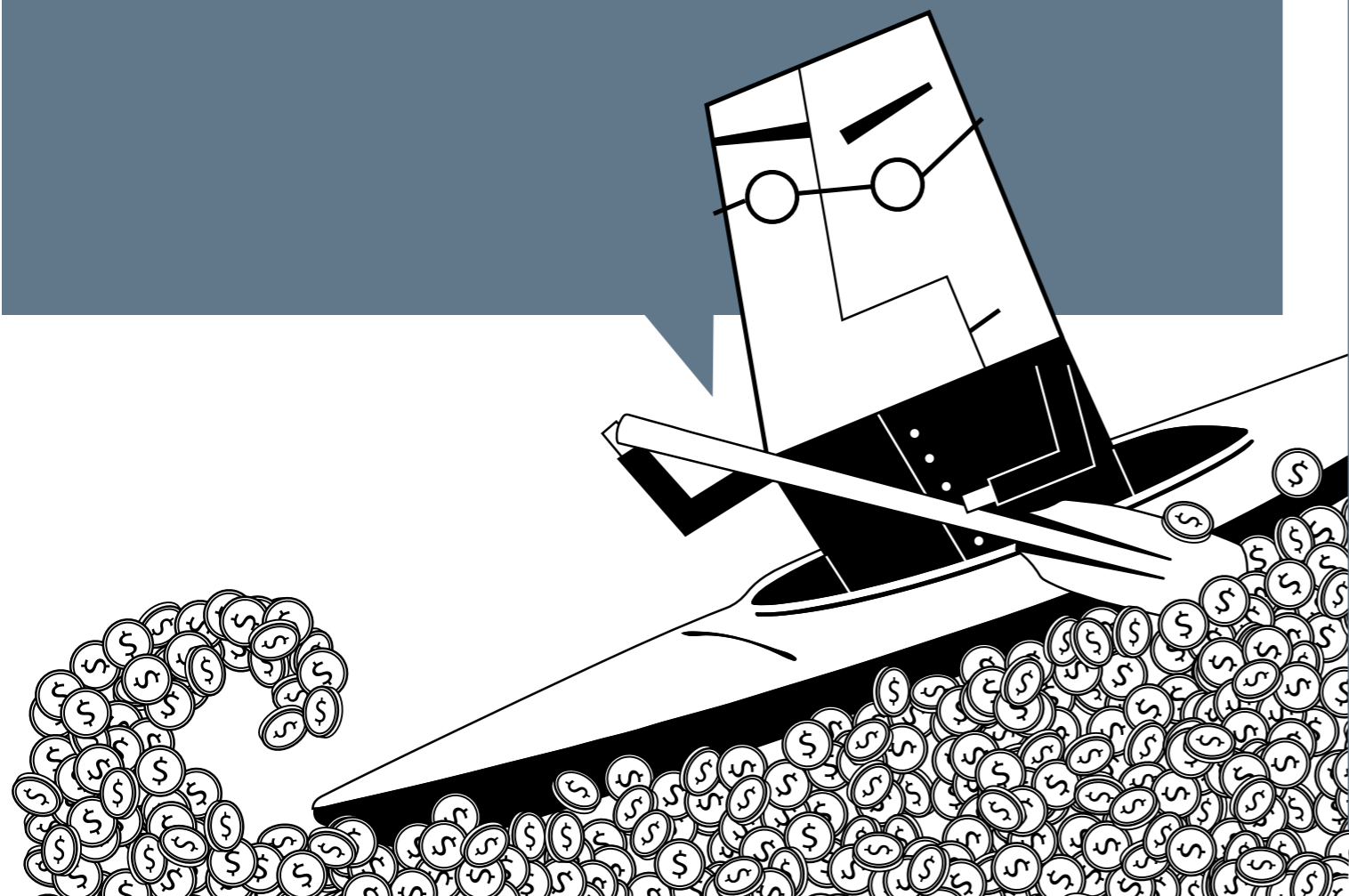




# PROVIDING SUPPORT FOR YOUR FINANCIAL TRANSACTIONS AND DEALINGS

Banking and Finance  
Practice



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# BANKING PRACTICE: FACTS AND FIGURES

The lawyers of our Banking and Finance Practice provide comprehensive legal support to banks, professional players in the securities market, financial institutions, and investors at all stages of their business.

Today, when every day throws up a curve ball and the instability of the global economy and banking sector forces important decisions to be made at speed to develop sustainable business, professional legal support has never been so relevant.

Deep theoretical and practical knowledge in all branches of law, many years of experience in advisory work and litigation, and the manifold opportunities afforded by our team - all this assists Pepeliaev Group's lawyers to develop legal solutions that take account of the specifics of and trends in banking and the intricacies of Russian legislation.

"THE EXPERTS OF PEPELIAEV GROUP'S BANKING PRACTICE ARE ABLE TO DELIVER AN EXTREMELY PROFESSIONAL APPROACH. AND THE BEST PART OF IT IS THAT IT IS BOTH TIME AND COST EFFICIENT".



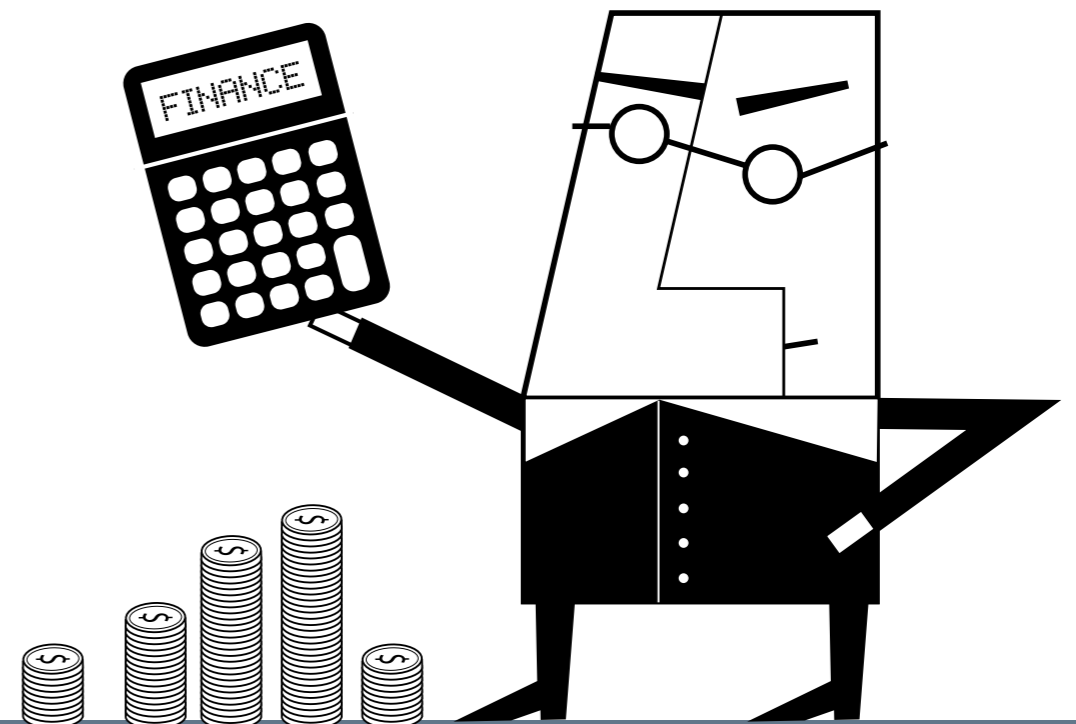
Banking and Finance Practice ratings:



The practice handles over **30 major projects** annually



**63%** of the practice's **clientèle** are banking and financial institutions



# REGISTRATION, LICENSING AND REGULATORY ADVICE FOR BANKS AND OTHER FINANCIAL INSTITUTIONS

## 01 SUPPORT DURING THE REGISTRATION OF A NEW BANK IN RUSSIA

Our Banking and Finance Practice's lawyers represented one of Korea's largest financial groups during the process of the creation of and the obtaining of a licence for the Russian subsidiary of Korea Exchange Bank. The task set before our team of experts was to provide support throughout the entire process of registering and obtaining a licence for a new bank in Russia, including drafting the set of documents and filing these documents with the regulatory authorities. Our lawyers' efforts resulted in the bank receiving its licence.

## 02 LEGAL SUPPORT DURING THE REGISTRATION OF A CREDIT RATING AGENCY

Our experts provided legal advice to a client who was registering a credit rating agency. During the project we had to (i) prepare the entire set of documents for state registration, (ii) arrange for the notarially certified signing of the application by the representatives of 27 founders that were major Russian corporations, (iii) participate in a shareholders' meeting fulfilling the functions of the secretary, and (iv) provide integrated support involving the coordination of and solutions to various legal issues arising in the course of the registration process initiated by the founders.

## 03 LEGAL ADVICE TO A CLIENT ACQUIRING A LARGE STAKE IN A RUSSIAN COMMERCIAL BANK

Pepeliaev Group's lawyers provided legal support to a client, a major global investment fund, on matters including regulatory requirements, preparing and filing documents as well as obtaining approval from the Central Bank of Russia to acquire a large

participatory interest in a Russian commercial bank. The project also involved advising on restructuring and statutory reporting relating to the participation in the issued capital of a Russian bank by the offshore investment funds managed by our client.

# MANAGING BAD DEBT

## 01 SUCCESSFULLY REPRESENTING A CLIENT WHO WAS A CREDITOR IN A BANKRUPTCY CASE

Pepeliaev Group's lawyers successfully safeguarded the client's multi-million dollar interests as a creditor in a hostile environment (deliberate bankruptcy of the debtor). The task included: (i) contesting controlled monetary claims of creditors affiliated with the debtor, (ii) analysing counterclaims of an affiliated creditor, establishing the elements of a crime in the concerted actions of creditors and debtors, and instituting criminal proceedings, (iii) ensuring that the interests of our clients were complied with in creditors' committees; (iv) interacting with the receivers; (v) establishing the rights of the clients to pledged real estate; (vi) preparing debtors' property to be sold at auction; and more.

## 02 CHALLENGING A TRANSACTION IN A CASE CONCERNING THE BANKRUPTCY OF A BANK

The firm's experts successfully defended a large Latvian bank in a case regarding the bankruptcy of another bank. We allowed the client to preserve assets in an amount exceeding RUB 6 billion, such assets having been transferred to the client by the bank just before the bankruptcy proceedings were initiated. The specific feature of this dispute lay in the need to prove that margin lending transactions had the particular nature of ordinary transactions, including from the point of view of European and Latvian law on financial pledges. The most complicated thing was the fact that the transaction was consummated during a high-risk period – just before the bankruptcy proceedings were initiated against the bankrupt bank.

## 03 SAVING THE CLIENT'S TRANSACTIONS TOTALLING RUB 340 MILLION

In a bankruptcy case of a commercial bank, the receiver (Deposit Insurance Agency) challenged the debtor's transactions to settle its debts to another commercial bank (Pepeliaev Group's client) under bank-to-bank loans. In courts of three levels, our lawyers succeeded in saving the client's transactions, the total value of which was RUB 340 million, exceeding 10% of the debtor's assets. The settlements that the debtor made were in non-cash form. The project has been completed

successfully. The Russian Supreme Court upheld the judicial decisions. The project involved Deposit Insurance Agency seeking to have the settlements invalidated under bank-to-bank loans made with promissory notes handed over and totalling more than 1% of its assets less than a month before the debtor bank had its licence revoked. The claims were dismissed, which made this a unique case that sets a precedent.

# LEGAL SUPPORT IN FINANCIAL TRANSACTIONS

## 01 LEGAL SUPPORT TO A CLIENT SELLING ITS SUBSIDIARY BANK

The practice's lawyers represented Hellenic Bank PLC, a Cyprus bank, when it was selling its 100% stake in its Russian subsidiary LLC CB Hellenic Bank to several Russian-based investors. Among the tasks we had to perform were the structuring of the transaction, the drafting of the contractual documents, and holding the negotiations on the sale and purchase of the Russian bank's shares.

## 02 LEGAL SUPPORT IN PURCHASING A RUSSIAN BANK

Pepeliaev Group's lawyers provided legal support to an investment group purchasing a Russian bank. The project involved pre-transaction legal due diligence, structuring the transaction, and drafting all documentation required (under Russian and English law), as well as obtaining consents from government authorities and closing the transaction.

## 03 ADVISING THE CLIENT WITH RESPECT TO SECURING THE CONSTRUCTION OF A MARINE OIL-FIELD PLANT

Pepeliaev Group's lawyers advised a large Russian oil company on a variety of matters arising with regard to the potential building and restructuring of the arrangements relating to the financing and facilitating the construction of a marine oil-field plant. The project tasks included an analysis of the unfulfilled obligations relating to providing financing and collateral, developing and agreeing the position of the contractor and other banks, as well as drafting the restructuring agreements.

## 04 TRANSACTIONAL SUPPORT IN THE INTEGRATED RESTRUCTURING OF SEVERAL CROSS-BORDER NON-ACCRUAL LOANS PROVIDED BY A MAJOR BANKING GROUP

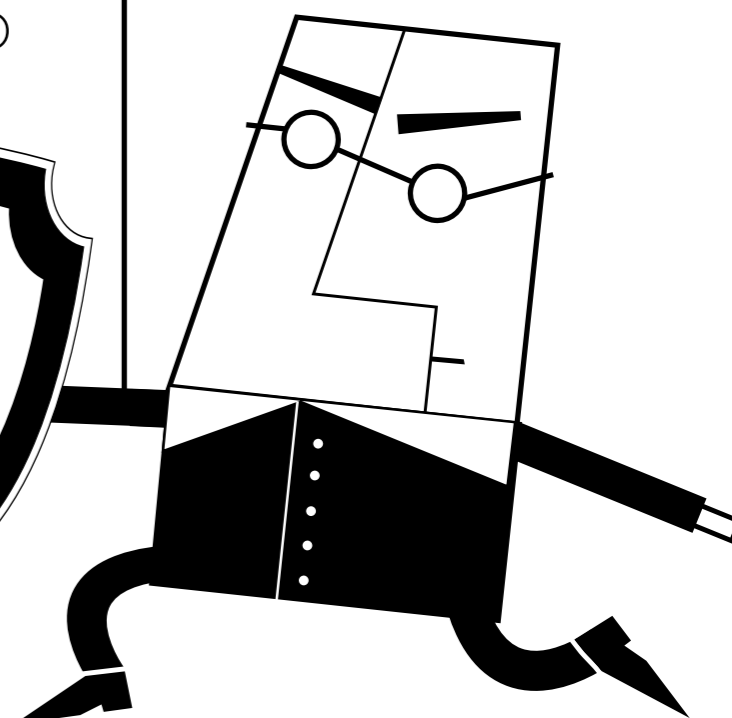
Pepeliaev Group's lawyers provided integrated legal advice with respect to a comprehensive restructuring of several cross-border non-accrual loans provided by one of the largest European banking groups and related pledge and security agreements. They also produced legal opinions on restructuring transactions. The restructuring transactions involved matters of Russian, Ukrainian, and French law. Our lawyers helped the client to successfully structure, agree and close debt restructuring deals with borrowers located in various jurisdictions.

## 05 SUCCESSFULLY PROTECTING THE CLIENT'S ASSETS IN COURTS FROM BEING SEIZED AND WRITTEN-OFF

The practice's team represented a major financial corporation in the Russian courts of appeal in a series of legal proceedings with respect to the title to financial instruments securing the issuance of global depository receipts recorded on the depository account of a foreign nominal holder in a Russian depository. Pepeliaev Group's lawyers successfully protected the assets (securities) on the client's accounts from being seized and initially written off in the courts of first instance during both criminal and civil-law proceedings, and then in three courts of appeal and in the

Russian Supreme Court. Comprehensive cross-border matters concerning the legal regulation of securities transactions in Russia, the UK, and the USA as well as Russian criminal and procedural law matters were considered as part of the proceedings. The proceedings required the application of new legislative provisions which had not been previously applied in Russian courts which, therefore, represented matters of global significance for all Russian securities market players.

"PEPELIAEV GROUP HAS 'DEEP AND BROAD BUSINESS ACUMEN AND INDUSTRY KNOWLEDGE'".



# LEGAL SUPPORT FOR RETAIL BANKING AND FINANCIAL SERVICES TO PRIVATE INDIVIDUALS

## 01 REPRESENTING A BANK IN A DISPUTE CONCERNING CONSUMER PROTECTION

Pepeliaev Group's lawyers represented a Russian subsidiary bank, part of a major international financial corporation, in the courts of the first instance and appeal in a series of interrelated disputes involving the protection of consumer rights in banking and financial services. We provided integrated support during the litigation, which encompassed a range of legal issues relating to consumer protection in the area of banking services. The case set an important precedent for the financial market as a whole.

## 02 COMPREHENSIVE ANALYSIS OF A POTENTIAL MODEL FOR DISTRIBUTING THE CLIENT'S INSURANCE PRODUCT

Pepeliaev Group's legal team performed a comprehensive in-depth analysis of the antimonopoly aspects of the commercial partnership of our client, a large insurance company, with a bank. Our experts reviewed organisational and commercial aspects of the intended distribution model which the client planned to implement together with the bank.

## 03 LEGAL SUPPORT OF CREDIT PROGRAMMES

Pepeliaev Group's lawyers participated in the development of standard documentation subject to a regulator's requirements with respect to credit and other card products for Russian financial institutions and international payment systems.

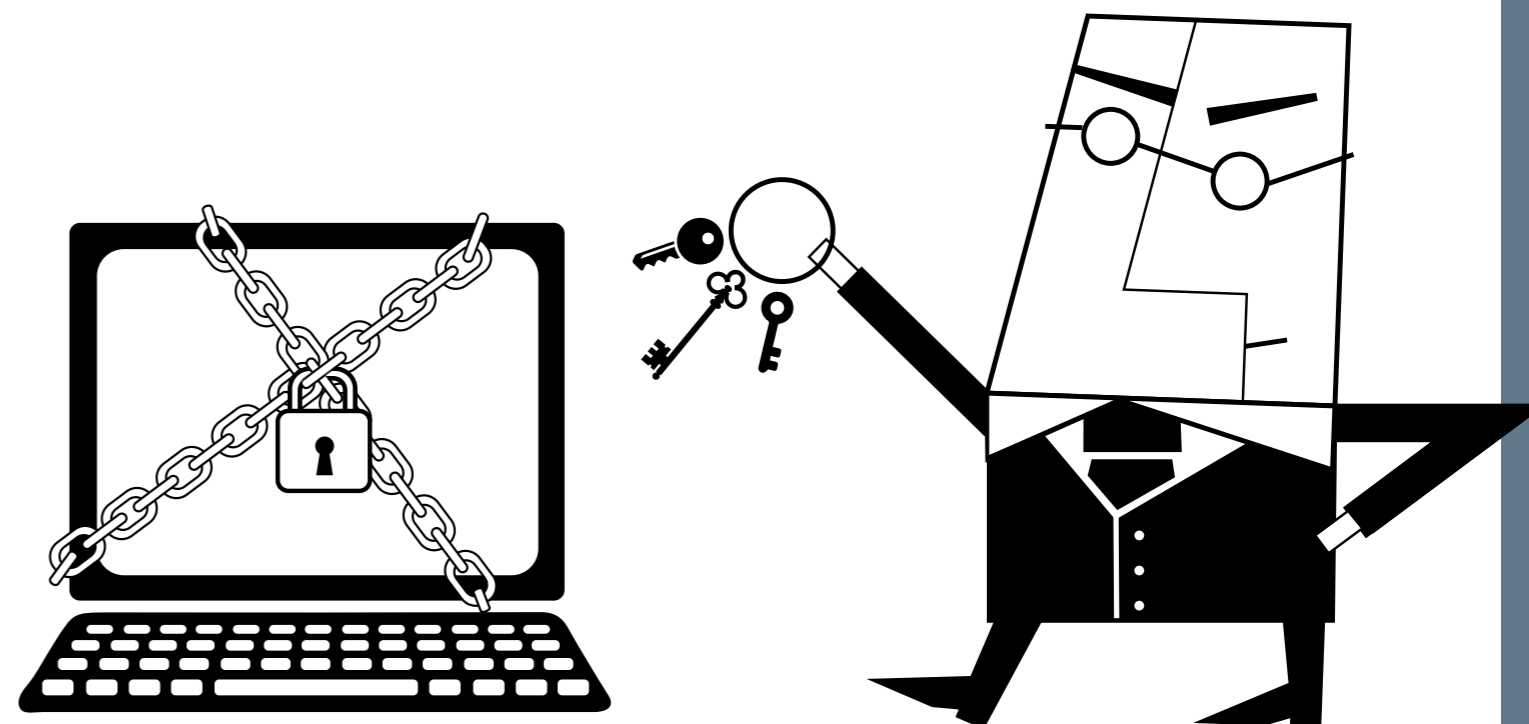
# LEGAL PROTECTION OF DATA

## 01 BUILDING A POSITION ON THE DISCLOSURE OF INFORMATION CONCERNING CONTROLLING PARTIES

Our Banking and Finance Practice's team advised a large foreign investment fund. The project resulted in the formation of a position on the disclosure of information of controlling parties, beneficiaries, and beneficial owners with respect to investment in the financial sector.

## 02 ADVISING ON PERSONAL DATA PROTECTION

Pepeliaev Group's experts advised a large foreign bank on matters of compliance under Russian legislation with respect to the protection, processing, and cross-border transfer of personal data of Russian citizens (clients).



# ADVISING ON THE TAX ASPECTS OF FINANCIAL TRANSACTIONS

# THE TEAM

## 01 HAVING BANK LOYALTY PROGRAMMES EXEMPTED FROM BEING ADDITIONALLY TAXED

The firm's lawyers represented one of America's largest finance corporations in a complex tax dispute that touched on various issues concerning the taxation of banking activity. The case was an important precedent for the entire banking sector. Pepeliaev Group's lawyers managed to prove, before the Presidium of the Russian Supreme Commercial ('Arbitration') Court, that the fact of VIP clients receiving bonuses from banks does not generate taxable income. The decision that the Supreme Commercial Court issued helped to protect banks' loyalty programmes from being additionally taxed. Such disputes set important precedents for the entire banking sector.

## 03 THE SUPREME COURT'S JUDICIAL BOARD FOR ECONOMIC DISPUTES FULLY UPHELD THE CLIENT'S CLAIMS IN FULL

Lawyers from Pepeliaev Group's tax practice successfully defended the interests of a credit institution in a dispute with the tax authority. State commercial courts of three levels had upheld the lawfulness of the decision of the tax authority to additionally assess profit tax in connection with payroll costs being excluded from expenses when employees had been dismissed by agreement of the parties. The bank's appeal to the Supreme Court was subsequently referred to the Supreme Court's Judicial Board for Economic Disputes. Having considered the bank's appeal, the Supreme Court's Judicial Board for Economic Disputes quashed all the judgments and, without referring the case for a new trial, sustained all the bank's claims in full. This is a rarity in the context of similar disputes.

## 02 SUCCESSFUL PROTECTION OF THE CLIENT'S INTERESTS IN A CASE CONCERNING THE DEDUCTION, IN PROFIT TAX, OF EXPENSES ON FUTURES TRANSACTIONS

Following a tax audit of a large foreign bank, the tax authority handed down a decision in which it went back on a point that had previously been demonstrated in terms of expenses relating to futures transactions being legitimately deducted from the profit tax base. Including fines, the amount claimed was more than RUB 300 million. The tax dispute related to proving the business purpose of currency swap transactions. There was a need to refute the tax authority's assertion that the transactions were ostensibly loss-making (the tax authority, among other things, took account of the result of the transactions based on the Central Bank exchange rate against their real, actual profitability). One of the particular features of the case was the difficulty of analysing and proving the time at which the transactions were actually concluded and whether prices under them were at market value.



IGOR MARMALIDI  
Partner

i.marmalidi@pgplaw.ru

### Specialist area

Igor has 20 years of experience in advising clients on different legal issues including providing legal support for large projects in the banking industry, providing regulatory advice for credit institutions and professional players in the securities market, advising on corporate, banking and financial law matters and on structuring international financial and investment transactions, as well as on the issuing and the circulation of securities.

### Key accomplishments

The team of lawyers headed by Igor provides comprehensive legal support for banking and financial institutions including:

- handling capital markets transactions;
- structuring financial transactions and transactions in which a security is given;
- handling transactions involving derivatives;
- restructuring and collecting bad debts.

Prior to joining Pepeliaev Group, Igor served for 14 years as Head of the Legal Department of Citibank, providing legal support for Citibank's business in Russia, Ukraine and in Kazakhstan. Before joining Citibank, Igor spent several years working as a lawyer at Russian and international law firms in Moscow and New York City.

He obtained a Master of Laws degree (LLM) from the Case Western Reserve University (USA). He is a licensed attorney, admitted to practice law in the State of New York (USA).

### Major clients

Hellenic Bank, Alfa-Bank, VimpelCom, Baring Vostok Capital Partners.

### What they say

IFLR1000: "Pepeliaev Group's Igor Marmalidi, a dual-qualified US and Russian lawyer who was previously head of Citibank's legal department, is recommended".



LIDIA GORSHKOVA  
Head of Banking & Finance Practice

lgorshkova@pgplaw.ru

### Specialist area

Lidia specialises in the legal regulation of banking activities. She advises on matters connected with mergers and acquisitions of credit institutions, conducts due diligence, advises on structuring transactions, and provides support during such transactions. She has significant experience of advising clients on different issues including the regulation of credit institutions' activities by authorised state bodies as well as acquiring and reorganising credit organisations and providing legal support for their operations.

### Key accomplishments

For more than 12 years Lidia has been advising credit institutions and investors on matters that can influence the activities of financial institutions in Russia.

Sample projects:

- comprehensive legal advice and support in connection with the registration and licensing in the Russian Federation of a fully-owned subsidiary bank of one of Korea's largest financial groups;
- provided advice and assistance to a large investment company on a range of matters connected with the acquisition of a Russian bank including conducting due diligence, structuring the transaction and preparing all necessary documentation;
- extensive legal advice in connection with the sale of the Russian subsidiary of Cyprus-based bank. The work on this project included structuring the deal under Russian law, providing assistance in preparing the transactional documents and participating in the closing of the deal, as well as providing assistance with all registration formalities in Russia.

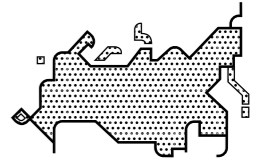
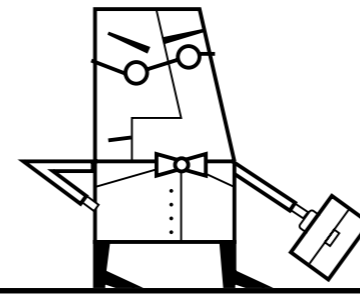
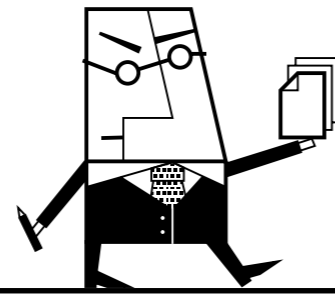
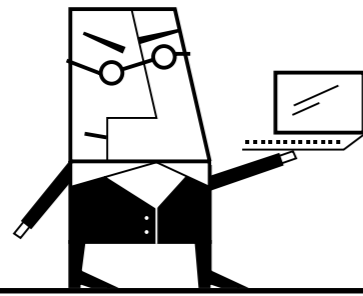
### Major clients

Hellenic Bank, Rietumu Bank, Baring Vostok Capital Partners.

### What they say

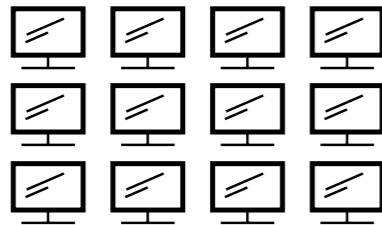
The Legal 500: "Clients note Lidia Gorshkova's deep knowledge of banking law".

# ABOUT THE FIRM

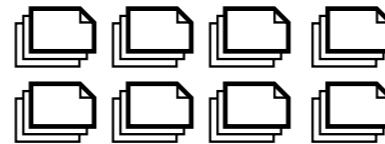


2024

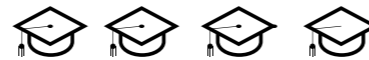
**Employees**  
**250**



**Lawyers**  
**160**

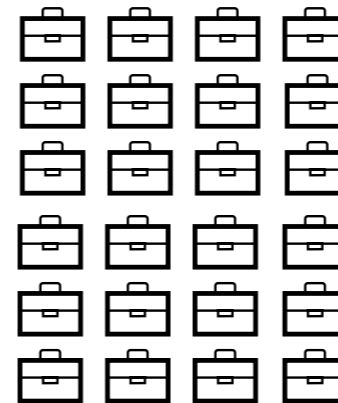


Our lawyers include twenty two Doctors of Law and PhDs in Law



Pepeliaev Group lawyers are constantly involved in drafting legislation and are called on to act as experts in state bodies, at the highest level. Thus they are involved in creating a favourable business environment in the country

**Clients**  
**2000**



**Practices**  
**20 law practices**

- Tax Law
- Currency Control
- Administrative Law
- Defence of Business
- Corporate Law / M&A
- Antimonopoly Regulation
- Commercial Law
- Banking and Finance Law
- Real Estate & Construction
- Dispute Resolution & Mediation
- International Litigation and Arbitration Practice
- Bankruptcy
- Intellectual Property
- Customs Law
- Employment and Migration Law
- Data Protection
- Legal GR and defence against illegal takeovers
- Family and Inheritance Law
- Criminal Law Defence of Business
- Services for Private Clients
- Translation and interpreting

**10 branch of economy**

- Life sciences
- Ecology
- Telecom, media and IT
- Digital Economy Legal Support Group
- Energy
- Oil and gas sector and mineral resource use
- Legal support of projects in the sphere of culture and art
- Maritime law
- Automotive industry and transportation
- Production and sale

**Offices**  
**8**

- Moscow
- St Petersburg
- Nizhnekamsk
- Krasnoyarsk
- Vladivostok
- Beijing
- Shanghai
- Dubai

2002

The year we were founded

**19**



**15**



**50**



**5**

- Tax Law
- Customs Law
- Corporate Law
- Commercial Law
- Real Estate & Construction

**1**



Rankings



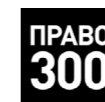
CHAMBERS EUROPE

CHAMBERS GLOBAL

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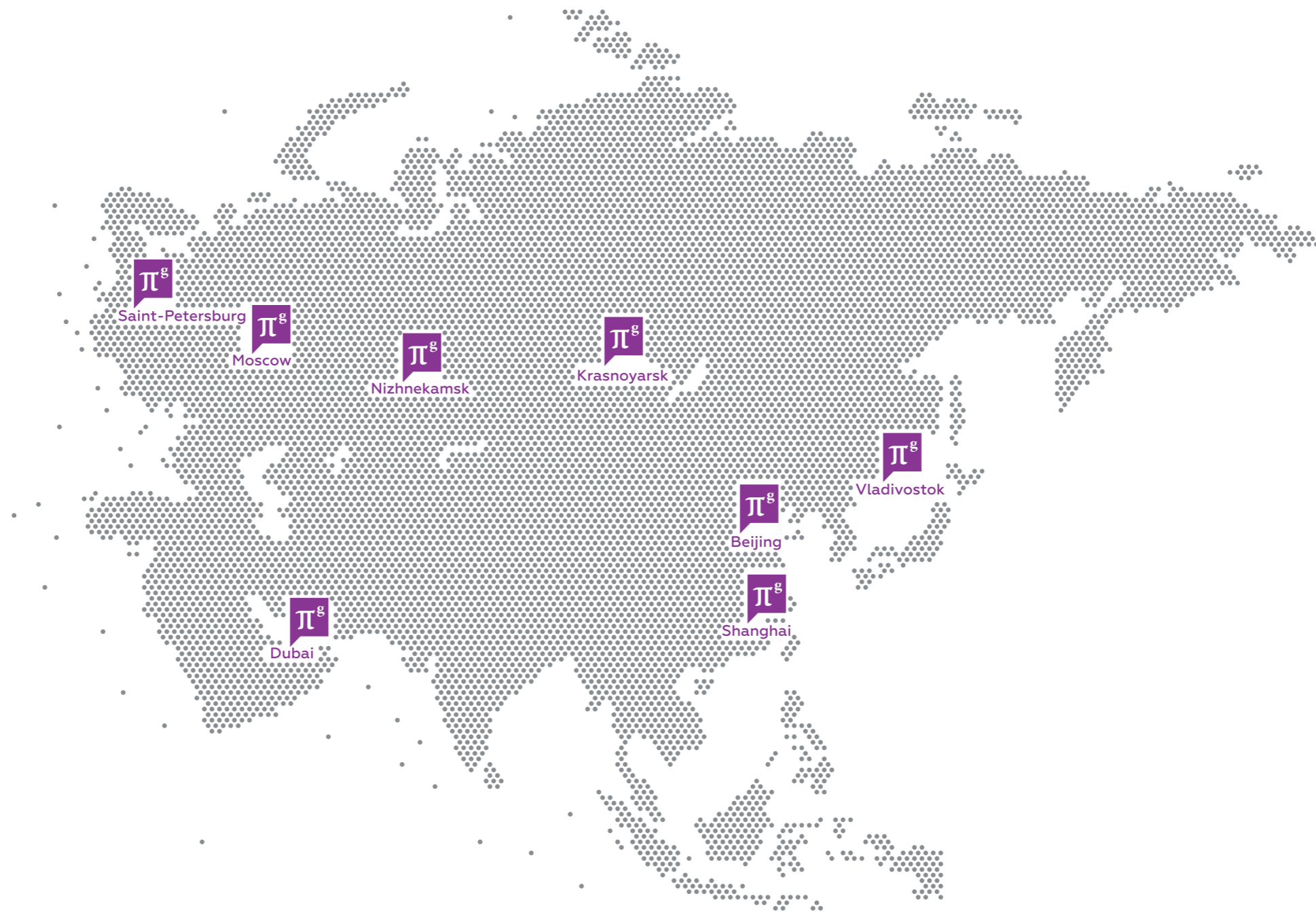
World Trademark Review

INTERNATIONAL TAX REVIEW



Best Lawyers

# GEOGRAPHICAL SCOPE OF OUR SERVICES



## REGIONAL OFFICES

Pepeliaev Group has offices in Russia located in Moscow, St Petersburg, Nizhnekamsk, Krasnoyarsk and Vladivostok.

What do our local offices offer to our clients?

- Local knowledge
- Time-efficient communication
- Favourable pricing

## CHINESE DESK

- Offices in Beijing, Shanghai.
- Support for Chinese investors in Russia and for Russian investors in China.
- We have strategic partners on the Chinese market.
- Comprehensive legal support.

## KOREAN DESK

- Legal advice to Korean companies in Russia and to Russian investors in Korea.

## MIDDLE EAST DESK

PG TAX Consultancy LLC provides services on tax structuring and tax consultancy in UAE and GCC.

- Tax structuring in the GCC states.
- Tax support.
- Tax consultancy in the UAE.
- Private Wealth Tax Services in UAE.
- Tax Compliance.
- Legal project management.

## INTERNATIONAL PROJECTS

- Pepeliaev Group is a member of the TerraLex international association of law firms.
- Pepeliaev Group is also a part of Taxand, which is a well-known tax advisory group.
- Efficient liaison with partners which are leaders in their respective jurisdictions.
- Comprehensive project management and a single manager to address all project-related issues.

